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SENIOR COMMUNITY SERVICE EMPLOYMENT: REAUTHORIZATION OF THE OLDER AMERICANS ACT TITLE V

HEARING

BEFORE THE

SUBCOMMITTEE ON RETIREMENT SECURITY AND AGING

OF THE

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS
UNITED STATES SENATE

ONE HUNDRED NINTH CONGRESS

SECOND SESSION

ON

EXAMINING THE REAUTHORIZATION OF THE OLDER AMERICANS ACT TITLE V, FOCUSING ON SENIOR COMMUNITY SERVICE EMPLOYMENT

MARCH 28, 2006

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SENIOR COMMUNITY SERVICE EMPLOYMENT: REAUTHORIZATION OF THE OLDER AMERICANS ACT TITLE V

TUESDAY, MARCH 28, 2006

U.S. SENATE,
SUBCOMMITTEE ON RETIREMENT SECURITY AND AGING,
COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:36 p.m., in room SD–430, Dirksen Senate Office Building, Hon. Mike DeWine, chairman of the subcommittee, presiding.

Present: Senators DeWine and Murray.

OPENING STATEMENT OF SENATOR DEWINE

Senator DEWINE. Good afternoon. We welcome all of you to the Subcommittee on Retirement Security and Aging's hearing on the reauthorization of the Older Americans Act. Today, we will be focusing on Title V of the Older Americans Act—the Senior Community Service Employment Program.

I want to thank Senator Mikulski, the subcommittee's ranking member, for her interest in these issues. The Senator has asked that I let everyone know that she is not going to be able to attend today's hearing. She is disappointed she cannot be here, but President Bush just asked her to attend a small meeting at the White House on America's Agenda for Innovation and Competitiveness. Because this matter is so important to Senator Mikulski and our Nation, she feels she needs to be there. As all of you know, this issue is very important to her, and we will continue to work on reauthorizing the Older Americans Act.

As many of you may remember, during the reauthorization process in 2000 Senator Mikulski and I worked on this bill, and I look forward to working with her again on the Older Americans Act.

Just over a month ago, we had many of the same people who are here in this room give their remarks on reauthorization at a roundtable on the Older Americans Act. Since that time, we have received the recommendations for reauthorization from both the Department of Labor and the Department of Health and Human Services. I look forward to working with all of you on your recommendations as we move forward and move toward reauthorization of this very important piece of legislation.

As we know, older Americans are a vital and rapidly growing segment of our population. Over 36 million people living in the United States are over the age of 65, accounting for about 12 per-

cent of the population of this country. The Census Bureau projects that 45 years from now, people 65 and older will number nearly 90 million in the United States and comprise 21 percent of our population. Further, we know that 4.6 million people aged 65 and older are still employed.

The Older Americans Act is an important service provider for these Americans. The SCSEP program is the only one in the act administered by the Department of Labor. It is designed to employ older Americans and supplement their income, while providing their communities with needed services.

This program is working well. However, that is not to say that it cannot be improved. We need to seriously consider the new generation of older Americans and what new and different job opportunities they may want in the future.

This afternoon, we will hear from the Department of Labor on their recommendations for the reauthorization of title V. We also will hear from three organizations that provide title V services. Unfortunately, we were unable to find a State to testify, but I do want to note that States do have a large role in this program.

In 1999, this subcommittee's last hearing on title V, we were fortunate to have representatives from the States of both Florida and Arkansas. I hope that States will remain engaged in this reauthorization process as they have been in the past.

I look forward to the testimony today. I expect that we will hear both what does and what does not work in title V. As the population continues to age in America, we must view this program through new eyes to ensure that it is providing the services necessary to support the demands of tomorrow.

As I mentioned before, the reauthorization of the Older Americans Act is the top priority of this subcommittee. I welcome the opportunity to work with the witnesses here today and with my colleagues here in the Senate to reauthorize a program that meets the needs of today's and tomorrow's older Americans.

We have two panels today. The first panelist will be Mason Bishop, the Deputy Assistant Secretary for Employment and Training at the Department of Labor. We welcome you, Mr. Bishop. In his position, he is responsible for overseeing key workforce investment programs, as well as developing and implementing workforce policies and priorities.

Mr. Bishop is accompanied today by John Beverly, who is currently the administrator of the Office of National Programs. Mr. Beverly, we welcome you as well. In this role, Mr. Beverly provides direction to the program offices for Foreign Labor Certification, Seasonal Farm Works, Older Workers, Native Americans, and Disability and Workforce Programs. Mr. Bishop will be providing the timed testimony, and Mr. Beverly will be available for any technical questions that we have. Thank you both for being with us.

Mr. Bishop, I look forward to your testimony and to working with you and assistant secretary DeRocco on the reauthorization of title V. You may begin.

STATEMENT OF MASON M. BISHOP, DEPUTY ASSISTANT SECRETARY FOR EMPLOYMENT AND TRAINING, U.S. DEPARTMENT OF LABOR; ACCOMPANIED BY JOHN BEVERLY III, ADMINISTRATOR, OFFICE OF NATIONAL PROGRAMS, EMPLOYMENT AND TRAINING ADMINISTRATION, U.S. DEPARTMENT OF LABOR

Mr. BISHOP. Mr. Chairman, thank you so much for this opportunity, and I do think actually it is relevant that Senator Mikulski is talking about the Innovation Agenda because it really is relevant to the discussion we are going to have today, which is all about how do we ensure that we have a competitive workforce in a global economy.

I am pleased to be able to come before you today and talk about title V and the reauthorization of the Older Americans Act. As you noted, in May 2005, Employment and Training Administration Assistant Secretary Emily Stover DeRocco did share reform principles during testimony before this subcommittee at a hearing on reauthorization of title V. The Administration's proposal is based on those principles, and I do want to reiterate those as part of my oral comments today.

First, we do believe that we should streamline the program structure, and the Department is proposing to eliminate the unnecessary bifurcated nature of this program whereby some funds go to States and others are administered nationally. We believe this is a very inefficient way to run a program. Instead, we propose allocating funds for the SCSEP program to States according to a statutory formula. Each State would then compete their funds among nonprofit entities, for-profit entities, and agencies of State government to operate the program in their State.

Now, some grantees have expressed concern with having to compete on a state-by-state basis, so an alternative approach might be conducting a national competition on a state-by-state basis. We do maintain separate grant awards for Indian and Native Americans and Asian-Pacific Islander organizations under our proposal.

Second, we do propose increasing the minimum age for eligibility. Our proposal increases this minimum age to those that are 65 and older. Because people ages 55 to 64 are still of working age, their employment and training needs are best met through the One-Stop Career Center system, of which SCSEP is a partner. Limited SCSEP resources should be targeted to older Americans. We also propose that 1.5 percent of appropriated SCSEP funds be reserved for outreach to businesses and older workers, demonstrations and pilots, training and technical assistance, and dissemination of best practices.

In addition to changing the age requirement, our proposal would clarify the income eligibility standard and stipulate what participant income should count when the income eligibility test is applied. Because this particular issue has created confusion during the past couple of years, we are looking to Congress to provide clarity through reauthorization.

Third, we do believe the program needs to be more focused on employment outcomes, and our proposal would enhance the employment focus as follows:

First, we would increase the limit on the percentage of grant funds grantees may spend on training.

Second, we would authorize occupational training before or concurrent with community service.

Third, we would propose limiting the program to 2 years, as individuals transition from community service to unsubsidized employment.

And, fourth, we would recommend eliminating fringe benefits, including pensions.

Next, we would also strengthen performance accountability by using the common performance measures that most workforce programs currently are under, including SCSEP, which will hold all grantees accountable for entered employment, retention in employment, and earnings. Grantees will be authorized to track and report on additional outcomes, such as the provision of community services, if they so choose, though they would not be federally required to do so.

In conclusion, this legislative proposal for reauthorization will streamline the SCSEP program, strengthen its ability to meet employer needs for skilled, experienced workers, and allow grantees to tailor services to meet the needs of older workers. Reauthorization as proposed will also better integrate SCSEP services with the Workforce Investment Act services to more effectively serve these participants.

In closing, Mr. Chairman, this concludes my prepared statement, and I do submit for the record my extended written testimony. We look forward to working with you on reauthorizing the Older Americans Act, and we are hopeful that by working together this important legislation can be enacted later this year. And I would be happy to answer any questions you or the committee might have.

Senator DEWINE. Mr. Bishop, thank you very much.

Senator Murray has joined us. Senator Murray, thank you very much. Do you have any opening comments you would like to make?

OPENING STATEMENT OF SENATOR MURRAY

Senator MURRAY. If I could, and unfortunately, it is a busy afternoon, as you well know, but I do want to thank both you and Ranking Member Mikulski for your efforts on reauthorization of the Older Americans Act. I think this is the third subcommittee hearing on this that is being held in preparation for authorization. I am really hopeful that we can work together in a bipartisan manner as we did back in 2000 to get a good, clean reauthorization bill this year. It simply cannot take us 5 years again to get this done, as it did the last time the authorization expired.

I know the focus of today's hearing is an important component of the Older Americans Act. Title V, of the Senior Community Service Employment Program, has been a success. It has served a dual purpose in providing part-time employment for older workers while staffing key community service programs. And many of these programs depend on volunteers and have a shoestring budget, but placing older workers at these job sites provides important community services and invaluable jobs for older workers.

I do want to say that I am very troubled by the actions that were taken by the Department of Labor on March 2nd, which I worry

can seriously undermine the success of this program. It appears to me that the Department is trying to do, through the regulatory process, what it could not do in Congress, which was turn this into a block grant program. And one of the reasons that reauthorization was delayed for 5 years was due to the efforts that many saw was a dismantling of this program and consolidating it into a block grant without Federal, State, and local job training programs.

The Department of Labor I think is disregarding the intent of Congress and jeopardizing the reauthorization process, and I hope the Department will withdraw these regulations and give Congress time to reauthorize the Older Americans Act and do it in a way that we know our communities support.

Senator DEWINE. Senator Murray, thank you very much.

Mr. Bishop, let me kind of follow up on that. The focus of this hearing is, of course, the reauthorization of the title V program. However, I do want to begin by addressing and moving forward from the issue of the recent Solicitation for Grant Application, SGA, that the Department did announce on March 2nd. There have been a number of concerns raised with the timing and the content of this SGA, which I look forward to continuing to work on with your office.

Let me just ask you why the Department feels it is necessary to compete this award now before title V is reauthorized.

Mr. BISHOP. Thank you, Senator, and let me clarify real quickly that it is a Solicitation for Grant Applications. It is not a regulatory action that we are talking about. The regulations were finalized back in 2004, and so this is just a solicitation to recompete the program in terms of who would administer the program.

First let me say that we fundamentally believe at the Department of Labor that competition is a good thing amongst grant programs and that it does spur innovation. And, in fact, in 2003, when we competed the program really for the first time in many, many years, we have four organizations in this room today that otherwise would not be here had we not competed the program. We had four organizations—Easter Seals, SER-Jobs for Progress, the National Able Network, and Mature Services—who each now have the opportunity to serve older workers and we believe are doing very well as a result because we competed the program 3 years ago. Prior to that, none of these four organizations were direct grant national organization grantees of us.

With that said, we do believe in looking at the intent of the law and in looking at the court case that came as a result from the U.S. District Court of the District of Columbia in 2003, that clearly competition is allowed under this law and under this framework. In fact, if you look at Section 514 of the law, it talks about grants being for a 3-year period of time. We competed the program in 2003, and now it is 2006, 3 years later, and, therefore, we believe the intent is there.

One of the things a number of grantees raise or those who feel that our action is arbitrary and capricious is that they believe that the law creates a competitive environment only when a grantee is not performing, and that clearly is not the case. Again, I would harken to the court case from the U.S. District Court back in 2003 that said that competition is something that is a tool of the Sec-

retary in terms of awarding grants and that an entitlement to any kind of grant program is not something that is available under this particular program.

So, with that said, we do believe that, given the fact that it is 3 years later, it was time to recompete the program. Now, we understand with that said that there are some concerns that have been raised as a result of competing the program. It is not our intent to withdraw the SGA; however, we are looking at ways that perhaps we can accommodate some of the concerns that have been raised by yourself, others, and those amongst the grantee community. But, again, we believe there are other organizations, including the organizations who are current grantees, that could provide a lot of innovation, really good services, and new techniques and service delivery to provide services to many older workers in our Nation.

Senator DEWINE. Mr. Bishop, the Department of Labor proposes changing the age of eligibility for the program to 65, eliminating everyone in the 55 to 64 age bracket, with minor exceptions, which I guess have not yet been defined. Each year, about half of all people served by the program are in this age range. How do you feel this recommendation improves services to seniors? And what sort of evidence or data is there to show that one-stops are performing well and serving older workers

Mr. BISHOP. Well, I think given the fact that the framework of employment and training service delivery in the United States right now is this framework of One-Stop Career Centers, of which, Mr. Chairman, you had much work in terms of the Workforce Investment Act of 1998, obviously, that this network of One-Stop Career Centers must be able to serve older workers. In fact, only about 1 percent of the eligible population can be served under SCSEP, so given that circumstance, we have to figure out ways that the One-Stop Career Center system can serve those age 55 to 64, regardless of whether they are eligible under SCSEP or not.

Now, what we tried to do is set a framework where we kind of looked at the big picture of all the employment and training services, and we do believe that given a program where there are finite dollars and there are needs, that we have to make some tough public policy decisions around who we target and who we serve. Our recommendation was, given the fact that we have this extensive network of One-Stop Career Centers, of which there are about 3,500 in the country right now, they are able and positioned to be able to serve older workers.

Now, under our WIA adult program, about 6 percent of the people served right now are in the 55 to 64 age range, about 12 percent in the dislocated worker program, and the trade adjustment assistance program also serves older workers. So sometimes there are blanket statements made that One-Stops can't serve them or they are not serving them, and that just is not the case. There are individuals in that age range coming in for services. We believe we can work to enhance that.

I would say one other thing. The General Accounting Office actually pointed out in a 2003 study that one reason they feel that One-Stop Centers may not be serving older workers as much is because of performance measures, and we actually have worked very hard on our performance measures. On February 17th of this year, we

actually issued this training employment guidance letter changing the earnings measure, so it is no longer a pre- and post-earnings that we are looking at, but it is an average earnings gain, and we have gotten tremendous positive support for that change, and we think actually that will, based on what the GAO and others have said, enhance that opportunity for older workers to be served through the One-Stop Career Centers.

Senator DEWINE. Senator Murray.

Senator MURRAY. Well, thank you, Mr. Chairman.

As you saw from my opening remarks, I do have some very serious concerns about the Department's proposed changes that were announced March 2nd. The outcome of these changes could be a major disruption for low-income older workers and community service networks that depend upon these workers. We know that the transition after the 2003 competition resulted in fewer people served, fewer people placed in jobs, higher participant unit costs for at least the first year after the competition. I believe the disruption will be far greater under your proposal, and I am concerned also about the impact on national groups that serve minority populations.

Can you talk with us what kind of transition you envision if these regulations are to occur? July 1st is not that far away.

Mr. BISHOP. Sure. Again, it is a grant competition that we have proposed, and it is very similar to the grant competition we had in 2003. There are some fundamental changes that we made in that we are trying to eliminate some of the patchwork services that have gone on. We believe there are economies of scale that can be had when you have, on a geographic basis, a particular national organization serving older workers within that geography.

In 2003, many of the same kinds of circumstances and many of the same kinds of concerns were raised that there would be a lot of older workers who wouldn't be served, that we wouldn't be able to accommodate the transition. In fact, what the evidence has shown is that it worked very, very well.

Now, there are glitches along the way that happened, but we have what are called SCSEP recapture funds to assist with transition costs. We have technical assistance providers prepared to assist that. Mr. Beverly and his staff are on hand to provide on-the-ground technical assistance.

Senator MURRAY. But you do agree that there could be some real challenges. Are you considering any kind of delay of implementation?

Mr. BISHOP. As I said, Senator, we are looking at what kind of accommodations we could make in terms of the solicitation, given some of the grantee concerns. We do plan at this point on moving forward with the competition. We do believe that a lot of the concerns raised about transition are somewhat exaggerated.

Senator MURRAY. Well, I think that many of us are very concerned that the 2000 reauthorization act had a very different feel to it. Can you explain to me how your proposed changes adhere to that act?

Mr. BISHOP. In terms of our reauthorization changes rather than the solicitation?

Senator MURRAY. Well, in terms of the rule changes that you have put out, how do you explain the differences between the reauthorization and what you are doing administratively?

Mr. BISHOP. Well, the rule changes—they are not regulatory changes we have put out. It is a competition for who administers the program, just like we would do in any other grant program that is of a national basis that has a competitive feature.

As I said, in 2003, we did a competition. We successfully implemented that competition. There was a court case out of the U.S. District Court here in the District of Columbia whereby the Department of Labor and Secretary Chao were sued over our ability to compete these funds, and the judge clearly stated and the court has clearly stated that competition is completely consistent with the Older Americans Act amendments of 2000.

Senator MURRAY. Well, I do think you will hear from many members of our committee that we are very concerned about this. I think we need to have an ongoing conversation about, if you are going to implement this, how we make sure that we speak first in terms of reauthorization and make the wishes of Congress clear. So I would suggest you work closely with this committee.

Mr. BISHOP. Yes.

Senator MURRAY. Thank you, Mr. Chairman.

Senator DEWINE. Your reauthorization proposal includes expanding the program to reach beyond community service. To what degree is that already allowed or happening? And how do you think this will improve employment outcomes for participants?

Mr. BISHOP. That is a great question, Mr. Chairman. Again, one of the things that some have been concerned about is that our proposal eliminates community service, and it does not do that.

We believe that there are many avenues by which individuals, including older Americans, can gain the kinds of skills they need in order to become successfully employed. And, in fact, when you look at this law, it is really kind of a balancing act, in fact. It is looking at the individual and what employment outcomes he or she may be able to utilize based on service, and it has this community service component. And I think a lot of what these discussions around reauthorization hinge on are the balance between that individual outcome and the community service desires and outcomes of the program.

Currently, the law basically states that no less than 75 percent of funds could be spent on things other than wages and the community service component of the program. Our proposal would bump that down to 65 percent, really giving flexibility to grantees to be able to utilize that additional 10 percent for avenues other than just community service.

The reason we believe in this particular approach is because, again, given the economic circumstances we are facing in our country right now, who is to say there are not other kinds of avenues by which individuals can gain employment success? For instance, maybe there is an employer that would be willing to have an internship opportunity where they would pay 50 percent of the wage and the grantee, the SCSEP grantee, could pay 50 percent of the wage, and at the end of 6 months, the employer hires the individual. There is on-the-job training kinds of avenues. We just be-

lieve there ought to be more flexibility in the law to still allow, obviously, for a vast majority of the funds to be used for community service, but also provide the kind of flexibility to grantees so that there may be other avenues of training to help individuals realize self-sufficiency and higher wages and opportunities.

Senator DEWINE. Mr. Bishop, your recommendations propose allocating the title V funds to the States to sub-grant services. How are the placement rates of States compared to those of the national grantees? And are they doing a better job right now overall?

Mr. BISHOP. Well, it depends. I mean, generally, some States have lower performance than grantees, but, again, I think that there is maybe a misperception of what our proposal is. We are not proposing to give the moneys to States and have them run the programs. Our proposal essentially takes the roughly $96 million that the States get, the $341 million we compete nationally, and say that that really is not an efficient way to run the program, it does not make a lot of sense. We believe there is more money going to administrative overhead as a result of, as I said in my testimony, the bifurcated nature of this program.

We essentially are saying let's bring those funds together. We would allocate them to the States to run a competition at the State level. Our assumption is many of the organizations that are currently national grantees would be the entities running programs under a competition at the State level.

As I also mentioned in my oral remarks, as a result of some concerns about having to go to 50 States to bid, an alternative might be that we run a national competition but it be done on a state-by-state basis. We do this in our current Migrant and Seasonal Farm Worker Program right now, and it is another avenue by which we look at programs. But we do believe that there are economies of scale to be reached and better and enhanced performance to be reached by having a program that is not this dual nature and, rather, one where there is a responsible entity per State. And, again, as I said, many of them would be the nonprofits who are already running these programs to be able to do so.

Senator DEWINE. Well, we appreciate your testimony.

Mr. BISHOP. Thank you.

Senator DEWINE. We look forward to working with you.

Mr. BISHOP. I appreciate the opportunity. Thank you, Senator.

Senator DEWINE. Thank you very much.

[The prepared statement of Mr. Bishop follows:]

PREPARED STATEMENT OF MASON M. BISHOP

Mr. Chairman and members of the subcommittee, I am pleased to have the opportunity to testify before you today to discuss the reauthorization of the Older Americans Act (OAA). For over 40 years, the Department of Labor has administered the Senior Community Service Employment Program (SCSEP), authorized by Title V of the Older Americans Act.

Before discussing our efforts to employ older workers and our legislative proposal for reauthorizing title V, I would like to say a few words about America's aging population and workforce, and provide context on where SCSEP fits in the broader workforce investment system.

THE AGING POPULATION AND WORKFORCE

The U.S. economy is entering a period of dramatic demographic change as our population ages. According to the Census Bureau, in July 2003, 12 percent of the

total population was aged 65 or over, and this percentage is set to expand rapidly in the coming decades. After the first Baby Boomers turn 65 in 2011, the older population will become twice as large by 2030 as it was in 2000.

Further, as a result of lower birth rates in recent years, combined with the aging and retirement of the baby boom generation, the American workforce is growing at a slower rate. The changing demographics of the labor force, in combination with the ever-increasing skill demands of employers, have made it more critical that every available worker, including older Americans, be able to join or remain in the workforce to enable the continued competitiveness of American businesses in the 21st century.

BARRIERS TO EMPLOYMENT FACED BY OLDER WORKERS

The Baby Boomer cohort of older workers has different characteristics than in years past. Far more women have experience in the workforce than their counterparts a generation ago. More of this cohort are caring for grandchildren, and most envision a very different retirement than that of their parents—one that includes at least some work, whether for social engagement, intellectual stimulation, or because of financial necessity. However, despite a need for their skills and their desire to remain in or re-enter the workforce, many older Americans find themselves unable to find suitable work. Limited opportunities for flexible work schedules, outdated technology skills, pension plan disincentives, and a reluctance by some employers to hire older workers all limit the full potential of this productive, experienced cadre of workers.

There is a resource available to help. The workforce investment system, which includes SCSEP, plays an important role in helping older workers gain the necessary skills and access the employment opportunities that will enable them to continue working. The workforce investment system also helps connect employers to the experienced and skilled workforce they need, including older workers, in order to compete in the 21st century global marketplace.

RESPONSE BY THE DEPARTMENT OF LABOR TO AN AGING POPULATION

Some employers already recognize the value that older workers bring to the workplace. They know that older workers are a human capital asset, serving as effective mentors to younger employees and bringing responsibility, loyalty, dedication, experience and skills to the workplace.

Still, more needs to be done to provide older workers with job training opportunities and better connections to employers looking to hire them. At the Department of Labor, we are taking steps to enhance the effectiveness of our programs as well as brokering better relationships with partner Federal agencies and other organizations serving older American workers.

PROTOCOL FOR SERVING OLDER WORKERS

In January 2005, ETA issued a national "Protocol for Serving Older Workers." This important step in enhancing services to older workers was disseminated throughout the workforce investment system. The protocol seeks to enhance the services provided to older workers, and inspire the workforce investment system to pursue innovative strategies for tapping into this labor pool and connecting them with the job market. The protocol outlines a set of action steps that key stakeholders can take to achieve the goal of connecting employers with older workers. The stakeholder groups addressed in the protocol are: (1) the U.S. Department of Labor; (2) State and Local Workforce Investment Boards; (3) One-Stop Career Centers; (4) mature worker intermediaries and service providers; and (5) business and industry.

OLDER WORKER PROJECTS AND INITIATIVES

Older Worker Task Force

To build on the Protocol for Serving Older Workers, the Employment and Training Administration convened a DOL-wide Older Worker Task Force last year to explore the key issues related to the participation of older workers in the labor market. To continue the work of that task force, and in response to a GAO recommendation and a request from the Senate Special Committee on Aging, the Department of Labor is convening an inter-agency Federal task force to focus on the aging of the American workforce and the impact of this demographic change. The *Task Force on the Aging of the American Workforce* will bring together agencies from across the Federal Government to work collectively to address the workforce challenges posed by an aging population. The first meeting of the task force will be held in April.

Assistant Secretary for Employment and Training Emily Stover DeRocco will chair the task force, which will identify and assess ways to address the barriers that prevent older workers from remaining in, or re-entering, the labor market and the impediments that prevent businesses from taking full advantage of this skilled labor pool. The task force's recommendations will be submitted to the Secretaries of all the participating Federal agencies, and may form the basis for future recommendations for the President and Members of Congress.

Now I would like to turn to the Senior Community Service Employment Program (SCSEP), a workforce investment program targeted exclusively to low-income seniors.

TITLE V: THE SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM

SCSEP serves persons 55 years of age or older whose family incomes are no more than 125 percent of the Federal poverty level. Participants are placed in a part-time community service assignment in a local nonprofit agency so that they can gain on-the-job experience, and prepare for unsubsidized employment.

The Fiscal Year 2006 appropriation for SCSEP is $432 million. This funding will result in approximately 92,300 people participating during Program Year 2006 (July 1, 2006–June 30, 2007). There are currently 69 SCSEP grantees, including 13 national grantees, and 56 units of State and territorial governments.

Program participants receive training and work experience in a wide variety of occupations, including nurse's aides, teacher aides, librarians, gardeners, clerical workers, and day care assistants at nonprofit 501(c)(3) organizations and public agencies. Program participants also work in the health care industry, such as in hospitals, as well as in recreation parks and forests, education, housing and home rehabilitation, senior centers, and nutrition programs. They are paid the highest applicable minimum wage, be it Federal, State or local, or the prevailing wage for persons employed in similar public occupations by the same employer.

Before I turn to the Administration's SCSEP reauthorization proposal, I'd like to discuss two of the recent developments in our management of SCSEP: (1) the implementation of electronic performance reporting, and (2) the competition for SCSEP national grants.

ELECTRONIC PERFORMANCE REPORTING

Electronic performance reporting has improved the accuracy and timeliness of our performance information, providing more immediate feedback on the outcomes of SCSEP participants. To accommodate the collection of data for the SCSEP statutory performance measures as well as the common measures for Federal job training programs, the Department provided grantees with a software program that has allowed them to collect performance data through their existing management information systems. Each quarter, grantees electronically submit performance data files, which are then consolidated into a single database.

The final step in the evolution of SCSEP performance reporting is the Internet-based SCSEP Performance and Results Quarterly Performance Report system, which we call SPARQ, to be launched in May of this year. This system will store electronic records at the Department of Labor, and allow grantees to maintain their records via the Internet, reducing grantees' reporting burden and enhancing report accuracy.

SCSEP GRANT COMPETITION

In addition to electronic reporting, the other significant development in our management of SCSEP is the current grant competition. On March 2, 2006, the Department announced a grant competition for the SCSEP national grantees. This is the second time we have competed the SCSEP national grants; the first was 3 years ago. That competition opened the door for four new national grantees, and spurred innovations in service delivery and program administration among the other national grantees. Grants funded by this Solicitation for Grant Applications, or SGA, will be for Program Year (PY) 2006, which begins on July 1, 2006. This SGA is designed to strengthen program administration, including management systems, service delivery and performance of the program, and we have emphasized each of these important goals in the SGA's evaluation criteria.

The SGA is designed to encourage a move toward a regional service delivery architecture that will reduce fragmentation of service delivery areas by requiring that grantees apply to serve an entire county instead of a portion, except in very large counties. The SGA will also generally require grantees to apply to serve contiguous counties if multiple counties are served. Consolidated service areas better position

a national grantee to effectively manage the program and to engage with the One-Stop Career Center system.

I'd like to now discuss the Administration's proposal for SCSEP reauthorization.

LEGISLATIVE PROPOSAL FOR SCSEP REAUTHORIZATION

Last May, assistant secretary Emily Stover DeRocco testified before you on the reauthorization of Title V of the Older Americans Act, proposing five reform principles to strengthen and modernize the program within the larger framework of the workforce investment system. I am pleased to describe to you today the Department's legislative proposal based on those principles. As an overview, the key reform principles would (1) streamline the program structure, (2) increase the minimum age for eligibility, (3) enhance the focus on employment outcomes and training for participants, (4) strengthen the capacity of the One-Stop Career Center system to serve older workers, and (5) strengthen performance accountability.

STREAMLINE PROGRAM STRUCTURE

In order to streamline program structure, funds would be allocated exclusively to States according to a statutory formula. Each State would then competitively select one or more grantees to operate the program in their State. A competition would have to take place at least once during each 3-year period. This method of awarding grants would simplify administration, eliminate duplication, and create a more cohesive program. Eligible entities for State grants would include nonprofit entities, for-profit entities, agencies of State government, or consortia of agencies and/or organizations, including political subdivisions.

National aging organizations would continue to play a major role in operating the SCSEP program in the States. However, the program would be streamlined by avoiding the current situation of having multiple national sponsors and the State program operating side-by-side in a State, sometimes administering programs with small numbers of positions.

INCREASE THE MINIMUM AGE FOR ELIGIBILITY

Our reauthorization proposal also increases the minimum eligibility age from 55 to 65. We believe the workforce investment system should be the primary deliverer of services for individuals age 55–64, and in fact, our One-Stop Career Centers are already serving this population. To facilitate a smooth transition to the new age minimums, we also propose exceptions to allow SCSEP programs to assist those individuals aged 55–64 who are hardest to serve, or have multiple barriers to employment.

In order to effectively serve individuals age 55–64, we have already begun the process of ensuring that the One-Stop Career Center system has the capacity to serve these workers. Our reauthorization proposal would set aside 1.5 percent of funds for national activities that would support the One-Stop system to provide policy guidance, fund demonstrations and pilots, and disseminate best practices on serving older workers.

The Department also proposes to clarify what the income eligibility standard for SCSEP should be. The Department's proposal calls for stipulating what participant income should be considered when the income eligibility test is applied. Standardizing the income eligibility of SCSEP would clarify eligibility for applicants and the general public, and would increase public confidence that the program is administered in a consistent and equitable manner.

FOCUS ON EMPLOYMENT OUTCOMES

The Department's legislative principles for SCSEP reauthorization also enhance the employment focus of the program. A time limit of 2 years for participants to obtain unsubsidized employment would encourage grantees to prepare their participants for work, to invest in skills development, and to work closely with local employers with a need for skilled, experienced workers. The proposed elimination of fringe benefits would reinforce the short-term and training aspects of the program. Many grantees have already eliminated fringe benefits, such as annual leave and cash outs of leave benefits.

Grantees have raised concerns that, under current law, participants must be eligible for the grantees' pension programs. The Department's proposal would end the eligibility requirement and bring SCSEP in line with other short-term training and employment programs, allowing for a more cost-efficient administration of the program.

The Department has proposed that the reauthorized program allow grantees to place individuals in appropriate training, and specifically authorize occupational training before or concurrent with community service training. Such training, which could include classroom training or individual training as well as on-the-job training, would provide participants with the skills needed to obtain unsubsidized employment.

The Department has also proposed changing the current limit of "no less than" 75 percent of grant funds on wages to 65 percent, to provide grantees with increased resources to prepare participants for unsubsidized employment, such as training and supportive services.

STRENGTHEN PERFORMANCE ACCOUNTABILITY

In order to ensure effective services for SCSEP participants and quality program operations, the Department proposes that reauthorization include the use of common performance measures, which would hold all grantees accountable for entered employment, retention in employment, and earnings. Grantees would be authorized to track additional outcomes, such as the provision of community services. The common measures are currently being implemented under administrative authority. This change would ensure that the statutory requirements reflect current administrative practice.

Last, the Department has proposed to retain separate grant awards for Indian and Asian-Pacific Islander organizations, and has set aside grant awards for these organizations in the current national grantees competition.

This legislative proposal for reauthorization will better serve seniors by streamlining the SCSEP program, strengthening its ability to meet employers' need for skilled experienced workers, and allowing grantees to tailor services to meet the needs of older workers. Reauthorization as proposed would also better integrate SCSEP services with WIA services, and target resources to those most in need while ensuring others receive services through the One-Stop Career Center system.

CLOSING

Mr. Chairman and Members of this Subcommittee, I look forward to working with you and your House counterparts on reauthorizing the Older Americans Act. Working together, I am hopeful that this important legislation can be enacted later this year. I also look forward to working with you on the reauthorization of the Workforce Investment Act, and on moving forward the President's ground-breaking proposal for Career Advancement Accounts.

Mr. Chairman, this concludes my prepared statement. At this time I would be pleased to answer any questions that you or other subcommittee members may have.

Senator DEWINE. I would ask our second panel to come up now as I am introducing everyone.

For our second panel, we have three representatives from title V grantees. These are the people who implement the legislation that we write, and I appreciate that you all have joined us today.

First, we have Ignacio Salazar, president and CEO of SER-Jobs for Progress National, Inc. Mr. Salazar has been with SER for a number of years. In 1975, he was selected to head SER Metro-Detroit and in 2002 was selected to lead SER nationally. He also has served as an Assistant director of Admissions and Scholarship at the University of Michigan Graduate School of Social Work.

Next, I would like to introduce Kent Kahn from Ohio. He is the regional communications specialist for Experience Works. He has been a great asset to older workers in Ohio. He worked with my office closely last reauthorization, and I look forward to working with him again. We welcome him as well. Under his leadership, the Experience Works program in Ohio has developed into one of the best in our Nation.

Also joining us today is Tony Sarmiento, president and executive director for Senior Service America, Inc. For over 30 years, his career in workforce and community development has included senior

positions with the national AFL-CIO, the District of Columbia Department of Labor, and local community-based organizations. He serves on the board of directors of the American Society on Aging, SeniorNet, and the American Youth Policy Forum, and chairs the American Council on Education's GED Testing Service Advisory Committee.

We thank all of you for joining us. Mr. Salazar, we will start with you. Thank you. We set the clock at 5 minutes, and if you can keep it to that, then we will have a chance for a few questions.

STATEMENTS OF IGNACIO SALAZAR, PRESIDENT AND CHIEF EXECUTIVE OFFICER, SER-JOBS FOR PROGRESS NATIONAL, INC.; KENT KAHN, REGIONAL COMMUNICATIONS SPECIALIST, EXPERIENCE WORKS OHIO; AND ANTHONY R. SARMIENTO, EXECUTIVE DIRECTOR, SENIOR SERVICE AMERICA, INC.

Mr. SALAZAR. Thank you, Senator. Mr. Chairman, I am pleased to have the opportunity to testify before you today. For over 40 years, SER-National Jobs for Progress has worked tirelessly to ensure that workforce development needs throughout the communities are met. It is our mission to provide a national network of employment and training organizations that formulates and advocates initiatives that result in the increased development and utilization of America's human resources, with special emphasis on the needs of Hispanics, in the areas of education training, employment, business and economic opportunity. We remain steadfast in our continued efforts to cultivate America's greatest resource—people.

The SER Network consists of 42 affiliates operating in more than 200 offices in 19 States, Puerto Rico, and the District of Columbia. Since its founding in 1965, SER has served millions of low-income residents with a full spectrum of services in the general areas of education, employment, and housing. We presently manage over 61 One-Stop Centers that serve approximately 800,000 individuals through these centers. Last year, the SER Network set a self-imposed benchmark of providing services to over 1 million people, and this year we are well on our way to improving on that benchmark. In addition, SER is most proud of the fact that we have increased the percentage of Hispanics wherever we serve. We have more than tripled our percentage of Hispanics served from 9 to over 30 percent in our SCSEP program, our premier preparation program for older Americans. In the last 2 years, SER has served a total of 3,500 individuals through the SCSEP program annually.

In the 2003–2004 fiscal year, SER-National became a recipient of SCSEP, and since then has adopted the older workers' initiative as an essential part of the SER success story. SCSEP plays a crucial role in helping mature workers obtain the necessary skills and access to opportunities that will enable them to continue working after the traditional retirement age. The SER-National SCSEP partnership is one of our most highly touted programs, and we look forward to expanding that partnership in the years to come. We at SER realize that with a constantly changing dynamic it is crucial that the SCSEP program be reauthorized in a manner that will allow us to best serve our communities. To that point, we would

like to suggest several recommendations for this committee's review.

First, we respectfully recommend to change the community service component without completely eliminating the component. It would be responsible to reduce this component to serve those participants that are extremely elderly and not able to obtain unsubsidized employment but willing still to serve their respective communities. These valued services to local nonprofit and public entities bring an intergenerational cohesion to our communities that should not be lost. Obviously, it would be prudent to limit the number of participants served in this component.

Second, we recommend establishing a bridge to the private sector. On-the-job training programs coupled with job internship programs should provide vital resources to further prepare mature workers for the workforce. These programs will also provide a conduit toward the local One-Stop Centers where participants can access other essential resources that will continue to prepare them for employment and allow eligible participants into WIA funding.

Third, with regard to preparing participants for employment, additional funds should be set aside for the acquisition of basic skills which will improve their ability to compete in today's job market. We understand that the lack of basic computer knowledge and language deficiencies for the rapidly increasing Hispanic population continue to hinder participants in obtaining employment. Funding should be set aside for these participants to ensure that these difficulties are overcome.

The current system utilized not-for-profit and public agencies in hopes of providing transition into the job market. In summation, our recommendation is to work together with local agencies to quickly prepare and mobilize a mature workforce.

The following is a list of additional recommendations:

The first of these is to provide additional funds for support services in the form of transportation assistance to facilitate program participants in accessing their training or internship sites.

In reference to the proposed changes as put forth by the Department of Labor, we welcome any changes that will enhance the delivery of services. We believe that changes that support our participants will also benefit the employer community.

We recommend maintaining a mix of national and State grantees to operate the program.

We agree that the age limit of the program participants should be raised above 55, but not necessarily to 65. We would recommend the age of 60.

We are very much in favor of establishing new income guidelines for program eligibility to align with other Federal employment programs.

We would support setting time limits for participation in the program to 24 months or perhaps even 18 months.

We recommend reducing the amount of program funds spent on wages, currently at 75 percent, and utilizing these funds for training and/or employment incentives such as internships.

We would support eliminating 502(e) projects in order to use these funds for additional participant training and pilot programs within the employer community.

Finally, we favor having three primary program outcome measures: entered employment, retention in employment, and earnings gain, in addition to the significant segments.

As one of the newest SCSEP grantees selected 3 years ago under a competitive bid process, we welcome the continued selection of program grantees via the competitive process.

On behalf of SER-Jobs for Progress and the millions of participants we serve, I would like to thank this committee for the opportunity to present these recommendations as we move forward in our joint mission of preparing America's workforce for the future.

Senator DEWINE. Mr. Salazar, thank you very much.

Mr. SALAZAR. Thank you, sir.

Senator DEWINE. Mr. Kahn.

Mr. KAHN. Senator DeWine, thank you for the opportunity to testify on behalf of Experience Works. Thoroughly explained and understood, I have honestly never heard anyone criticize the intent of the SCSEP.

Previously known as Green Thumb, Experience Works is now in its 40th year of providing community service employment and training to low-income seniors. The small demonstration program that initially launched Green Thumb in 1965 is now a major Federal workforce initiative success story. We remain strongly committed to services to rural America and to the mission of the SCSEP. It is the only thing we do.

I am here today to talk about the SCSEP reauthorization. However, we also have another immediate concern: the Department of Labor's recompetition. There is not enough time to effect a smooth transition. The transition will be costly. The last competition cost Experience Works more than $2.3 million. Those funds should be used for services to participants.

The proposal is bad for rural counties. Services to older workers in rural counties, if provided at all, will suffer. We suggest the Department of Labor withdraw the SGA and extend the current grants for 1 year when the Older Americans Act should be reauthorized.

Regarding the SCSEP reauthorization, the current dual purpose is the heart of the program. It gives many who live in small rural communities with very limited employment opportunities a great alternative: community service.

During reauthorization, we ask that Congress adhere to four principles:

No. 1, support best practice and avoid disruption in the program by continuing to fund national and State grantees. If national grantees are eliminated, the SCSEP loses more than 200 years of experience in successful program models.

No. 2, target services to older persons with the greatest economic and social need by maintaining the current age requirements. In the heart of Appalachia, 59-year-old participant Cheryl Crooks lives in Woodsfield, Ohio, in Monroe County with a double-digit unemployment rate approaching 16 percent. Without transportation and having to compete against more skilled workers, Crooks is relieved she can earn some income in her community service assignment.

No. 3, strengthen the emphasis on community service in addition to promoting economic self-sufficiency among participating seniors. When we look at disaster relief efforts, whether it be a Katrina or Rita, our participants have been critical to these efforts. Participants work on local Red Cross efforts to field and manage phone banks. Others work with FEMA to help victims complete applications for relief assistance, as well as complete DOL emergency employment applications. Community service must remain a core philosophy of this program.

The SCSEP does more than train older workers. It directly supports and partners with thousands of local and faith-based organizations and public agencies. Seventy percent of these agencies report they will not be able to provide the current services without the SCSEP.

No. 4, maximizing expenditures on participant wages and benefits and minimize administrative costs by retaining current policy on program budgets. With the increase in State minimum wages, there are not enough dollars to support the wages and benefits to participants at the same time the operational costs, such as medical insurance, workers' compensation, and travel, especially in rural areas, continue to increase.

Experience Works agrees that competition should be conducted only when grantees do not meet accountability and performance measures. Service delivery will always suffer if grantees are constantly forced to hire and maintain qualified staff, if recompetition occurs without comprehensive and independent evaluations. Experience Works believes the equitable distribution of SCSEP positions should continue to be distributed by county based on equity share. If funds are not distributed by equitable distribution, services will disappear in rural counties. It is much easier to provide those services and achieve goals in more populated communities.

Many of the participants now being enrolled need long-term extensive training and support. Therefore, there should be no time limitations for purchase of an enrollment. Time limitations should be based on the individual service strategy.

If an older worker is underemployed but has an income below 125 percent of the poverty level, the regulations now say they are not eligible for the SCSEP. Such is the case for an Ohio applicant who lives by herself. Her only income was working 9 hours a week at a laundromat earning $6 an hour. I had to tell this woman she was not eligible. She should have been able to receive SCSEP services.

I urge you and the Department of Labor to work with SCSEP grantees to ensure that the program maintains its high standards of quality and community service. The SCSEP must continue to reach rural as well as urban communities and be responsive to the needs of our aging population and partnering organizations.

Thank you.

Senator DEWINE. Mr. Kahn, thank you very much.

[The prepared statement of Mr. Kahn follows:]

PREPARED STATEMENT OF KENT KAHN

Senators DeWine and Mikulski, thank you for the opportunity to testify. On behalf of Experience Works, Inc. I must get right to the point. We need your help and the help of your colleagues to reauthorize, improve, and increase the SCSEP as a

part of the Older Americans Act. This is a great program that helps thousands of poor older Americans. Thoroughly explained and understood, I have honestly never heard anyone criticize the intent of the SCSEP. A success story is 61-year Coshocton, Ohio participant, Karen Shample, who designs and updates web pages for the county One-Stop. Shample says if Experience Works had not placed her at the Coshocton County One-Stop she would have never learned how to design web pages, write a newsletter or use Microsoft Excel.

EXPERIENCE WORKS

Now in our 40th year, Experience Works helps seniors get the training they need to find good jobs in their local community. Originally named Green Thumb, and chartered in 1965 as a small, rural demonstration program, Experience Works operated the first older worker program. In 1965, the Nelson Amendment to the Economic Opportunity Act, funded the "green thumb" project and 10 days later, Green Thumb, Inc. (now Experience Works) was launched as the first nonprofit organization created to run a jobs program for disadvantaged rural Americans. The following spring, crews of 280 participant farmers went to work on beautification projects in Arkansas, New Jersey, Oregon, and Minnesota. That initial project in four States soon evolved into the Senior Community Service Employment Program (SCSEP). The small demonstration program that initially launched Green Thumb in 1965 is now a major Federal workforce initiative success story. We remain strongly committed to services to rural America and to the mission of the SCSEP, *it is the only thing we do.*

COMPETITION IS AN IMMEDIATE CONCERN

I am here today to talk about the reauthorization of the Older Americans Act however, there is a more immediate concern I want to talk about first and that is the Department of Labor's competition of the SCSEP. The proposal (published March 2, 2006; 71 Fed. Reg. 10798–10820) will disrupt services to thousands of the current participants, diminish services, and weaken program effectiveness in rural counties. The programmatic confusion that will result from this nationwide turnover of participant positions, especially with new inexperienced sponsors, will increase substantially for at least the first 6 months after the competition as old and new sponsors grapple with the immense administrative requirements at the expense of working with the participants who need help. The transition after the 2003 competition resulted in fewer people served, fewer people placed in jobs and higher participant unit costs for at least the first year after the competition. The proposed recompetition will result in decreased participation in the program by poor older individuals and slow movement of many of the 47,000 program participants into unsubsidized employment as both old and new sponsors deal with the additional workload required to implement this massive movement of participants from sponsor to sponsor nationwide. If experience proves true from the first competition, as many as 16,000 seniors that would otherwise be served by the SCSEP will be turned away because of the inability to move current participants into jobs.

A major concern of ours is that the proposal will be bad for rural counties because grantees are required to bid on at least 224 positions or 10 percent of the positions in the State, whichever is higher. This means that grantees that have operated in urban areas will now have to operate the program in surrounding counties that will most likely be rural. Such grantees typically do not have a rural service delivery system; it is difficult to operate in rural counties and the cost is much higher. Services to older workers in rural counties, if provided at all, will suffer.

The proposed transition timeframe requirements are illogical and will impose unreasonable cost burdens on the grantees. The Department unofficially estimates that 30,000 of the 47,000 positions nationwide will be re-allocated from one grantee to another or given to brand new sponsors with little or no direct experience operating this program. In less than 30 days from grant notification to the start of the new grant period on July 1, 2006, all selected sponsors—old and new—will have to meet with every participant to collect required program data as well as payroll information. Each host agency where participants are assigned will also have to be met with to negotiate a new agreement. And most importantly, is the payroll information required from each participant before they can be paid by the new grantee at the end of the first payroll in the new grant year. Experience Works' first pay period end date is July 8, 2006, only an 8-day turn around time. These low-income older workers won't receive a paycheck if payroll information is not collected in time. Beside the disruption for the participants and host agencies, the proposed competition will result in substantial transition costs to grantees that will not be reimbursed and that could otherwise be used to pay for services that directly benefit the older work-

ers. Based on the actual cost of transition in the 2003 competition, we project that in total, existing sponsors alone will spend over $10 million during this transition to displace old staff, hire and train new staff, terminate existing office leases, find new offices and execute the leases, ship furniture, purchase computers and other necessary close down and start up expenditures. This does not include the "ramp up" costs for new sponsors.

We suggest that the Department of Labor withdraw the SGA, extend the current grants for 1 year and be prepared to release the SGA for the next year in a more timely manner so grantee selections are announced early enough to allow for a smooth transition.

SCSEP REAUTHORIZATION

Now regarding the SCSEP and reauthorization, I can truly tell you the people who operate this program do it to improve the lives of older workers. How hard they work is evidence of their compassion and commitment. I know the staff would love for each and every participant we serve to find employment, but that is not always possible. However, the current dual purpose of the SCSEP gives many who have limited skills and live in small rural communities with very limited employment opportunities a great alternative, community service.

During reauthorization, we ask that Congress adhere to four principles.

1. Support best practice and avoid disruption in the program by continuing to fund both national and State territorial grants to operate the SCSEP.

The thirteen national grantees (selected by USDOL through a national competition in 2003) add significant value to the total SCSEP program and delivery system. These national nonprofit organizations strengthen SCSEP at the State and local level by sharing best practices on serving hard-to-reach rural and urban communities, including minority and immigrant groups; collaborating with WIA One-Stops, area agencies on aging, and leveraging local resources to support SCSEP. They develop and replicate successful program models by partnering with national-level corporations, employer associations, social service agencies, and other providers. National SCSEP grantees represent unmatched expertise and experience that would be difficult to replace.

2. Target services to older persons with the greatest economic and social need—including those from minority, rural, and urban hard-to-serve communities—by maintaining the current age requirements.

SCSEP serves over 100,000 persons 55 and over each year, over twice as many as those served by WIA. Further, SCSEP serves a more needy population: over 70 percent of all SCSEP participants are women; over 80 percent are 60 and older; over 80 percent are at or below poverty, about one-third have less than a high school education; and over 40 percent are from a minority group. In contrast, WIA nationally serves less than 4,000 persons 65 and over of any income and education level (likely due to performance disincentives currently built into WIA, according to GAO Report 03-350). In PY 2004, national and State/territorial SCSEP grantees achieved ACSI customer satisfaction scores that were "substantially higher" than scores for WIA, and better than most organizations in the private sector.

In the heart of Appalachia, 59-year-old Experience Works participant Cheryl Crooks lives in Woodsfield, Ohio in Monroe County with an unemployment rate approaching 16 percent. Ormet Corporation, a steel manufacturing plant, closed recently, resulting in the loss of more jobs for many of the local residents. Without transportation and having to compete against workers with more skills and experience for jobs in the small village, Crooks is relieved she can earn some income with her assignment at the Monroe Tri County Help Center. She is able to walk to her host agency where she is training in a clerical position learning new computer skills.

Priority for SCSEP eligibility is now for older workers 60 years of age and older. Once these older workers reach 62, at the very least, most of them have the safety net of some Social Security; even if it is a small amount. At least it is some income. The SCSEP should continue to serve individuals 55 years of age and older. Individuals 55 to 61 are often much worse off because they do not get Social Security. They need the assistance from SCSEP. They don't want to settle for a job at minimum wage. They still want to earn a respectable wage and need health care benefits, vacation time, sick leave and hopefully a retirement plan. Many times they are more desperate than older individuals. Since SCSEP grantees are partners with the WIBS, older workers who go to the one-stops for services are referred to SCSEP because grantees have the skills and knowledge of working successfully with older workers. And there are possible funding cuts in the WIA adult and dislocated workers programs and, at least in Ohio, many WIBs are going to be using 10 percent

of their funding for incumbent worker training. So there may be limited WIA funds for training older workers.

3. Maintain and enhance the community service employment aspect of the program in addition to promoting economic self-sufficiency among participating seniors.

In the small town of Antwerp, Ohio, in rural Paulding County, in northwest Ohio, 77-year-old Eleanor Perriello walks to her assignment each day at the Antwerp elementary school. She spends her time helping kindergarten students. With deteriorating health, lack of transportation and limited employment opportunities her community service assignment allows her to lead a productive life without being dependent on her children or others. It provides her with dignity, builds her self-esteem and allows her to continue as a contributing member of society. And, in the upper shore of Maryland in Cecil County, 65-year-old Leon Flynn, with failing eyesight and no transportation, cannot get to an area where there are jobs he can do. He could not find employment in the small rural town of Elkton, Maryland. He draws less than $600 a month in social security. So his SCSEP assignment in maintenance at Elkton Housing is giving him an opportunity to learn new skills, provide services that might otherwise not get done and to supplement his income.

SCSEP does more than help older job seekers find employment—it directly supports the day-to-day operation of thousands of community and faith-based organizations and public agencies. According to USDOL, 70 percent of these agencies reported that they would not have been able to provide the same level of services without SCSEP. Last year alone, SCSEP participants provided these agencies close to 46 million hours of paid community service.

Community service helps participants productively transition to employment in a way that preserves their dignity and self-worth. Each community service assignment provides opportunities to learn, earn, and serve others. Community service assignments result in productive involvement for low-income individuals who are not looking for a "handout" but a "hand up" within their own communities. The service-learning model is uniquely suited to older learners who can marry their lifetime of experience with the new skills they need to be competitive in the workplace of the future. Unlike persons out of the workforce who are searching for jobs who lose confidence during a job search, participants performing community service have a support system that boosts them up and coaches them toward success. There is no substitute for many services that local community service agencies provide to the program. And, likewise, there is no substitute for the many services SCSEP participants provide to all segments of their communities through working in and learning from social service agencies. The program also addresses barriers that community service agencies have in recruiting volunteers the agency needs to continue to provide quality services. As previously discussed at the subcommittee's roundtable, held earlier this year, increased concern was expressed about the ability to deliver services funded through other OAA programs to older Americans. The SCSEP is a perfect resource for the aging network and many participants are already assigned to local aging services. The SCSEP provides a win-win outcome for both the participant and the agency. Policymakers need to take a strong look at the rich history of the SCSEP and continue to support an infrastructure that supports the civic engagement and social capitol aspects of this program. Also, there continues to be a need for older workers to have access to employment services that place an emphasis on part-time, paid work to maintain their self-sufficiency. The public feels good about a program that is not an entitlement program—but rather a program where people are not only working for what they get, but they are providing locally needed assistance that taxpayers can see for themselves. They feel good about knowing people, "like their grandmother or grandfather," are contributing to their communities, feel useful, and have a reason for living. And, particularly in rural remote localities, these individuals help the communities stay alive.

4. Maximize expenditures on participant wages and benefits and minimize administrative costs by retaining current policy on program budgets.

Grantees have operated an efficient and effective program with administrative costs capped at 15 percent (most are 13.5 percent or less). Experience Works is around 8 percent. Requiring that 75 percent of all SCSEP funds be spent on participant wages and benefits has not deterred grantees from achieving all legislated SCSEP goals, including preparing SCSEP participants for unsubsidized jobs and providing community services in demand. To increase intensive training opportunities for SCSEP participants, the Department should consider revising the 502(e) program to compliment the mainstream SCSEP objectives to place participants in well paying jobs. Also, the Department should address existing disincentives in WIA

that dissuade one-stops from providing intensive services to workers seeking part-time employment, which include many SCSEP participants and other older workers.

ADDITIONAL RECOMMENDATIONS

Competition should only be conducted when grantees do not meet performance measures.

Experience Works concurs with Congress's intent in the last reauthorization that competition should be conducted only when grantees do not meet performance goals. Competing every 3 years as proposed by the DOL will be very disruptive to local service delivery and participants. Based on experience from the last competition, the transition of thousands of participants was very traumatic for those individuals and the community organizations where they were assigned. Why compete when a grantee is performing? Performance and the services to participants are impaired significantly after competition. Operational territories change which results in losing the network of partners that help provide supportive services, counseling, training, and jobs to participants. And, grantees will always be challenged to be able to hire and maintain qualified staff if staffs jobs are in jeopardy every 3 years.

STREAMLINE DATA COLLECTION REQUIREMENTS

The SCSEP data collection system, which has not yet been finalized, currently requires collecting data not directly related to either program performance or common measures. It is recommended that SCSEP grantees help modify the system that supports a broad range of users, including agencies with limited staff and limited capacity in information technology.

EQUITABLE DISTRIBUTION OF SCSEP POSITIONS

SCSEP funding should continue to be distributed by county based on equity share. Eliminating the equitable distribution of positions, which appears to be the DOL's proposal since no slots were listed in the President's 2007 budget, would be detrimental to both needy seniors and thousands of local social service agencies. If funds are not distributed by equitable distribution, services will disappear in rural counties since it is easier to provide those services and achieve goals in more populated communities. National grantees have worked with States to promote continuous improvement in the current distribution of positions. Collaboration has led to significantly improved equitable distribution of positions in every State. The equitable distribution of SCSEP positions ensures enrollment of nearly 100,000 participants each year and also guarantees equitable access to services for participants as well as local organizations such as Meals on Wheels, caregiver networks, etc.

MINIMIZE DISRUPTION

All grantees seek to minimize potential disruption to the program participants through this reauthorization. The combined impact of a delayed issuance of the Final Rules for SCSEP until 2004, the PY 2003 SCSEP national grant competition, and the extended process to develop a new SCSEP data collection system (which is not yet completed) has resulted in constant change which ultimately effects service delivery to the participants, business partners, and local community-based organizations and program outcomes.

OTHER SUGGESTIONS AND CONCERNS

Operating the SCSEP is now much more difficult. To use an analogy, the regulations lengthened the court by 50 feet, raised the baskets 10 feet and we're not even allowed to dribble the ball. In the NCAA basketball tournament that would create some real "March Madness!" It's done the same with us. These new regulations are making it more difficult to improve the lives of older workers who want help.

Due to the change in eligibility guidelines many of the participants now being enrolled need long-term extensive training and support. Therefore, there should be no time limitations for participant enrollment. In fact, many participants will be unable to find jobs off the SCSEP.

When determining an applicant's eligibility we must now include income that was previously excluded. In addition, if an older worker is underemployed, but has an income below 125 percent of the poverty level, they are now not eligible for the SCSEP. Earlier this grant year, I received a call from an older worker who lived on her own. Her only income was working 9 hours a week at a Laundromat earning $6 an hour. I had to tell this woman she was not eligible for the SCSEP therefore, we would not be able to provide her with the job skill training she desperately need to get a better job. Is that what we really want? This woman needed SCSEP assist-

ance. She could have learned new skills to get a job with a livable wage and benefits instead of living in poverty and possibly having to access government handout programs.

Older workers who live in subsidized housing face an additional barrier to employment off the program. Their SCSEP wages do not count against their rent. However, they often refuse to take a job off the SCSEP because while that new private sector job may be paying them an additional $200 a month more their rent will go up $400 a month. I know I wouldn't take a job if my expenses were going up significantly more than my income. The "catch 22" is the danger in SCSEP wages counting against their subsidized housing because those older workers would then not be interested in coming on the SCSEP. We must come up with an equitable solution that will allow participants to take jobs off the SCSEP and not result in their housing cost going up incrementally.

Sufficient funds should be provided to respond to the projected increase in SCSEP-eligible persons. The Census Bureau projects an increase in the number of older persons who will be eligible for SCSEP over the next decade. The Department should support an increase in total SCSEP appropriations in order to respond to the growing numbers of the older poor and increase the SCSEP unit cost taking into consideration the growing number of States that have a higher State minimum wage than the Federal minimum wage.

SCSEP COMMUNITY SERVICE SUPPORTS DISASTER RELIEF

SCSEP is a vital and consistent link in the disaster relief efforts—this year with Katrina and Rita, last year in Florida, and in previous years throughout the country. Participants still perform community service after all the volunteers go back to their regular lives. SCSEP participants are currently aiding in relief efforts in the Gulf Coast by providing a consistent presence, performing essential functions that volunteers can't duplicate because of their transient presence. Participants are performing duties with the Red Cross like answering phones and ensuring follow-through, directing people who come to community action agencies to appropriate programs and providing information and referral, and at Workforce Investment Act one-stop centers helping them access employment services and other assistance. The SCSEP is a one-of-a-kind program that serves low-income, low-skilled older workers. No other government program is currently meeting this need while also providing efficient and effective community services.

I urge you and the DOL to work with SCSEP grantees who understand the challenges of the day-to-day operations and working with the population served by the SCSEP to improve and streamline the SCSEP. We need to develop a world-class older worker program that gives grantees the flexibility to meet the needs of older workers. It needs to be user-friendly in order to meet the needs of aging baby boomers, the aging community, other public and private nonprofits and private employers.

Together we can create that world-class older worker-training program. Community service agencies can then expand their services, many more disadvantaged older workers with multiple barriers will have the ability to gain the job skills to increase their income and become self-sufficient and business and industry will benefit. Senators, ability is truly ageless. Thank you.

Senator DEWINE. Mr. Sarmiento.

Mr. SARMIENTO. Thank you, Mr. Chairman, for this opportunity to share our views on the reauthorization of title V. Senior Service America is the third largest national SCSEP grantee funded by the Department of Labor. We operate SCSEP exclusively through subgrants to local community-based, faith-based, and publicly funded organizations. Currently, we have 108 local partners in 257 rural, urban, and suburban counties in 23 States and the District of Columbia. Today we have with us in the audience Sharon Minturn, who is president of the Senior Resource Connection in Dayton, who is one of our subgrantees; along with Kathy Damico of Family and Children Services of Baltimore—Central Maryland, rather; and Flora Daughtry of the Baltimore City Health Department. All three of these organizations run SCSEP with a subgrant from our organization.

Each year since the 2000 reauthorization, our diverse network of subgrantees has surpassed the contractual goals of our grant with the Labor Department. We believe that the performance of Senior Service America's subgrantee network demonstrates that Congress was on target when it significantly strengthened and modernized SCSEP during the last reauthorization in 2000.

Under the current law and regulations, a wide range of organizations are able to accomplish SCSEP's dual and complementary missions of employing our Nation's most vulnerable seniors to, first, provide needed services in their community and, second, prepare themselves for unsubsidized employment.

We support the vision for SCSEP that was developed by the 13 national sponsors back earlier this January, but I would like to focus on two primary points.

First, we think it is important to maintain the community service employment aspect of the program as a required activity for all SCSEP participants, and also urge Congress to keep the 75-percent minimum expenditure on paid community service employment. We agree that it is desirable, highly desirable to increase classroom training opportunities for SCSEP participants, but we believe that it is possible now to do that without taking away resources from community service. And today we have with us in the audience two SCSEP participants from Baltimore who are in GED classes while they are also working in paid community service employment: Ms. Carrie Morris with the Baltimore City Health Department, and Ms. Victoria Gill, who is with the Family and Children Services of Central Maryland.

When we think about the community service employment, these are 46 million hours of not make-work but real work that is being done by these participants. The kinds of things that they do for senior nutrition programs, senior centers, elder care, libraries, and other kinds of agencies would go missing if it were not for the paid community service employment.

The second point I would like to make is that we hope that the Federal Government will continue to invest in national organizations like ours to help improve SCSEP at all levels. A number of things that we do to add value to the SCSEP system are produce publications, such as a recent publication called "Engaging Immigrant Seniors in Community Service and Employment Programs: A Guide for Providers." We did this in conjunction with the four minority aging organizations that currently run SCSEP and the Center for Applied Linguistics, because we believe that it was proper for SCSEP to focus on the most in need, those seniors who are isolated. And when we talk about isolation, language and culture as well as rural and urban geographies tend to create isolation. So this guide is our effort to try to build the capacity of the system for all grantees to serve immigrant seniors.

But at the same time, poverty affects both Appalachia white—there are white elderly poor as well as African-American elderly poor, and we hope another publication we produced called "Giving Back: How Older Ohioans Overcame Age and Poverty to Serve Their Communities," the story of SCSEP in Ohio, will also remind all grantees what SCSEP ought to be doing.

In conclusion, we believe that the latest research on older workers, adult learning, and civic engagement published since the last reauthorization only reinforces that SCSEP is both a valid and necessary program for another 5 years. If SCSEP had not been established over 40 years ago, experts on aging today most likely would be calling for creating a new program just like SCSEP as part of a larger, comprehensive national response to our aging society. We think that the 9 million seniors who will be poor or near-poor in the next decade and, therefore, eligible for SCSEP would be best served if Congress reaffirmed in 2006 the same purposes and delivery system for SCSEP as they did in 2000.

Thank you, Senator DeWine.

[The prepared statement of Mr. Sarmiento follows:]

PREPARED STATEMENT OF ANTHONY R. SARMIENTO

Senators Enzi, Kennedy, DeWine, and Mikulski, and members of the committee, as the Executive Director of Senior Service America, I appreciate this opportunity to share our views on the reauthorization of the Senior Community Service Employment Program under Title V of the Older Americans Act.

Senior Service America is the third largest national SCSEP grantee funded by the U.S. Department of Labor. Since 1968, we have operated SCSEP exclusively through subgrants to 108 local community-based, faith-based, and publicly funded organizations. Currently, our local partners operate SCSEP in 257 rural, urban, and suburban counties in 23 States and the District of Columbia. Among our partners are local affiliates of Catholic Charities, Jewish Vocational Services, and the National Urban League; community action agencies and other community-based organizations; rehabilitation agencies; institutions of higher education; local area agencies on aging; workforce development agencies; senior centers; and regional councils of government. Our subgrantees operate an array of programs in addition to SCSEP.

Each year since the 2000 reauthorization, our network of local subgrantees has surpassed the contractual goals of our grant with the Labor Department. In Program Year 2004–2005, our diverse network of subgrantees exceeded their performance goals during the first full year of operation under the final SCSEP Rules (issued in April 2004) and the implementation of a new, far-reaching, and mandatory SCSEP data collection system. Last year, our program enrolled over 11,000 participants, who provided nearly 5.5 million hours of paid community service at over 2,800 local nonprofit and public agencies. We accomplished these goals and expended 75 percent of our funds to pay the wages and fringe benefits of SCSEP participants.

We believe that the performance of Senior Service America's subgrantee network demonstrates that Congress was on target when it significantly strengthened and modernized SCSEP during the last reauthorization in 2000. Under the current law and regulations, a wide range of organizations are able to accomplish SCSEP's dual missions of employing our Nation's most vulnerable seniors to (1) provide needed services in their community and (2) secure unsubsidized employment.

In our opinion, the latest research on older workers, adult learning, and civic engagement published since the last reauthorization only reinforces that SCSEP is both a valid and necessary program for another 5 years. If SCSEP had not been established over 40 years ago, experts on aging today most likely would be calling for creating a new program just like SCSEP as part of a larger, comprehensive national response to our aging society. We think that the 9 million seniors who will be poor or near poor in the next decade (and therefore eligible for SCSEP) would be best served if Congress reaffirmed in 2006 the same purposes and delivery system for SCSEP as in 2000.

Using the latest "buzz" words in aging, we would argue that SCSEP is a proven civic engagement program for disadvantaged seniors. Too often unrecognized or overlooked as assets in their communities, tens of thousands of low-income seniors are doing real and valuable work that would be sorely missed. The structure and rewards of paid employment (even at the minimum wage) promote not only the acquisition of skills but also a boost in self-esteem and self-awareness. In short, SCSEP is transforming their lives and building their communities.

For these reasons, we concur with the attached document which describes a vision and rationale for SCSEP that was adopted by the national SCSEP grantees last January, prior to the Labor Department's release of its own Legislative Principles

for reauthorizing SCSEP. Instead of reiterating the principles described in this joint document, I wish to provide additional information we received from our subgrantees and focus the rest of my testimony on several key points.

In preparation for this hearing, we invited our subgrantees to submit their views on aspects of the Labor Department's proposals. (If requested, we will provide a summary of all responses at a later date.) More than 50 of our subgrantees have responded to our invitation, along with a handful of State SCSEP directors. Based on their recommendations, there was unanimous support for the following:

- Maintaining SCSEP's primary emphasis on community service employment
- Keeping the minimum age of eligibility at 55

All of our subgrantees who submitted comments agreed that the capacity of their participating host agencies, large and small, would be greatly diminished if national SCSEP grantees either chose or were required to cut back their expenditures on paid community service employment for SCSEP participants. Currently, the Older Americans Act requires that 75 percent of all SCSEP funds must be spent on paying wages and benefits to SCSEP participants. This budget policy enhances the availability of SCSEP participants to work in various agencies, including many that are integral to the larger network of service providers to the elderly under the Older Americans Act, including:

- Meals on Wheels and other senior nutrition programs
- Elder care and child care
- Senior centers

For instance, the SCSEP project director of our subgrantee in Lisbon, Ohio, reminded us of a news story he sent us last summer from the "Salem News," quoting Iris Marshalek, the director of the local office on aging, about her three SCSEP participants: "Without their assistance, we would not be able to have senior day care . . . they are life savers."

Other types of agencies that would be jeopardized by a cutback on paid community service employment include libraries, especially in rural areas, and One-Stop Career Centers, where SCSEP participants often serve as specialists for all older job seekers.

A cutback in paid community service employment would also discourage innovative projects such as the cultural tourism and oral history initiative that we launched last summer in south central Louisiana, the heart of Acadiana. Before Hurricanes Katrina and Rita struck, we supported two of our subgrantees, the Evangeline Council on Aging and Lafayette Council on Aging, to train SCSEP participants on conducting and transcribing interviews with older residents about local history and culture. In conjunction with the University of Louisiana in Lafayette, this project is part of an emerging economic development effort linked to local tourism. Despite the hurricanes, the SCSEP participants are completing oral histories, including several narratives of survival and recovery. While the project is unlikely to lead directly to unsubsidized employment opportunities in the immediate future, it has provided participants with the opportunity to contribute to documenting the history of their communities and enhance their communications and writing skills.

A few of our subgrantees who submitted comments supported an increase in classroom training for SCSEP participants, primarily to supplement—not replace—paid community service employment as the primary activity that best fits the needs of the majority of their SCSEP-eligible population. It is our view that Congress could increase classroom opportunities for SCSEP participants without taking away resources for community service employment by revising or eliminating the current Section 502(e) and considering "National Activities" as proposed by the Labor Department.

In addition, we support the Department's aim to increase the capacity of the larger public workforce system to serve older workers and job-seekers. Based on population and labor market projections for many of the States where we operate SCSEP, workers 55 and over will comprise ALL of the net labor force growth in States such as Iowa, Ohio, Pennsylvania, and Wisconsin. To meet the needs of employers as well as older job seekers, we will need a more robust public workforce system that knows how to assess, train, counsel, and assist older persons in addition to youth and displaced workers. We must find a way in which more of the resources of the public workforce system are spent on all older workers, including SCSEP participants.

Taking into account the sheer numbers of the Baby Boomers and the latest research on pension coverage and attitudes toward retirement, we support stronger coordination and linkage between the existing public workforce system and other public systems such as State and local area agencies on aging, vocational rehabilitation, and the public library system.

SCSEP must remain an essential part of this broader system. Those seniors with multiple barriers to employment will continue to need extra assistance if they are not to be passed over by employers. The current law establishes a specific program performance measure and defines those seniors who are considered "most-in-need." It would be helpful if Congress would provide additional clarification to the income eligibility guidelines for SCSEP.

We also urge Congress to recognize the value of funding national organizations to continue to be an integral part of the SCSEP delivery system. Working with our local subgrantees and other national SCSEP grantees, Senior Service America has been able to develop several products that are helping to improve SCSEP and other programs for older Americans. Our recent publications and video ("The SCSEP Story: Transforming Lives, Building Communities") have been well-received by practitioners inside and outside of our subgrantee network. "Giving Back," a publication about SCSEP in Ohio, and "Engaging Immigrant Seniors in Community Service and Employment Programs: A Guide for Providers," complement each other, for together they challenge us to prepare all seniors in poverty (both native- and foreign-born) to be able to contribute to their community.

We are especially grateful to the four oldest minority aging organizations for their assistance in producing our guide on immigrant seniors: the Asociacion Nacional Pro Personas Mayores, the National Asian Pacific Center on Aging, the National Caucus and Center on Black Aged, and the National Indian Council on Aging.

National grantees are also able to establish and maintain partnerships with national organizations to enhance SCSEP as a whole. For example, Senior Service America engaged the Center for Applied Linguistics to co-author the guide on immigrant seniors. We also have engaged the American Society on Aging to develop materials enabling our subgrantees to train SCSEP participants to train their peers on cognitive vitality, brain wellness, and older drivers. We also have worked with the U.S. Chamber of Commerce's Center for Workforce Preparation to promote partnerships between our SCSEP subgrantees and their local chambers of commerce, as well as individual national corporations such as CVS.

We also work closely with the State SCSEP directors and other national SCSEP grantees in the development of the annual SCSEP State plan and helping to meet equitable distribution goals at the county level. In our opinion, the stronger State SCSEP planning process, which began with the Final SCSEP Rules in April 2004, has improved the partnership and coordination between State and national grantees operating within a State.

As a national grantee, we also provide ongoing training and technical assistance about SCSEP to our subgrantee network. They are thoroughly familiar and in compliance with final SCSEP regulations issued in April 2004 and are reporting all data required by the Labor Department.

Finally, we also demonstrate the value we add as a national SCSEP grantee by bringing in organizations without prior SCSEP experience as subgrantees. For example, recently Jewish Vocational Services in Minneapolis joined our network because they recognized their need, as an agency, to increase their capacity to serve older workers.

We urge Congress to continue to serve as wise stewards for this program as it has for the last 40 years. As you consider possible amendments to SCSEP, please take into consideration all the data available about the program since the 2000 reauthorization. For example, all SCSEP grantees have been collecting and reporting data about participants, host agencies, unsubsidized placements, and other performance measures mandated by the Older Americans Act. We urge a thorough analysis of this data prior to any major restructuring of this program of demonstrated effectiveness.

Also, all grantees were encouraged to participate in the evaluation currently being conducted by the Government Accountability Office. Also, many grantees participated in an independent national evaluation of SCSEP commissioned by the Labor Department and conducted by DAH Consulting. Each of these separate evaluations should provide a framework for discussing how best to strengthen and improve SCSEP for the future.

In conclusion, we urge Congress to continue its commitment to providing paid community service employment to low-income seniors as one of SCSEP's dual complementary missions. We also ask Congress to continue to support national grantees as a proven strategy to promote improvement of SCSEP at the national, State, and local levels. Just as it invests in national organizations to operate a Job Corps program targeted to serve disadvantaged youth, the Labor Department should continue to invest in national organizations to operate the Senior Community Service Employment Program to serve disadvantaged older adults.

Thank you again for this opportunity to participate in this hearing. We will be providing additional testimony to the committee within the next 2 weeks.

A VISION FOR AMERICA'S LOW-INCOME SENIOR WORKERS AND THEIR COMMUNITIES[1]

For 40 years, the Senior Community Service Employment Program (SCSEP) has provided part-time employment in a wide range of nonprofit and public agencies to low-income adults 55 and over. Every year, more than 100,000 older adults with poor employment prospects and the greatest need are able to re-enter the labor force. As extra help, SCSEP participants enable thousands of community and faith-based organizations to provide vital public services that would not otherwise be available to other needy seniors, children, and the general public.

The 2000 reauthorization of the Older Americans Act kept SCSEP intact while strengthening program accountability and the role of State governments. Congress concluded that SCSEP is an efficient and cost-effective program, serving practically every county in the Nation, including hard-to-serve rural and urban communities.

The 2005 White House Conference on Aging recognized that SCSEP ensures that "the oldest, poorest and least skilled older workers do not fall through the cracks." Across the aging network, there is broad support for continuing SCSEP—with minor refinements—as our Nation's most effective workforce program serving the most vulnerable older Americans.

Principles to Guide SCSEP Reauthorization (Title V, Older Americans Act)

1. Target services to older persons with the greatest economic and social need—including those from minority, rural, and urban hard-to-serve communities—by keeping the current age and income eligibility requirements.
2. Maintain and enhance the community service employment aspect of the program in addition to promoting economic self-sufficiency among participating seniors.
3. Maximize expenditures on participant wages and benefits and minimize administrative costs by retaining current policy on program budgets.
4. Support best practice and avoid disruption in the program by continuing to fund both national and State/territorial grants to operate SCSEP.
5. Strengthen the role of the Administration on Aging in SCSEP.

Possible Refinements to SCSEP

1. Amend section 502(e) to remove disincentives for private business concerns, community colleges, and other training providers to participate in innovative training and placement activities for SCSEP participants.
2. Fully implement a "balanced scorecard" to measuring SCSEP grantee performance that reflects Congressional intent, including service level to most-in-need, unsubsidized placement, and community service.
3. Streamline performance data collection.
4. Provide sufficient funds to respond to the projected increase in SCSEP-eligible persons.

This approach would respect Congressional intent in 2000 to update SCSEP without disrupting a proven program has evolved to meet changing needs since its inception. Adopting these principles and refinements will enable SCSEP to serve the most vulnerable and hardest-to-serve older adults in a cost-effective, research-validated, and high-quality manner for the remainder of this decade.

RATIONALE

1. The number of older adults in poverty and at risk will increase significantly, according to the Census. By 2008 there will be 6.7 million persons aged 55 or over below poverty, a 22 percent increase from 5.5 million in 2000; by 2015, this number will increase to 9 million low-income older Americans. Clearly the need for SCSEP is growing.
2. Current research about productive aging, employment, and civic engagement supports the validity of paid community service employment to assist older adults at risk. Working in bona fide part-time jobs provides not only needed financial aid but also contributes to participants' physical and mental well being, helping them avoid becoming increasingly dependent on others.
3. SCSEP does more than help older job seekers find employment—it directly supports the day-to-day operation of thousands of community and faith-based organizations and government agencies. According to USDOL, 70 percent of these agencies reported that they would *not* have been able to provide the same level of services

[1] The following statement was adopted at a meeting held January 10, 2006, of the 13 national grantees funded by the U.S. Department of Labor.

without SCSEP. Last year alone, SCSEP participants provided these agencies close to 46 million hours of paid community service. For instance, SCSEP participants and staff work as the primary older worker specialists at many WIA One-Stops and have helped meet the increased demand for social services as a result of Hurricane Katrina.

4. SCSEP serves over 100,000 persons 55 and over each year, over twice as many as those served by WIA. Further, SCSEP serves a more needy population: over 70 percent of all SCSEP participants are women; over 80 percent are 60 and older; over 80 percent are at or below poverty, about one-third have less than a high school education; and over 40 percent are from a minority group. In contrast, WIA nationally serves less than 4,000 persons 65 and over of *any* income and education level (likely due to performance disincentives currently built into WIA, according to GAO Report 03-350). In PY 2004, national and State/territorial SCSEP grantees achieved ACSI customer satisfaction scores that were "substantially higher" than scores for WIA, and better than most organizations in the private sector.

5. The 13 national grantees (selected by USDOL through a national competition in 2003) add significant value to the total SCSEP program and delivery system. They develop and replicate successful program models by partnering with national-level corporations, employer associations, social service agencies, and other providers. These national nonprofit organizations strengthen SCSEP at the State and local level by sharing best practices on serving hard-to-reach rural and urban communities, including minority and immigrant groups; collaborating with WIA One-Stops, area agencies on aging, etc.; and leveraging local resources to support SCSEP. National SCSEP grantees represent unmatched expertise and experience that would be difficult to replace.

6. Since USDOL did not issue final regulations for SCSEP until 2004, many of the initiatives and improvements embodied in the 2000 reauthorization are only starting to take effect. For instance, the reauthorization requires stronger national and State grantee coordination, but the improved State planning process has been in place for only 1 year. At the request of the Senate Special Committee on Aging, GAO is conducting a review of SCSEP since the 2000 Amendments. It would be premature to make major changes without full implementation of Congressional intent from the last reauthorization in 2000.

Senator DEWINE. Well, I thank the panel very much. I just have a couple of questions.

Let me ask all of you, do you agree that there is room for streamlining in the program? For instance, are there instances where you might be working in the same county and compete for the same community service employer? Anyone jump in here.

Mr. SALAZAR. Yes, Senator, let me——

Senator DEWINE. Mr. Salazar.

Mr. SALAZAR. Obviously, in certain situations we are collocated in particular cities, obviously in the larger urban areas. We have had nothing but good cooperation, you know, in my experience. We are competing to some extent, but in some extent, you know, it is a question of where you are in a city. If it is across an entire city, perhaps like the city of Detroit, where we operate, and there are other contractors, we operate the One-Stops in that city, so in a sense they would be coming to us. But I suppose you could say that in certain situations it would be better if one entity provided that service. But it has worked. There has been a spirit of cooperation, and I do not see that it could not. But, obviously, it is something that could be looked at for the future in terms of efficiencies.

Mr. KAHN. I think we have worked that out very well in Ohio. We currently operate in 39 counties out of Ohio's 88, and only in three of those counties is there another SCSEP provider where we operate. So that has been done in the local level.

Mr. SARMIENTO. I agree. The more diverse the county is, the more rational it is to have a number of national grantees operating.

Senator DEWINE. Let me ask you this: How do your agencies' community service placements support the Aging Network and other community institutions?

Mr. SALAZAR. Senator, could you repeat the question, please?

Senator DEWINE. How do your agencies' community service placements support the Aging Network and other community institutions?

Mr. SALAZAR. Senator, in the majority of situations where we operate, we have very extensive working relationships—we have been in business for over 40 years doing what we do, and we have very extensive working relationships with employers that assist us from all levels, and we are able to extend that across the board and provide assistance to other entities. Was there any specific area you wanted me to focus on?

Senator DEWINE. No, just whatever—anybody else?

Mr. KAHN. We work quite a bit with the Meals on Wheels program, senior citizen centers. Several of the participants across Ohio help deliver the Meals on Wheels, prepare meals, work in the kitchens, work in the senior centers. They are involved in various aspects of the Aging Network across Ohio.

Mr. SARMIENTO. Our agencies, the host agencies that participate in our program, have about 2,800 host agencies that work through our subgrantees, and they range from everything from a rural library where the SCSEP participant is helping to staff the computer center that might have been bought by the Gates Foundation in Alabama, but they also can be working at a One-Stop Career Center where the SCSEP participant oftentimes is the only staff person who is there to work with other older job seekers.

Mr. KAHN. And just to follow up, again, in Ohio, we have participants working in the One-Stops, and when older workers come into the One-Stops, they are referred to the other participants we have working in the One-Stops.

Senator DEWINE. Based on your experience as a sponsor of SCSEP, what basic principles do you think should guide us here in Congress in reauthorizing the program?

Mr. SALAZAR. Senator, I think you need to look at the credibility of organizations that obviously put forth the program. Are they producing? Is the program doing what it is intended to do? Are we training people to transition eventually into employment? Are we making a difference in the employer community? Are we making a difference in the lives of the individuals who are affected by our programs?

Mr. KAHN. And I could agree with much of what Mr. Salazar has to say. I think there needs to continue to be a strong focus on community service, especially in the rural areas where we serve so many low-income older workers. There are just not alternatives in many communities where they work. A lot of the people that we serve just lack the skills and ability to move into jobs off the program. They have various barriers to employment that are health-related, transportation issues. And so I think Congress needs to keep that in mind as they formulate the SCSEP.

Mr. SARMIENTO. Our subgrantees have told us that what is really at heart here in the future of SCSEP is for Congress to clarify its intent for what they think older people need at this time. I think

what is being asked is whether paid community service employment continues to be the best program, the best type of activity that fits within the low-income disadvantaged seniors who face multiple barriers to unsubsidized employment. Also, I think the idea that the 46 million hours of paid community service employment that the participants provide now, the worry among some of the subgrantees we have worked with, as well as State Departments of Aging, is if that is reduced in any kind of significant way, where will the staffing, the volunteers come from to help run the Meals on Wheels programs and other critical programs that are part of the Aging Network?

Senator DEWINE. Mr. Salazar, in your testimony, you mentioned that there needs to be a bridge to the private sector established. What sort of cooperation do you currently see from the private sector? And how do you think this bridge can be established?

Mr. SALAZAR. Senator, today the employer community needs individuals of all levels, and they are reaching out, and we need to be able to provide an individual to them that is ready to work and can produce for that individual corporation or company. More than ever before, because of the aging population and because we have a much more limited population coming up, the employer community needs these employees to be ready and able to work. So this is a resource that they need to maintain their viability as a corporation or as companies in local communities. And we provide a valuable service in making sure that is available to them.

Senator DEWINE. Mr. Kahn, in your testimony, you mentioned that you would like the age requirement to remain the same. You also mentioned that more than 80 percent of your participants are 60 years of age or older. What do you think of Mr. Salazar's recommendation to raise the age to 60 instead of 65, as the administration is recommending?

Mr. KAHN. I really think it is extremely important that we continue to serve people 55 and older. Those are the ones without the safety net of Social Security. Now those that are 65 and older have the Medicare Part D to help pay for prescriptions. Those people 55 to 61, they still face age discrimination. We get calls all the time from people that are not eligible for the program. They say they cannot find work because of their age, and definitely those that do meet our income guidelines have various barriers to employment, like the example I gave of the woman in Woodsfield who could not find employment and is able to get some income through community service, and through community service we believe she will be able to upgrade her skills and eventually find employment off the program.

So I think it is very important that we continue to serve that age group of those 55 to 64.

Senator DEWINE. Well, I want to thank you all. This panel has been very helpful, as was the first panel. We have worked with you before, and we look forward to continuing to work with the three of you in the future. And we will continue to work toward this legislation.

Thank you all very much. The hearing is adjourned.

[Additional material follows.]

ADDITIONAL MATERIAL

PREPARED STATEMENT OF SENATOR KENNEDY

It's a privilege to be part of this discussion today. As we work to reauthorize the Older Americans Act, it's essential that the lines of communication remain open with the Administration and the many groups affected by the decisions we'll make.

Today's hearing will focus on title V of the act, which provides job training for older Americans to enable them to work in the communities they love, and which love them too.

All of us agree that those who want to work should be able to work. Last year, the Senior Community Service Employment Program under title V supported over 61,000 jobs and served 91,000 people. The program is targeted to seniors with the greatest social and economic need. Eighty percent of its participants are at or below poverty. A third have less than a high school degree, and 40 percent are minorities—real people receiving real opportunities to work and improve their communities. Older Americans benefit from the employment program, and are able to lead independent and productive lives.

We're talking about people like 60-year-old David Carey who was living in a homeless shelter before he joined the program. He'd been doing odd jobs, but had no transportation and no steady employment. Experience Works assigned him to the Salvation Army Thrift Store, where he refreshed his skills in maintenance and custodial work and later found a full-time job and a new chance at a better life.

Stories like that are not unique. My staff recently met grantees in Massachusetts, including members from Senior Service America, who have similar success stories. The program meets financial needs, and it also contributes to the physical and mental well-being of seniors.

According to the Department of Labor, the program directly supports the day-to-day activities of thousands of community and faith-based organizations and the Government. Seventy percent of these agencies reported that they could not have provided the same level of services without this important program.

As we consider proposals to modify title V, we must keep in mind that the program affects not only seniors, but the community as a whole. According to the Census Bureau, 7 million persons aged 55 or older will be living in poverty by 2008, up 22 percent from 2000, and the number keeps rising. This year, the first of the baby boom generation will be eligible for the act's services. By the year 2030, one in five Americans will be over age 65. We obviously need to get our priorities right, and listen closely to those who administer the program and the seniors who participate in it.

It's essential to remember the impact on the disability community and minorities as well, because they're vital parts of the program too.

I look forward to working with all of you to strengthen the safety net for the Nation's seniors. Thank you all for taking part in this hearing, and helping us chart the path ahead.

PREPARED STATEMENT OF SENATOR MIKULSKI

OPENING

Chairman DeWine, thank you for calling this hearing today on the Senior Community Service Employment Program (SCSEP)—Title V of the Older Americans Act.

Reauthorization of the OAA is an important responsibility that we have to give our Nation's seniors.

I look forward to hearing from our panel of witnesses today about the title V SCSEP.

During the last reauthorization of the OAA in 2000, Senator DeWine and I worked very hard to strengthen SCSEP. I look forward to hearing about: where we have been, where we are now, and where we should be going with this important senior community service and jobs program.

I understand that the Department of Labor has proposed drastic changes to this important program. I am very concerned about these proposed changes since I have not been made aware of problems programs administrators or recipients have with the current program. Sometimes if it is not broken—don't fix it.

I question why the Department of Labor thinks that such drastic changes are needed for this program at this time.

PRINCIPLES

As we move to reauthorize the Older Americans Act there are four principles that I believe must guide reauthorization.

First, we must continue and improve the core services of this act to meet the vital needs of America's seniors. We need a national program, with national standards that ensure consistency—but also allows for local flexibility and creativity.

Second, we must modernize the act to meet the changing needs of America's senior population, including the growing number of seniors over 85, the impending senior boom, and the growing number of seniors in minority groups.

Next, we must look for ways to help seniors live more independent and active lives.

Finally, we must give national, State, and local programs the resources they need to carry out these vital responsibilities.

I believe that these are important guiding principles that we must keep in mind as we evaluate all of the Older Americans Act Programs.

Let me expand on these principles.

CORE SERVICES

It is vital to continue and improve the core services of this act.

The Senior Community Service Employment program helps seniors to lead independent and active lives through community service jobs, skills training and a transition to unsubsidized employment. No other Federal program addresses the employment needs of people 55 and over.

MODERNIZATION

Our senior population is not the same as it was in 1965. This will be the first time the baby boomers will be eligible for services under the Older Americans Act.

That's why we must modernize the OAA to meet the changing needs and diversity of our seniors. We must prepare for the upcoming senior boom. By 2050 there will be nearly 90 million seniors over age 65, more than twice their number in 2003.

INDEPENDENCE

Seniors today are living longer, healthier lives. We must do what we can to help them be as independent and active as possible. The Senior Community Service Employment program provides seniors with a job and valuable work experience.

The number of older adults in poverty is increasing. By 2008 there will be 6.7 million persons aged 55 or over below poverty level; a 22 percent increase from 5.5 billion in 2000. The need for the SCSEP is definitely growing.

We must ensure that we are doing what we can to help ALL seniors live healthy, independent lives for as long as possible.

RESOURCES

Finally, we must provide the resources necessary to meet these challenges and support our seniors.

Too many Older Americans Act programs have been flat funded, and decreased for too long. The President's fiscal year 2007 budget cuts the SCSEP by $44 million below last year's (fiscal year 2006) level. We should be increasing—not decreasing—funding for this important program.

IMPORTANCE OF TITLE V PROGRAM

The title V program is extremely important for the thousands of unemployed, low-income Americans over the age of 55 who are seeking work.

Every year, more than 100,000 older adults with poor employment prospects and the greatest need are able to re-enter the labor force because of the support and guidance they receive from SCSEP providers.

The title V program helps seniors to lead independent and active lives through community service jobs, skills training, and a transition to other jobs.

This program provides part-time community service jobs to low-income seniors, providing a steady source of income that many of them need for rent, groceries, medical care and utilities. This program helps seniors help themselves.

MARYLAND

The Senior Community Service Employment program is important to seniors in Maryland and benefits seniors in Maryland. Thousands of seniors benefit from the Senior Community Service Employment Program every year.

All of these seniors are working in community service jobs. Fifty percent work in the senior service sector—working at senior cen-

ters, delivering meals to homebound seniors, and transporting seniors to doctors appointments; the other half work in other general community service positions at libraries, museums, the Red Cross and the Salvation Army.

I look forward to hearing from two of the national grantee organizations that run programs in Maryland. That will be a part of our second panel of witnesses today—Senior Services America and Experience Works.

I would also like to thank two SCSEP recipients who are joining us for today's hearing: Ms. Carrie Morris, from Baltimore City who, at 72 years old, is working toward receiving her GED as part of the Baltimore City SCSEP; and Ms. Victoria Gill (66), also from Baltimore City, who is working toward receiving her GED as part of the Family and Children Services of Central Maryland SCSEP, while working at the Southwest Senior Center.

CLOSING

I look forward to hearing from our witnesses about how we can make the most of our opportunity to improve the Senior Community Service Employment program as we reauthorize the OAA and continue to meet the day-to-day needs of America's growing population of older Americans.

PREPARED STATEMENT OF SENATOR CLINTON

I would like to thank Senators DeWine and Mikulski for holding this important hearing. As we prepare for the upcoming reauthorization of the Older Americans Act (OAA), it is critical that we address title V, the Senior Community Service Employment Program or SCSEP, which receives approximately 25 percent of OAA funding.

SCSEP, the only OAA program administered by the Department of Labor (DOL), provides vital opportunities for part-time employment and income to individuals 55 years of age or older whose income does not exceed 125 percent of the Federal poverty level. This program serves about 100,000 seniors each year by placing them in subsidized community service assignments in local nonprofit agencies where they gain on-the-job training and experience and prepare for unsubsidized employment.

SCSEP also provides an invaluable service to our communities: its participants perform many needed activities in our neighborhoods—from working in senior centers, housing programs, and nutrition services such as Meals on Wheels, to helping at hospitals, recreation centers, parks, and educational sites.

In Westchester County, participants are working at congregate meal sites, mental health offices, low-income senior apartments, food stamp and entitlement programs, senior centers, and the local library, to name just a few places. In other New York areas, the majority of participants are working at nutrition sites that serve the elderly.

Through SCSEP, low-income seniors are given the chance to help themselves while giving back to their communities. They are able to retain independence and dignity without having to turn to public assistance.

Recently, DOL has proposed a number of changes to SCSEP that I believe we need to review very cautiously as we look toward reauthorizing Title V of the OAA.

The Leadership Council of Aging Organizations (LCAO), a consortium of over 50 aging groups, opposes any "burdensome administrative requirements or significant programmatic changes" to SCSEP.

One of DOL's proposed changes would increase the age of eligibility for the program from 55 to 65, with some limited exceptions. The DOL has suggested that the Workforce Investment Act (WIA) and its One-Stop system should be the primary program to deliver employment services to people age 55 to 64.

However, these One-Stops, which serve individuals of all ages, are not equipped to handle many of our more disadvantaged seniors who need extra support—those with limited educational backgrounds, outmoded work skills or long-term detachment from the labor force, and those with very limited incomes.

Another recommendation made by DOL would place a 2-year time limit on program participation. Under current law and regulation, there are no maximum time limits that individuals may be employed in SCSEP. Regulations state that a grantee may establish a maximum duration of enrollment as long as the grantee transitions participants to unsubsidized employment or other assistance before the maximum enrollment duration has expired.

I am concerned that these proposed changes would detrimentally affect the lives of poor seniors in New York and across the country, as well as the community service agencies where these participants work.

Low-income older Americans between the ages of 55 and 64 are a particularly vulnerable population because most are not yet eligible for Medicare or Social Security benefits. Often their earnings from SCSEP constitute their only stream of income.

As the recent article in the New York Times reported (*Life, and Work, After "Retirement," 3/19/06*), many older Americans enrolled in the program in New York City are in their mid-50's and early 60's and are under financial pressure. They are older workers who were laid off when their companies closed, moved or downsized and who could not find new jobs.

In 2004, approximately 56 percent of SCSEP participants in the country were between 55 and 64 years of age. Similarly, in New York, 3,182 seniors or 55 percent of the participants in the program fell in this age bracket.

Changing the age of eligibility to 65 for participation in SCSEP could have dire consequences on vulnerable adults between the ages of 55 to 64 because they would face additional hardship.

I am also concerned that the 2-year time limit recommended by DOL could hurt many seniors currently served by the program or those who would be served by it in the future.

For example, in Westchester County, where over 100 seniors currently participate in SCSEP, over half would be disqualified from the program because they have passed this 2-year time limit. Two years is not always enough time to help seniors enrolled in this program who have limited educations and low work skills.

Finally, as we move toward reauthorization of title V, we must pay close attention to any changes that would threaten SCSEP's intent to support the community service aspect of the program. There is no substitute for many services SCSEP participants provide to their local communities as they work in all kinds of nonprofit agencies. Many of these agencies depend on these individuals to perform critical outreach activities that otherwise would not be done.

At the subcommittee's aging roundtable last month, much concern was expressed about the ability to deliver services like Meals on Wheels to older Americans because of growing problems that community service agencies face in recruiting volunteers. SCSEP helps fill that gap by partnering these participants with local aging services.

Reauthorizing the OAA is critical to the aging services infrastructure. We must ensure that any changes we contemplate preserve the integrity of SCSEP—a crucial program for both our seniors and our communities. Again, I thank you for holding this important hearing today as we prepare for reauthorization of the OAA.

PREPARED STATEMENT OF THE NATIONAL COUNCIL ON AGING

The National Council on Aging (NCOA) welcomes the opportunity to submit this statement for the published hearing record of the Senate Subcommittee on Retirement Security and Aging.

NCOA began a partnership with the Department of Labor in 1968, providing services for the Senior Community Service Employment Program (SCSEP), and we have been a national sponsor for the program ever since then. Currently our SCSEP program is the fifth-largest of the 13 national contractors. We are pleased that this relationship with the Department of Labor (DOL) has enabled us to serve tens of thousands of low-income older workers over the years, thus providing delivery of vital community services while enhancing the work skills of program participants. We appreciate the opportunity to comment on SCSEP as it begins to move toward reauthorization.

REAUTHORIZATION OF SCSEP

SCSEP is our Nation's most effective workforce program for low-income older Americans, and NCOA strongly hopes that it is not a source of controversy in the next reauthorization of the Older Americans Act (OAA). The best course for Congress to pursue with title V—the portion of the OAA that authorizes SCSEP—is to continue it as it is, with minor improvements. The 2000 reauthorization of the OAA made significant changes in the SCSEP, and it took 4 more years—until late 2004—for the Department of Labor to issue final regulations for those changes. Thus, the sponsoring agencies and the program participants are still adapting to the new rules and systems that were only recently made final.

NCOA strongly opposes DOL's proposed far-reaching structural changes to SCSEP, such as block-granting the program to the States, de-emphasizing community service (which benefits program participants, the aging network, and communities served), eliminating nearly all participants under age 65, and eliminating fringe benefits for participants. These changes would make the program far worse, not better. Such changes are unwarranted, and would be disruptive and harmful to older workers and their communities.

SCSEP is a proven program that has a good track record of providing both training and transition to unsubsidized jobs for difficult-to-serve populations of older adults. It should be allowed to continue doing what it does well. During the last OAA reauthorization, one major reason for the 5-year delay was the controversial proposal to shift the funding formula from 78 percent for national sponsors and 22 percent to States to a 50 percent–50 percent split. Any attempt now to overturn the current compromise (which national sponsors and States supported) and go, in effect, from a 78 percent–22 percent split to a 0–100 percent split would create great controversy, derail efforts to reauthorize the program this year, and deflect attention from important proposals in other OAA titles that would truly help seniors.

There is broad consensus among all 13 national SCSEP sponsors, as well as other aging advocates, that the following principles should shape the reauthorization of title V:

- Continue the current system of funding both national and State grants, including the current percentage split of the funds.
- Maintain the program's historic dual emphasis on both community service placements and unsubsidized placements for participants.
- Maintain the current age and eligibility requirements for participants, so that services can be targeted to persons with the greatest economic and social need.
- Retain current policy on program budgets.
- Strengthen the role of the Administration on Aging in SCSEP, because Section 505(a) of the OAA does not appear to be working as intended.

NCOA strongly supports these five principles, and urges Congress to use them as the basis for reauthorizing SCSEP.

In summary, NCOA's recommendation for reauthorization of SCSEP is straightforward: reauthorize it essentially as it is, without significant change. Ignore the radical changes that have been recommended by the Department of Labor.

RECENT SOLICITATION FOR GRANT APPLICATIONS

NCOA has expressed concerns about the current round of competitive bidding, which was announced on March 2, 2006. First, we believe that an open competition that is anchored in fairness and equity should include among the evaluation criteria strong consideration of past and current performance in serving SCSEP enrollees—including such specifics as recruitment of difficult-to-place persons, placement rates, and addressing barriers faced by the most needy applicants. NCOA believes that if DOL gives significant weight to past performance in evaluating grant applications, than it will assure that the best possible services will be provided to low-income older workers and communities across the country. Conversely, by not considering past performance, DOL does not assure that low-income older workers get the best training and placement, which is what they need and deserve.

Second, until early April, we were concerned that DOL's new round of competitive bidding carried the risk for major disruption to the educational and training services that are provided to program participants, as well as for financial burdens to national sponsors. Without sufficient time for grant transition, there was a substantial risk that current enrollees would lose training, and potential enrollees would face delays getting into the program. It appears that DOL has found an appropriate remedy for this problem by lengthening the transition period, although that decision has not yet been officially announced. NCOA supports the decision by DOL to lengthen the transition period, and extends thanks to all those who helped to reach this compromise solution.

ADDITIONAL COMMENTS

SCSEP builds employment skills, renews each individual's sense of self worth, and provides needed wages to low-income seniors. It also offers valuable social and economic benefits to communities, and extends the reach of community-based organizations. All across our Nation SCSEP enrollees perform valuable community services in senior centers, libraries, schools, and health and social service institutions. It is important for Congress to understand that SCSEP is about persons, not just numbers. It is a program with a long and positive history of improving life for thousands of individuals and thousands of communities.

There are some modest ways that Congress and DOL can improve SCSEP without imposing radical changes on the core program. For example, NCOA suggests that SCSEP can be improved by: developing measures of grantee performance that more closely reflect Congressional intent, streamlining performance data collection and reporting, revising the income eligibility rules, and revising section 502(e) to remove disincentives for businesses to participate in training and placement. These are not major changes, but they would enable the program to run more smoothly and serve more low-income seniors.

NCOA also suggests that it would be worthwhile for DOL to create a substantial set-aside of funds for all programs serving minority groups. In order to accomplish this, DOL could set a cap on the amount of funding or slots granted to any one national sponsor.

One point that must be emphasized in any discussion of SCSEP legislation is this: the program is woefully underfunded. The appropriation has remained flat or taken a small dip every year for many years, and thus in fiscal year 2006 there are fewer dollars than in 2000, despite growing numbers of low-income older workers who need SCSEP, and despite the significant erosion of purchasing power due to infla-

tion. And now the Bush administration is seeking a 10 percent cut in SCSEP spending for next year. Congress should reject this drastic cut, because it would be devastating to low-income older workers and to their communities.

RESPONSE TO QUESTIONS OF SENATOR KENNEDY, SENATOR MIKULSKI, AND SENATOR MURRAY BY MASON BISHOP

Response to Questions of Senator Kennedy

DOL'S PROPOSAL AND COMMUNITY SERVICE

Question 1. In 2000, we reauthorized the Older Americans Act and modified title V. In the committee report accompanying the bill we specifically stated, "The revised purpose statement of title V reflects the committee's intent to maintain the community service nature of the program" along with providing additional opportunities for seniors to be placed in unsubsidized employment. We acknowledged the importance of community service assignments for both seniors and for the communities where they live. What assessments have been done by the Department of Labor to justify proposals to change the SCSEP program and eliminate its dual purpose of both community service, and job placement?

Answer 1. The Department is not eliminating SCSEP's dual purpose of community service and job placement. Community service work experience remains as a vital and important component of the program under the Department's reauthorization proposal. However, we would like to offer more flexible training options in the reauthorized program. Training options may include: community service or other work experience, on-the-job training, and classroom instruction, lectures, seminars, individual instruction, or other arrangements, including but not limited to, arrangements with other workforce investment programs. We also propose to allow grantees to spend a greater portion of their funds for training. These proposals are in keeping with the greater training and employment focus clearly expressed in the Amendments to the Older Americans Act in 2000.

COMMUNITY SERVICE PLACEMENTS

Question 2. When community service organizations are asking us to help increase civic engagement, why eliminate community service as a bona fide placement for seniors?

Answer 2. The Department is not eliminating community service as a bona fide placement for seniors. Seniors may still be placed in community service organizations, and under the Department's reauthorization proposal, could also be placed in positions with private organizations. By allowing a broader range of job placement options, increasing opportunities for training, and establishing a time limit appropriate for a short-term employment and training program, the Department's reauthorization proposal emphasizes the training and employment aspect of the SCSEP program, as delineated in the Amendments to the Older Americans Act in 2000. Further, the Department's reauthorization proposal would result in more participants moving out of the program and into the labor market as practiced staff with experience in providing community service.

ANALYSIS OF COMMUNITY SERVICE

Question 3. Has the Department performed any analysis of the return on investment of community service placements? Has the Department assessed the impact of its proposals on community and faith based organizations and government agencies?

Answer 3. Based on performance reports from Program Year 2004 (July 1, 2004–June 30, 2005.), SCSEP participants have provided roughly 45.7 million hours of community service.

The Department expects community and faith-based organizations and government agencies to benefit from its reauthorization proposal. By giving States responsibility for competing grants to provide service and ensuring that those competitions are held at least every 3 years, smaller organizations such as community-based and faith-based organizations are more likely to be able to compete for grants. State agencies also benefit from the Department's reauthorization proposal as they will be able to administer the grant competition and manage services in their State in a manner that best suits the unique needs of their communities.

AGE ELIGIBILITY

Question 4. The Department has proposed changing the age of eligibility for SCSEP from 55 to 65 years of age, yet almost half of those served by the program are aged 55 to 64. What is achieved by eliminating this population?

Answer 4. Because only 1 percent of the eligible population can be served by SCSEP, the Department's proposal targets finite resources to the older participants where those resources are most needed,. One-Stop Career Centers are already serving individuals 55–64 and have the capacity to serve those in this age category who previously were served by SCSEP. Under our reauthorization proposal, the One-Stop Career Centers would serve individuals 55 to 64, letting SCSEP grantees concentrate on serving those 65 and older, as well as those 55–64 who are hardest to serve or have multiple barriers to employment. This arrangement lets each system do what it does best. SCSEP grantees have valuable experience in serving individuals with multiple barriers to employment, and their expertise is best tapped when serving those older individuals truly in need of their assistance.

ONE-STOP CENTERS AND OLDER WORKERS

Question 5. One-Stop Centers are not geared to older workers, nor are they equipped to handle those older workers who may have special needs. In fact, I understand that currently when an older worker goes to a One-Stop Center they are typically referred to SCSEP. How will the Department of Labor ensure that people in the 55 to 64 year age range will receive appropriate employment training and placement services? What evidence or data is there to show that one-stops are effectively serving older workers?

Answer 5. One-Stop Career Centers are currently serving older workers, and SCSEP is a required partner in the One-Stop Career Centers. Of individuals who exited the WIA Adult program in Program Year 2004, 13,544, or 6 percent, were 55 and over. Of individuals who exited the WIA Dislocated Worker program, 21,626, or 12.1 percent, were 55 and over. Also, the Wagner-Peyser program served 1,389,027 job seekers aged 55 and over, representing 9.8 percent of total Wagner-Peyser program job seekers.

Because only 1 percent of the eligible population can be served by SCSEP, One-Stop Career Centers are by necessity places for older workers to obtain services. This is why the administration has proposed a number of reforms to the One-Stop Center system through Workforce Investment Act reauthorization.

In the interim, the Department has issued a Protocol for Serving Older Workers in the workforce investment system. The goal of this protocol is to enhance the services provided to older workers and to infuse the One-Stop Career Center system with innovative strategies for tapping into this labor pool. Proposed action steps were identified for six major stakeholders, including One-Stop Career Centers.

The Department also plans to issue additional policy guidance, fund demonstrations, and disseminate best practices to encourage better services for older workers at One-Stop Career Centers.

Finally, the newly-formed Inter-Agency Task Force on the Aging of the American Workforce will examine how an array of Federal programs, including those available in the One-Stop Career Centers, can better serve older workers.

FRINGE BENEFITS

Question 6. The Department also proposes eliminating fringe benefits for seniors participating in the SCSEP program. This means that seniors will not be given paid holidays, they will be given no paid sick leave, no paid vacation, no paid health insurance and no Social Security coverage. What is the rationale for this change? Is the Department suggesting that if a low-income senior gets sick he or she should be forced to choose between a days pay that will keep food on the table or staying home to recover properly? Is it the Department's intent to increase the number of older Americans without health insurance?

Answer 6. Fringe benefits are not provided in any other training program that ETA administers and we do not feel they are appropriate for a training program. Therefore, the Administration's reauthorization proposal eliminates most fringe benefits, but retains those required by law. We have heard from several grantees who support the elimination of fringe benefits as these benefits draw resources away from training and employment-related services to participants. Fringe benefits may also act as a disincentive for participants to leave the program and move into unsubsidized positions, which lead to better wages and benefits.

With regard to health care specifically, there are currently no grantees that offer health insurance. Eliminating fringe benefits will not affect the health care of older workers.

REASON FOR COMPETITION

Question 7. It was the intent of Congress that re-competition only be conducted for those national grantees that performed inadequately after a warning period of 3 years. I understand that the Department is competing SCSEP again, but that it is not based on performance measures. Why is the Department competing this program again? If the competition is not based on performance measures how does that reflect fair competition? Shouldn't grantees be held accountable for their performance?

Answer 7. The Department is competing SCSEP because competition is the stimulus for new ideas and high-quality service, and a cornerstone of Federal procurement policy. As a result of the 2003 competition, four organizations became new national grantees, including two with no prior SCSEP experience, such as SER. All four grantees are now performing well and continue to improve their performance. Regular competition also helps ensure that programs are being administered in an efficient and cost-effective manner.

According to the Title V of the Older Americans Act, competition is not limited to when grantees fail performance measures. Section 514(a) limits the award of SCSEP grants to no more than 3 years, thus requiring a selection of grantees within 3 years of the first competition. The issue of whether the Department can compete grants has also been addressed by the Federal courts. As the U.S. District Court of the District of Columbia opined in *Experience Works* v. *Chao*:

> "[t]he use of competitive procedures is a time-honored method for obtaining the most highly qualified awardees of government funds, for allowing new and innovative ideas and organizations to receive those funds, and for assuring public confidence in the integrity of the process to distribute government funds."

Recently, the Congressional Research Service also stated,

> "[t]he court's analysis is also applicable to the current SGA, which again requires a national competition for awarding new grant funds for Program Year 2006 under the Older Americans Act. The current SGA is issued in accordance with applicable regulations and the statutory authorities for the SCSEP program under title V."

COMPETITION TIMING

Question 8. I understand that many of the seniors served through SCSEP have multiple barriers to employment and are difficult to place in jobs. The Department is proposing that national grantees re-compete for grants every 3 years. This would create a disruption for both grantees and for the individuals served by those grantees. Why does the Department want to require that grantees re-compete every 3 years? If an organization is effectively serving their participants why should they be forced to focus time and resources on competition as opposed to their program participants?

Answer 8. Competition is the stimulus for new ideas and high-quality service, and a cornerstone of Federal procurement policy. Competition invites new ideas and new service delivery strategies. As a result of the 2003 competition, four organizations became new national grantees, including two with no prior SCSEP experience such as SER. All four grantees are now performing well and continue to improve their performance. Regular competition also helps ensure that programs are being administered in an efficient and cost-effective manner.

Response to Questions of Senator Mikulski

COMMUNITY SERVICE FOCUS

Question 1. Has DOL assessed the impact of changing the current dual focus of SCSEP away from community service and employment to only employment would have on the aging network and other community institutions that have long made constructive use of SCSEP community service placements, such as senior centers, nutrition programs, schools, and health and social service providers?

Answer 1. The Department is not changing the focus of the SCSEP program to employment only. Community service work experience remains a vital and important component of the program under the Department's reauthorization proposal. Seniors may still be placed in community service organizations, and under the Department's reauthorization proposal, could also be placed in positions with private

organizations. However, we would like to offer more flexible employment and training options in the reauthorized program, consistent with the employment focus given to the program by the amendments in 2000. Training options may include: community service or other work experience, on-the-job training, and classroom instruction, lectures, seminars, individual instruction, or other arrangements, including but not limited to, arrangements with other workforce investment programs. We also propose to allow grantees to spend a greater portion of their funds for training.

COMMUNITY SERVICE EFFECTS

Question 2. Has there been any analysis of the contributions seniors have made to their community through their placements?

Answer 2. In Program Year 2004 (July 1, 2004–June 30, 2005), SCSEP participants provided 45.7 million hours of community service. Of those hours, 13 million hours were in service to the elderly community. An ongoing evaluation, by DAH Consulting, will also examine the types of assignments participants receive under the reauthorized program. The purpose of these community service placements is two-pronged: to provide service to the community, and to gain the work experience and skills necessary to move into an unsubsidized position, either in a community service organization or in a private, for-profit, organization.

DOL ANALYSIS OF COMMUNITY SERVICE EFFECTS

Question 3. If DOL has made such an assessment, what has been learned?

Answer 3. Based on the performance reports from Program Year 2004 (July 1, 2004–June 30, 2005), SCSEP participants provided roughly 45.7 million hours of community service The ongoing evaluation by DAH Consulting will provide more information on community services.

AGE ELIGIBILITY

Question 4. What is achieved by excluding seniors between the 55–64 age brackets, who may be most in need of the program, because they are not eligible for Medicare, or for full Social Security (and most in that range are not eligible for any Social Security)?

Answer 4. Because only 1 percent of the eligible population can be served by SCSEP, the Department's proposal targets finite resources to the older participants where those resources are most needed. One-Stop Career Centers are already serving individuals 55–64 and have the capacity to serve those in this age range who previously were served by SCSEP. As Americans live longer, they will remain in the workforce longer and the public workforce system should be utilized to help them prepare for and obtain new jobs and make career transitions.

Under our reauthorization proposal, the One-Stop Career Centers would continue to serve individuals 55 to 64, letting SCSEP grantees concentrate on serving those 65 and older, as well as limited exceptions for those 55–64 who are hardest to serve or have multiple barriers to employment. This arrangement lets each system do what it does best. SCSEP grantees have valuable experience in serving individuals with multiple barriers to employment, and their expertise is best tapped when serving those older individuals truly in need of their assistance.

ONE-STOP CENTER SERVICES

Question 5. DOL has said that under their proposal WIA One-Stops would serve seniors between the ages of 55–64. However, WIA services were developed for people who are likely to have a long working lifetime ahead, and One-Stops are not geared to older workers with multiple barriers to employment. How will DOL assure that people in this age range receive appropriate employment training and placement services?

Answer 5. WIA services were developed to provide universal access to all workers and job seekers. One-Stop Career Centers serve a wide variety of individuals, including older workers and those with multiple barriers to employment. The Department has taken several steps to ensure that One-Stop Career Centers remain a robust source of assistance for all older workers.

SCSEP is a required partner in the One-Stop Career Centers. It is important to note that SCSEP serves only approximately 1 percent of the eligible population. Therefore, One-Stop Career Centers already need to serve the older worker population; in Program Year 2004, 13,544 participants exited the WIA Adult program, and 21,626 participants exited the WIA Dislocated Worker program. The Department has undertaken several activities to improve services to this population. The Department has issued a Protocol for Serving Older Workers in the workforce in-

vestment system. The goal of this protocol is to enhance the services provided to older workers and to infuse the One-Stop Career Center system with innovative strategies for tapping into this labor pool. Proposed action steps were identified for six major stakeholders, including One-Stop Career Centers.

The Department also plans to issue additional policy guidance, fund demonstrations, and disseminate best practices to encourage better services for older workers at One-Stop Career Centers. In addition, a newly-formed Inter-Agency Task Force on the Aging of the American Workforce will examine how an array of Federal programs, including but not limited to those available in the One-Stop Career Centers, can better serve older workers.

OLDER WORKER PARTICIPANTS IN WIA SERVICES

Question 6. What is the extent of older worker participation in all services authorized under the Workforce Investment Act?

Answer 6. The tracking and reporting system for our program is based on exiters, and of individuals who exited the WIA Adult program in Program Year 2004, 13,544, or 6 percent, were 55 and over. Of individuals who exited the WIA Dislocated Worker program, 21,626, or 12.1 percent, were 55 and over. The chart below provides details on services received by these WIA participants. Also, the Wagner-Peyser program served 1,389,027 job seekers aged 55 and over, representing 9.8 percent of total Wagner-Peyser program job seekers.

WIA Services Received by Participants 55 Years and Older

	WIA Adult Program	WIA Dislocated Workers Program
All Exiters	13,544	21,626
Core Services Only	2,844 (21%)	3,460 (16%)
Core and Intensive Services, No Training	5,418 (40%	8,434 (39%)
Training Services	5,418 (40%)	9,731 (45%)

ONE-STOP CENTER PERFORMANCE AND OLDER WORKERS

Question 7. What evidence or data is there to show that One-Stops are performing well in serving older workers?

Answer 7. SCSEP is a required partner in the One-Stop Career Centers. In some cases, One-Stop Centers and SCSEP have found innovative ways to serve older workers. For instance, the One-Stop Center in Akron, Ohio has established a job club for mature workers that serves SCSEP participants as well as WIA Adult and Dislocated Worker participants. SCSEP and WIA staff work together to link SCSEP participants to the services available through the One-Stop Center, such as job search assistance and specialized transportation.

Bridgeport, Connecticut's One-Stop Center has established a Mature Worker committee to examine One-Stop services to older workers and has piloted an awareness and advocacy campaign called "Are You Ready?" designed to raise awareness among area employers of demographic changes and of the opportunity older workers present to fill skill gaps.

To ensure that all One-Stop Career Centers are as successful as the two mentioned here, the Department has issued a Protocol for Serving Older Workers in the workforce investment system. The goal of this protocol is to enhance the services provided to older workers and to infuse the One-Stop Career Center system with innovative strategies for tapping into this labor pool. Proposed action steps were identified for six major stakeholders, including One-Stop Career Centers.

The Department also plans to issue additional policy guidance, fund demonstrations, and disseminate best practices to encourage better services for older workers at One-Stop Career Centers.

Finally, the newly-formed Inter-Agency Task Force on the Aging of the American Workforce will examine how an array of Federal programs, including those available in the One-Stop Career Centers, can better serve older workers.

DOL'S REAUTHORIZATION PROPOSAL AND PERFORMANCE OF NATIONAL GRANTEES

Question 8. [Regarding DOL's proposal to provide all SCSEP money to States.] How does this proposal acknowledge the successful training and placement record of national grantees, a record that in many cases has been compiled over several decades?

Answer 8. The Department of Labor proposes that States conduct a competition for funds to run the SCSEP program in each State. Based on guidelines and priorities provided by the Department, States would select one or more grantees to operate the program, thereby simplifying administration, eliminating duplication, and creating a more cohesive program. The competition would have to be conducted at least once during each 3-year period. Eligible entities would include non-profit agencies and organizations, for-profit agencies and organizations, agencies of a State government (under terms and conditions to assure their designation through full and open competition), or a consortium of agencies and/or organizations, including political subdivisions.

Under our proposal, we would expect the successful national aging organizations to continue to play a major role in operating the SCSEP program in the States. However, the program would be streamlined by avoiding the current situation of having multiple national sponsors and the State program operating side-by-side in a State, sometimes administering programs with small numbers of positions. Many of the national organizations are currently sub-grantees for State programs, and would continue to be eligible for State sub-grants, where State competition rules allow. For successful national grantees, past performance records should allow them to be quite competitive for State requests for proposal competitions.

TRANSITION FROM NATIONAL TO STATE GRANTEES

Question 9. [Regarding DOL's proposal to provide all SCSEP money to States.] Since most of the program funds now go to national sponsors, how will implementation of this proposal avoid creating massive dislocation in the enrollment, training and placement of low-income older workers who have multiple barriers to employment?

Answer 9. DOL has experience in grantee transition, and we are confident that a transition from national to State grantees would not dislocate any current participants. Using lessons learned from the 2003 competition, DOL is prepared to assist grantees with additional costs associated with the transition; recaptured funds are available for this purpose. Grantees are allowed to use grant funds for transition costs, and all current grantees have transition plans as part of their current grant; applicants must identify plans in their application. DOL is also prepared to provide technical assistance through written guidance, regular conference calls, a national call center, and onsite technical assistance, when and where necessary.

FRINGE BENEFITS AND DOL'S REAUTHORIZATION PROPOSAL

Question 10. What is the rationale for eliminating all fringe benefits for SCSEP participants?

Answer 10. Fringe benefits are not provided in any other training program that ETA administers and we do not feel they are appropriate for a training program such as SCSEP. Therefore, the administration's reauthorization proposal eliminates most fringe benefits, but retains those required by law. We have heard from several grantees who support the elimination of fringe benefits, as these benefits draw resources away from training and employment-related services to participants. Fringe benefits may also act as a disincentive for participants to leave the program and move into unsubsidized positions, which leads to better wages and benefits.

2006 COMPETITION AND PERFORMANCE

Question 11. We still do not even have results of the performance measures that were required in the 2000 reauthorization. Why does DOL want to do this new competition now?

Answer 11. Although the Department is eager to analyze the results from the last few years' performance data, past performance is not the sole reason for regular competition. Competition is the stimulus for new ideas and high-quality service, and a cornerstone of Federal procurement policy. Regular competition also helps ensure that programs are being administered in an efficient and cost-effective manner.

2006 COMPETITION AND REAUTHORIZATION

Question 12. How is this new re-competition on the eve of OAA and SCSEP reauthorization an efficient expenditure of time for DOL officials, Department resources and the program management efforts of thousands of SCSEP project sites?

Answer 12. By competing national grants now, the Department can encourage efficiency in grantee operations, and in the solicitation, emphasize the workforce development and training focus given to the program by the 2000 Amendments to the Older Americans Act.

2006 COMPETITION EFFECT ON PARTICIPANTS

Question 13. What consideration did the Department give to the lives of 46,000+ low-income, older enrollees who may find themselves being shifted again (as they were in 2003) among various reporting bureaucracies?

Answer 13. At the time of the 2003 competition, many participants and grantees were concerned about the effects of the transition on participants. The Department can say with authority that every single participant was transitioned successfully. Competition does not need to cause any disruption among services participants receive, and the Department is committed again to ensure the 2006 competition is equally as successful.

DOL is prepared to assist grantees with additional costs associated with the transition, as it did following the transition after the 2003 competition. Program Year 2004 recaptured funds are available for this purpose. Grantees are allowed to use grant funds for transition costs, and all current grantees have transition plans as part of their current grant. Applicants were required to include contingency plans for tracking participants in their 2003 application, and in the ongoing competition.

DOL has identified specific responsibilities for itself, national grantees and State grantees to ensure a smooth transition. DOL will provide orientation to all national grantees to provide information on program administration and management. After the competition, as part of the transition, DOL will begin regular conference calls between Federal and regional DOL staff and national grantees to quickly address any transition issues. DOL will also provide assistance through a national call center, and provide on-site technical assistance, when and where necessary.

2006 COMPETITION AND CONTIGUOUS STATES

Question 14. What is the rationale to require that each national grantee serve only contiguous counties within a given State?

Answer 14. In order to distribute resources more equitably, the new SGA ensures a fair distribution of positions, or "slots," among counties in a State, and requires that national grantees serve contiguous counties. This will ensure that services to older workers are effectively managed, and it brings order to the current fragmented service delivery structure. Please note that organizations applying for Pacific Islander and Asian American grant funds or Indian grant funds do not have to apply for contiguous counties.

2006 COMPETITION AND TARGETED POPULATIONS

Question 15. How will DOL assure that this requirement does not create major problems for sponsors proposing to serve targeted populations, which may be concentrated in certain non-contiguous areas within a State, e.g., Hispanic or African-American elderly?

Answer 15. The Department's purpose is not to stovepipe employment programs by focusing on specific groups, but to ensure that all programs are able to serve the full range of eligible participants. All SCSEP grantees, including Asian Pacific Islander and Indian organizations specifically mentioned in Title V of the Older Americans Act, are required to serve the eligible populations that live within their service area. Organizations which have been successful in serving Hispanic or African-American elderly now have the opportunity to apply their expertise to a broader community, benefiting the entire eligible population in their service area. The Department's proposal to reduce duplicative administrative expenses and to focus more program resources on eligible individuals will improve services to minority and non-minority elderly alike.

2006 COMPETITION AND MARYLAND

Question 16. What does this do to Maryland? It is my understanding that one national sponsor can bid for the whole State. Where does this leave the State SCSEP program?

Answer 16. Applicants must submit a request for at least 10 percent of the State national grant allocation or $1.6 million, whichever is greater. In Maryland, which has 655 positions for bid in the national grantee competition, the $1.6 million threshold (224 positions) applies. For the State of Maryland, national grantees may bid for all or part of the State, but each bid must meet the minimum funding requirement. In all States, national grantees are bidding on national grantee positions only. State SCSEP programs and allocations are not affected by the competition.

2006 COMPETITION AWARDS AND PERFORMANCE

Question 17. How does DOL consider an applicant's past performance with employment training for older workers in evaluating applications and awarding a new round of SCSEP grants?

Answer 17. When evaluating proposals under the current national competition, the Department will examine every grant applicant's capability, including the organization's experience with serving older workers. All applicants will be rated using a ranking criteria based on points, established by the SGA in accordance with current law. This SGA requires that responses be thoughtful and reflect a strategic vision.

The SGA evaluation criteria are as follows:

1. Design and Governance—15 points
2. Program and Grant Management Systems—10 points
3. Financial Management System—10 points
4. Program Service Delivery—40 points
5. Performance Accountability—25 points

Response to Questions of Senator Murray

COMPETITION AND TRANSITION

Question 1. Can you please explain the kind of transition envisioned by DOL if these regulations are implemented on July 1, 2006 as scheduled? Is DOL considering any delay in implementation? Can you also explain how these proposed changes adhere to the 2000 Reauthorization Act?

Answer 1. DOL has not offered new regulations; the regulations for the SCSEP program were issued in April 2004. The Department has issued a Solicitation for Grant Applications (SGA) for national SCSEP grantees, which is consistent with Title V of the Older Americans Act, and which neither changes nor implements any requirements not authorized under Title V of the Older Americans Act.

That said, the Department envisions a smooth transition after the national grantee competition. DOL is prepared to assist grantees with additional costs associated with the transition, as it did following the transition after the 2003 competition. Program Year 2004 recaptured funds are available for this purpose. Grantees are allowed to use grant funds for transition costs, and all current grantees have transition plans as part of their current grant; applicants must identify plans in their application.

DOL has identified specific responsibilities for itself, national grantees and State grantees to ensure a smooth transition. DOL will provide orientation to all national grantees to provide information on program administration and management. After the competition, as part of the transition, DOL will begin regular conference calls between Federal and regional DOL staff and national grantees to quickly address any transition issues. DOL will also provide assistance through a national call center, and provide onsite technical assistance, when and where necessary.

In response to concerns expressed by Senators DeWine and Enzi, on April 4, 2006, the Department extended the timeframe for all applicants to respond to the SGA from April 17, 2006, to May 26, 2006, giving applicants an additional 39 days to respond. In addition, we recently modified the transition period and will extend current grantees until July 31, 2006, to begin funding new grantees on August 1, 2006.

COMMUNITY SERVICE

Question 2. Why would the Administration propose increasing the focus on private sector employment at a time when demand for social and community services will only increase?

Answer 2. The 2000 Amendments to the Older Americans Act emphasized SCSEP's focus as a training program. This focus is further strengthened through the Department's reauthorization proposal, although community service work experience remains as a vital and important component of the program.

The aging and retirement of the baby boom generation, combined with lower birth rates, will likely result in labor shortages in some industries and geographic areas. Employers are losing their most experienced workers to retirement just as labor force growth is slowing, with the result that shortages of workers with the right skills needed by employers could become common. Older Americans are a valuable resource for filling these shortages, provided that they are equipped with the right skills. Also, as Americans live longer and healthier lives, many will want to, and expect to, remain in the labor market longer, and the vast majority of job opportunities are in the private sector.

To better take advantage of employment opportunities in the private sector, we propose to offer more flexible training options in the reauthorized program. Training options may include: community service or other work experience, on-the-job training, customized training, and classroom instruction, lectures, seminars, individual instruction, or other arrangements, including but not limited to, arrangements with other workforce investment programs. We also propose to allow grantees to spend a greater portion of their funds for training.

RESPONSE TO QUESTION OF SENATOR KENNEDY BY IGNACIO SALAZAR

Question 1. One of the purposes of SCSEP is to work with and assist hard-to-serve, low-income seniors, with a special focus on minorities and those seniors in rural areas.

How does your organization address the needs of the hard-to-serve population? What services are provided for individuals with special needs?

Answer 1. SER Jobs for Progress National for the past 41 years, focused on the hard-to-serve American populations. SER works with both youth and elderly through such programs as: after school programs, head start programs, GED and ESL programs, seniors programs, migrant farm worker programs, etc. Special needs individuals are also served through our programs.

RESPONSE TO QUESTIONS OF SENATOR KENNEDY, SENATOR MIKULSKI, AND SENATOR MURRAY BY KENT KAHN

Response to Questions of Senator Kennedy

Question 1. The Department has suggested that WIA One-Stop Centers will be able to assist those individuals who are between the ages of 55 and 64 to obtain job training and employment. They also suggest that if a SCSEP participant can't find unsubsidized employment after 2 years in the program they should be referred to One-Stops.

In your opinion, do One-Stops have the ability to effectively serve those individuals? Do the One-Stops pay for intensive training services, and provide extensive counseling services for SCSEP participants?

Answer 1. The One-Stops are not accessible to many of the participants served by Experience Works in Ohio and other States. One-Stop Service Centers are moving more toward automated self-service and this is a barrier for many older workers even those 55 to 64. If we want to modernize the SCSEP and prepare for the baby boom generation, we need to have the ability to continue serving those individuals who are 55 to 64 and evaluate the ability of the larger workforce system to effectively serve older workers. Reconsider the age change option after WIA has a proven record in serving older workers and don't let those individuals fall through the cracks. This next 5 years might prove that due to the growth of the aging population, both WIA and SCSEP should have the ability to help individuals who are 55 and older.

Currently, intensive and training services are not available to SCSEP participants either because funds are limited or one-stop operators don't want to serve older workers because of the performance measures disincentives.

Question 2. The 13 national grantees came together with a list of 5 principles that you felt should be considered for reauthorization of title V. One of the principles was to increase interaction and communication with the Administration on Aging.

How can Congress strengthen the role of the Administration on Aging in SCSEP?

Answer 2. The Administration on Aging should have input on the purpose and design of the SCSEP program. The aging network infrastructure struggles to deliver aging services adequately. Service providers depend on volunteers in many cases. SCSEP used to be more valuable in the delivery of aging services when community service was a higher priority. DOL should also consult with AOA on projects such as designing the demonstration and experimental training programs to get a better understanding on how seniors learn best, etc.

Response to Questions of Senator Mikulski

NATIONAL SCSEP/STATE SCSEP PROVIDERS' REACTIONS TO DOL'S REAUTHORIZATION PROPOSAL

DOL's Employment vs. Community Service Focus Proposal

Question 1. How would changing the current dual focus of SCSEP away from community service and employment to only employment change in focus impact the aging network and other community institutions that have long made constructive

use of SCSEP community service placements, such as senior centers, nutrition programs, schools, and health and social service providers?

Answer 1. It is our opinion that the program is in need of constructive changes. One major focus is for the program to concentrate on employer/business needs sooner. By placing more emphasis on funding employer/business activities, participants can emerge themselves in these activities reducing those individuals that spend too much time in the community service component. The current system utilizes not for profit and public entities to serve as host agencies where program participants conduct their training; while the intent of the program is to place participants into unsubsidized employment within the for-profit sector, a disconnect occurs in the transition between the training component and the job placement component. The ideal mixture should be a heavier concentration on employer/business activities while leaving the community service component in place. This will allow participants to continue making contributions to their communities, via this vehicle, but limit the extent of community service time.

Question 2. Has there been any analysis of the contributions seniors have made to their community through their placements?

Answer 2. At midyear of Program Year 2005/2006, Experience Works placed 18 percent of the SCSEP participants into services supporting the elderly community. Last year, Program Year 2004/2005, Experience Works placed 20 percent into services supporting the elderly. In Program Year 2003/2004, Experience Works placed 21 percent into services for the elderly. During Program Year 2002/2003, Experience Works placed 23 percent into services supporting the elderly. And during Program Year 2001/2002, Experience Works placed 27 percent into services supporting the elderly. During the years mentioned above, the SCSEP was pushed more towards an employment program and each year services to the elderly diminished. If community service is de-emphasized even more in this reauthorization, services to the elderly will continue to go away.

DOL's Age Eligibility Proposal

Question 3. If the DOL age proposal was adopted, how many seniors currently enrolled in your programs would no longer be eligible?

Answer 3. One-half of our current participants would be affected. In our opinion, the change should be 60 and above, and not 65 or above. In this instance we must proceed conservatively in order to minimize the risk of individuals not being served.

Question 4. How would this new age requirement impact the seniors in your programs?

Answer 4. The impact is dependent upon whether or not the participants are grandfathered. If the age requirement would only affect new enrollee's, there would be no effect on current participants. If current enrollee's are grandfathered, approximately one-half of our current participants would have to leave the program.

Question 5. DOL has stated that under their proposal WIA One-Stops would serve seniors between the ages of 55–64. Do you believe that WIA is currently serving seniors in this age bracket appropriately?

Answer 5. Serving them, yes; however, "are they being served adequately?" Due to a variety of reasons many needs are not being met; one reason being that seniors typically do not access the one-stops for services.

One-Stop funding is limited and access is a problem for many SCSEP participants, especially those who live in rural communities or who have transportation problems. According to feedback from Experience Works Regional Directors last Friday, many one-stops across the Nation are being shut down and services are being automated, access via computer. The majority of the older workers served by the SCSEP do not know how to use a computer. Eliminating or limiting services to the 55 to 64 would leave a big gap in services available to this age group. Experience Works' last quarterly report to DOL indicates that 57 percent of the participants are between the ages of 55 to 64. Many times these individuals are more desperate than those who have the safety net of Social Security. The little income that they earn helps take care of necessities. When the basics are not taken care of, the ability to focus on upgrading skills or obtaining new skills is difficult because, how to pay the rent, utilities, pay for medication, and buy food is foremost in the minds of the participants.

According to GAO, over half of the grantees expressed concern about getting intensive and training services at the One-Stop centers. As you already know, SCSEP is a partner at the One-Stops and when older workers go to the One-Stops, those individuals are referred to the SCSEP grantee(s) for services. And, WIA has disincentives that discourage providing intensive or training services, those services that currently require performance measure tracking.

NATIONAL SCSEP/STATE SCSEP PROVIDERS' REACTIONS TO DOL'S PROPOSAL FOR RE-COMPETITION OF SCSEP GRANTS THIS YEAR

DOL's Contiguous Counties and Large Grant Proposal

Question 6. How would this new contiguous county requirement affect your SCSEP program?

Answer 6. Dramatically, we would have to adjust to: new locations, project start-ups, and transferring of some current projects to new providers.

Question 7. How would a national grantee or a State assure that this requirement does not create major problems for sponsors proposing to serve targeted populations, which may be concentrated in certain non-contiguous areas within a State, e.g., Hispanic or African-American elderly?

Answer 7. Structuring the competition this way takes away choice for older workers. Now in many counties, the older workers have a choice about who provides him/her with services. Grantees provide services differently and not every individual who is eligible and needs SCSEP services will benefit with only one grantee-operating model to choose from. The concept is the same as not every learner learns alike. Different learning methods give all learners the opportunity to gain knowledge and excel. Also, not requiring every applicant to compete using the same rules is unfair. However, minority populations, especially those with language barriers, will not be served well if the contiguous county is required for the grantees that primarily service those older workers.

Special consideration should be given to these grantees; the key is to continue to build on what has been achieved in the past few years. In which, such grantees have increased services to the Hispanic and African-American communities.

SCSEP PROVIDER NETWORK

How SCSEP Provider Network Could be Used During a Public Health Emergency

Question 8. Can you give examples of how the infrastructure you have created with the senior community on the local level could be helpful during a public health emergency?

Answer 8. The SCSEP grantee network has been able to effectively support disaster relief efforts for many years due to its vast infrastructure. Recently after Hurricane Katrina and Rita hit, staff and participants were involved in many States, not just the States that were directly affected by the hurricanes, in many ways. Participants still perform community service after all the volunteers go back to their regular lives. SCSEP participants staffed phone banks, shelters, triage centers, information and referral centers, helped individuals fill out applications for FEMA and emergency work assignments through DOL emergency funding. The SCSEP is a one-of-a-kind program that serves low-income, low-skilled older workers and at the same time provides valuable services to the community. A public health emergency could be supported and staffed in many of the same ways staff and participants helped during the recent hurricanes. No other government program is currently meeting this need while also providing efficient and effective community services.

Affective communication is essential during any emergency. Our network, can be utilized to transmit communications at the local level.

Response to Questions of Senator Murray

Question 1. I assume you all have seen the Administration's proposal to re-compete the contracts for grantees participating in the title V program. Do you have any concerns about these proposals and the impact they could have on current and future program participants?

Answer 1. We believe that when the performance measures were established, performance would trigger the competition. We are not opposed to competition and think competition is good to maintain and add grantees that are doing a good job. Grantees should be held accountable for performance. Strengthen the program by keeping grantees that are doing a good job and compete the funding when grantees are not achieving performance measures.

The effective delivery of services is based on building an infrastructure or network of partners and relationships with local businesses, organizations that help with supportive services and provide a safety net when needed as well as training partners and faith-based and community organizations. This infrastructure is not built over night; it takes a long time to establish the relationships and trust. Participants' successes are also based on the relationship and trust that is developed and nurtured over time with the local grantee staff. Uprooting or abolishing these infrastructures, relationships and trust every 3 years will not be in support of continuous

improvement and assuring that the SCSEP has the best grantees delivering services. This method of competition will also have a negative impact on the ability of grantees to provide older workers with community services, supportive services, training, and placement services when grantees' territories are moved around every 3 years and these relational infrastructures have to be rebuilt. Experience Works is a good example of that happening after the competition for PY 2003/2004. Prior to the competition, placement achievement was almost 40 percent and service level was almost 200 percent. The second year after the competition, the placement achievement was approximately 22 percent and the service level was only 153 percent. We believe that the current SGA will again disrupt the services to the participants and have the impact described above.

Question 2. I heard a great deal in 1995 about how we need to streamline the job training process. Job training programs were spread over several agencies and were often fragmented at the State and local level. As Ranking Member of the Employment and Workforce Subcommittee of this committee, I have learned a great deal about job training and Workforce Investment Act programs. But, I do think that older workers are a different challenge and traditional job training or retraining programs are ill equipped to meet the challenges of this population, especially for minorities.

The vision or intent of the original Older Americans Act was to fill gaps in safety net programs but also allow older Americans to live with dignity and purpose. Employment training was an important part of this original mission.

Can you explain to this committee why title V is unique and why it should remain a strong component of the Older Americans Act?

Answer 2. Title V should definitely remain a part of the Older Americans Act and continue to have a dual purpose of community service and employment. The program addresses not only the individual barriers the older workers bring with them to the work environment that have not allowed them to get a job, but also the barriers that community services agencies have in recruiting volunteers the agencies need to continue to provide quality services. The SCSEP provides a win-win outcome for both the participant and the agency. Policymakers need to take a strong look at the rich history of the SCSEP and continue to develop an infrastructure that supports the civic engagement and social capitol aspects of this program. There continues to be a need for older workers to have access to employment services that place an emphasis on part-time paid work to maintain their self-sufficiency. The public feels good about a program that is not an entitlement program—but rather a program where people are not only working for what they get, but they are providing locally needed assistance that taxpayers can see for themselves. They feel good about knowing people "like their grandmother" are being made to feel useful and given a reason for going on. And, particularly in rural remote localities, these individuals help the communities stay alive.

The community service component of the SCSEP is a unique, effective, and efficient method for serving low-income older individuals, with multiple barriers to employment, who are desperate for work. Particularly in rural locations where jobs are scarce for even the most qualified workers, the SCSEP provides value-added services, leverages limited funding, and meets the unique training and employment needs of older workers while at the same time building capacity of local community and faith-based organizations. Particularly in many rural communities, SCSEP is a vital resource for agencies struggling to serve growing needs. With the demographic trends of an aging population, now more than ever, the SCSEP provides a proven solution that should be expanded to meet these growing needs.

Community service opportunities help participants productively transition from unemployment in a way that preserves their dignity and self-worth. Each community service assignment provides opportunities to learn, earn, and serve others. The service-learning model is uniquely suited to older learners who can marry their lifetime of experience with the new skills they need to be competitive in the workplace of the future. Community services prepares participants to perform demand and market-driven skills needed by local employers, builds confidence, workplace savvy, references, and a reputation for getting the job done right. Unlike persons out of the workforce who are searching for jobs who lose confidence during a job search, participants performing community service have a support system that boosts them up and coaches them toward success. This is truly a winning partnership.

RESPONSE TO QUESTIONS OF SENATOR KENNEDY, SENATOR MIKULSKI, AND SENATOR MURRAY BY TONY SARMIENTO

Response to Questions of Senator Kennedy

Question 1. I'm concerned about the Department's proposals surrounding the community service aspect of SCSEP. The Department says it's not eliminating community service.

Do you feel that the Department's proposals will lead to the elimination of community service in SCSEP?

Answer 1. The 2000 Amendments to the Older Americans Act (and current regulations) require all SCSEP participants to be assigned to a host agency and employed in community service. Our subgrantees, State SCSEP coordinators, and others have expressed great concern that community service could eventually disappear if:

- it is no longer a required activity of all SCSEP participants, and instead becomes optional and just one of several allowable activities for SCSEP participants,
- "community services provided" becomes a secondary program performance indicator of less consequence than unsubsidized placement and its related indicators.

In addition. H.R. 5293's proposal "that not less than 50 percent of hours worked (in the aggregate) shall be in community service employment-based training" could also drastically cut back community service if 50 percent becomes a ceiling rather than a floor for community service. According to the DOL Web site (http://www.doleta.gov/Seniors/other_docs/04Highlights.pdf), in PY 2004 SCSEP participants worked a total of 46,816,315 hours, of which 45,766,196 hours (or 97 percent) were spent in community service and 1,050,119 hours in other training. If 50 percent of the hours worked by SCSEP participants were reassigned to on-the-job training with private, for-profit employers or classroom training activities, the aging network and other social service agencies would lose over 23 million hours of paid staff.

Question 2. The last competition for National grantees was in 2003, and the regulations for SCSEP weren't published until 2004.

In your opinion, has the Department spent an adequate amount of time evaluating current national grantees to constitute a re-competition? How will the re-competition affect the services you provide to your SCSEP participants?

Answer 2. We agree with the comments of the GAO in their testimony to the Senate Special Committee on Aging on April 6th. It should be noted that during PY 2003 and PY 2004, the two largest national grantees added during the 2003 grant competition did not achieve the minimum unsubsidized placement goal of 20 percent currently required by the Older Americans Act. The other two national grantees added in 2003 achieved 20 percent or more placement rate in PY 2004, probably because each had prior experience operating SCSEP as a subgrantee before becoming a national grantee.

In SSAI's work with new subgrantees, we know that organizations without prior experience operating SCSEP face many challenges and a steep learning curve before they are able to operate SCSEP at an acceptable level.

We are concerned that major changes in national grantees' service areas (which we expect as a result of the new contiguous county requirement) will result in fewer eligible persons being served by the total SCSEP network (including State and national grantees) and significant disruption of services by participating host agencies.

Response to Questions of Senator Mikulski

NATIONAL SCSEP/STATE SCSEP PROVIDERS' REACTIONS TO DOL'S REAUTHORIZATION PROPOSAL

DOL's Employment vs. Community Service Focus Proposal

Question 1. How would changing the current dual focus of SCSEP away from community service and employment to only employment change in focus impact the aging network and other community institutions that have long made constructive use of SCSEP community service placements, such as senior centers, nutrition programs, schools, and health and social service providers?

Answer 1. The proposed change in program focus would greatly reduce the capacity of many nonprofit and public agencies that provide essential services to older persons and the general community. Combined with cutbacks in funding from local United Ways, foundations, and Government, cutbacks in the availability of SCSEP participants may cause some agencies to close down operations.

Since 2003, DOL's increased emphasis on unsubsidized employment and deemphasis on community service may have already led to fewer SCSEP participants being assigned to the host agencies in the aging network by several SCSEP grantees

and subgrantees. This may be due to host agencies such as Meals on Wheels, senior nutrition centers, etc., may provide appropriate on-the-job training to SCSEP participants, they rarely have sufficient funding to hire SCSEP participants on their own payrolls. As a result, SCSEP providers may be assigning more participants to agencies that are more likely to hire participants as unsubsidized placements.

Question 2. Has there been any analysis of the contributions seniors have made to their community through their placements?

Answer 2. All SCSEP grantees, both national and State, have been required to report on a quarterly basis to DOL not only the total number of hours of community service employment performed by all SCSEP participants, but a breakdown on the hours in service to the elderly and hours in service to the general community. This data is available from DOL for the current Program Year 2005 and prior Program Year 2004.

For example, from July 2005 through March 2006, Senior Service America's SCSEP participants contributed over 3.8 million hours of community service, with over 1 million in service to the elderly through nutrition programs, senior centers, and other caregiving assistance.

DOL's Age Eligibility Proposal

Question 3. If the DOL age proposal was adopted, how many seniors currently enrolled in your programs would no longer be eligible?

Answer 3. Over half.

Question 4. How would this new age requirement impact the seniors in your programs?

Answer 4. Many would be left without any alternative source of assistance.

Question 5. DOL has stated that under their proposal WIA One-Stops would serve seniors between the ages of 55–64. Do you believe that WIA is currently serving seniors in this age bracket appropriately?

Answer 5. No. As GAO has pointed out in their testimony about SCSEP to the Senate Special Committee on Aging on April 6th, the existing WIA performance measures represent significant structural disincentives that discourage One-Stops from providing WIA intensive services to SCSEP participants and other older workers seeking part-time employment. These disincentives were also documented by GAO study 03–350. As a result, in one recent year the entire national One-Stop system served less than 40,000 job seekers 55 and over, from all income and education levels, of which less than 4,000 were 65 and over. WIA performance measures must be revised before WIA will begin to serve seniors appropriately.

NATIONAL SCSEP/STATE SCSEP PROVIDERS REACTIONS TO DOL'S PROPOSAL FOR RE-COMPETITION OF SCSEP GRANTS THIS YEAR

DOL's Contiguous Counties and Large Grant Proposal

Question 6. How would this new contiguous county requirement affect your SCSEP program?

Answer 6. This new requirement poses great challenges for many of our current subgrantees operating SCSEP. For some, the contiguous county requirement will effectively terminate their SCSEP program despite 30 or more years of high performance because legal restrictions or organizational capacity preclude them from expanding their service area to meet the requirement.

Although the grant application submitted by SSAI on May 26, 2006 is for nearly $89 million for an 11-month period, due to the contiguous county requirement we were not able to include nine longstanding subgrantees in our application, including the city of Austin (TX); Project NOW in Rock Island (IL); Dr. Piper Center for Social Services in Fort Meyers (FL); and the Marion County Commission (WV). Starting next Program Year, we will no longer be operating any SCSEP program in Florida and West Virginia.

Other subgrantees have been forced to expand their program significantly in order to be eligible to continue their program. For example, the Amarillo Senior Citizens Association has proposed to expand their SCSEP program from serving 2 counties with 51 positions to serving 49 counties with 279 positions in the Texas Panhandle. Another subgrantee, Community Options, now serving 40 authorized slots in San Bernardino (CA), is now committed to serve not only 186 positions in San Bernardino County but also 150 more positions in Riverside County.

Question 7. How would a national grantee/or a State assure that this requirement does not create major problems for sponsors proposing to serve targeted populations,

which may be concentrated in certain non-contiguous areas within a State, e.g., Hispanic or African-American elderly?

Answer 7. The contiguous county requirement places all smaller organizations at a great disadvantage in this grant competition. Since the sponsors that specialize in serving targeted populations tend to be smaller organizations, major problems are unavoidable.

SCSEP PROVIDER NETWORK

How SCSEP Provider Network Could Be Used During a Public Health Emergency

Question 8. Can you give examples of how the infrastructure you have created with the senior community on the local level could be helpful during a public health emergency?

Answer 8. Service America operates SCSEP through a network of local networks. Currently, our subgrantees are 108 local government, community-based, and faith-based organizations in 23 States and the District of Columbia. In turn, each of our subgrantees maintains its own network of diverse government, community-based, and faith-based organizations that serve as the "host" agencies where SCSEP participants are working to provide services to their community. Together, Senior Service America and its subgrantees can tap over 2,800 local host agencies and their staffs to assist in a public health emergency.

Response to Questions of Senator Murray

Question 1. I assume you all have seen the Administration's proposal to re-compete the contracts for grantees participating in the title V program. Do you have any concerns about these proposals and the impact they could have on current and future program participants?

Answer 1. Implementation of the new contiguous county requirement in the short period of time allowed by the SGA will make disruption of participants and host agencies extremely difficult to avoid. In 2003, the entire SCSEP delivery system (both national and State grantees) served fewer participants than in PY 2002. It's very likely that if new grantees without prior SCSEP program experience are funded starting August 1, 2006, fewer participants will be served in PY 2006.

We recommend that future grant competitions be designed so that past performance is a major factor in the selection process and that the grants last for 5 years (assuming satisfactory performance). This approach would support increased accountability and innovation among grantees, but also establish a stable program delivery structure to minimize disruption to participants and host agencies.

Question 2. I heard a great deal in 1995 about how we need to streamline the job training process. Job training programs were spread over several agencies and were often fragmented at the State and local level. As Ranking Member of the Employment and Workplace Safety Subcommittee of this committee, I have learned a great deal about job training and Workforce Investment Act programs. But, I do think that older workers are a different challenge and traditional job training or retraining programs are ill equipped to meet the challenges of this population, especially for minorities. The vision or intent of the original Older Americans Act was to fill gaps in safety net programs but also allow older Americans to live with dignity and purpose. Employment training was an important part of this original mission. Can you explain to this committee why title V is unique and why it should remain a strong component of the Older Americans Act?

Answer 2. In 2006, our Nation is largely underprepared for the aging of the baby boomers. Like most of our major institutions, the public workforce system has focused primarily on youth and the core working-age population, especially since the funding set-aside for older workers ended with JTPA in 1998.

SCSEP is unique and should be continued because it:

1. has a legislated mission of providing community services, which is not shared by WIA. Meals on Wheels, senior centers, and others in the aging network and other social services depend on SCSEP participants to help them staff their agencies;
2. is targeted to serve disadvantaged older adults, including those whom WIA was unable to assist;
3. provides income to participants while they are receiving training; and
4. has funded the largest network of diverse organizations experienced in serving the needs of the older worker and job-seeker.

Finally, the job placement rates of our subgrantees demonstrate that paid work experience in public and nonprofit agencies (i.e., community service employment or work-based training) is an effective training mode for low-income seniors with multiple barriers to employment. We have found that many of these vulnerable seniors

are extremely reluctant to participate in traditional classroom training programs (especially with younger workers) or on-the-job training with private, for-profit employers (which tend to be more demanding). Other types of training can be supplements but are not effective replacements or substitutes for community service employment with SCSEP-eligible persons.

[Whereupon, at 3:25 p.m., the subcommittee was adjourned.]

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