

Updating the Federal Government's Official Assessment of the Senior Community Service Employment Program

Prepared by Senior Service America, Inc. - July 2011

Policymakers must have the most current and accurate information as they consider the future of Community Service Employment for Older Americans (also known as the Senior Community Service Employment Program, or SCSEP), authorized under Title V of the Older Americans Act (OAA). SCSEP is the only federal employment and training program mandated to assist low-income older workers. That is why we are providing this update and suggested corrections to the official assessments of SCSEP by the White House Office of Management and Budget and the Congressional Budget Office.

1. Office of Management and Budget

In 2003, the White House Office of Management and Budget (OMB) rated the performance of SCSEP as “Not Performing” and “Ineffective” based on a Program Assessment Rating Tool (PART) review. A program receives an ineffective rating by OMB if it is assessed as unable to achieve expected results due to a lack of clarity regarding the program’s purpose or goals, poor management, or some other significant weakness. Below is the summary from the results of the 2003 PART ([full report](#) archived on www.expectmore.gov):

- **“Grantees have not been selected through a competitive process that considers performance.** Historically, the program's 10 national grantees have been the sole recipients of grant funds, regardless of performance. Competition would help strengthen service delivery and open the door to new grantees, including faith-based and community based organizations.
- **“Improvements to performance measures needed.** Until recently, the program did not have measures of employment, retention, and earnings to assess the impact on program participants.
- **“Updates to performance reporting systems needed.** The program did not have a grantee reporting system to capture important outcome data on employment, retention, and earnings that would aid in assessing program impact.”

Although OMB has not updated its PART assessment of SCSEP since 2003, the U.S. Department of Labor (DOL) and SCSEP grantees have completed an improvement plan that corrects each of the weaknesses listed above:

- **In 2003 and 2006, DOL conducted open competitions for national SCSEP grants.** As a result, the number of national grantees was increased to 18 from 10, and service delivery areas were consolidated in order to eliminate duplication and strengthen program design and service delivery. By law, the next competition for national grantees will be held in 2012.
- **Starting in 2004, DOL implemented all performance measures required by the reauthorization of the Older Americans Act in both 2000 and 2006.** DOL established grantee performance goals for each of the following OMB common measures:
 - entered employment;
 - retention; and
 - earnings (in 2007).

- **Starting in 2007, DOL implemented the following additional performance measures to better assess overall SCSEP performance:**
 - hours of community service employment;
 - number of individuals served;
 - number of individuals served who are “most in need”;
 - customer satisfaction – employer, participant, and host agency; and
 - entry into volunteer work (proposed in 2010).

- **In 2006, DOL implemented a mandatory grantee reporting system that captures detailed outcome data on employment, retention, and earnings that demonstrates SCSEP’s effectiveness.** The SCSEP Performance and Results Quarterly (SPARQ) on-line performance reporting system collects detailed data about each individual SCSEP participant served. According to SPARQ, the grantee network consistently achieves DOL performance goals. In PY2009, the aggregate performance of the 18 national grantees and 56 state and territorial grantees achieved at least 98% of each of the common performance measures established for the program by DOL.

- **In 2010, DOL published a Final Rule that fully implements the 2006 OAA amendments.** The final rule includes specific regulations that increase the accountability of national and state grantees, including:
 - requiring a competitive process, generally every four years, for national grant awards that takes performance into consideration;
 - sanctions for national grantees that consistently fail to meet expected levels of performance; and
 - requiring that a state grantee implement a competitive process for its SCSEP subgrants if core performance indicators are not met.

The Final Rule also requires increased coordination between SCSEP and Workforce Investment Act/One-Stop Career Centers as well as Area Agencies on Aging and other programs funded by the Older Americans Act.

2. Congressional Budget Office

The Congressional Budget Office (CBO), in its 2011 report [*Reducing the Deficits: Spending and Revenue Options*](#), identified the elimination of SCSEP as an option. Its argument in support of SCSEP’s elimination is that “the cost of subsidizing program participants’ wages and the other benefits they receive for their services could be borne by the organizations that gain from their work; under current law, those organizations usually bear just 10 percent of such costs. Shifting the full cost of the services to the organizations would increase the likelihood that only the most highly valued services would be provided.” (p. 118).

There is abundant evidence that the local organizations that “host” SCSEP participants highly value the work that participants perform as adjunct staff. DOL has commissioned several independent surveys of customer satisfaction among these host agencies (a required SCSEP performance measure). In a national sample of 10,000 SCSEP host agencies, 75 percent indicated that participation in SCSEP increased their ability to provide services to the community either “somewhat” or “significantly.”

Local SCSEP program staff provide additional evidence corroborating these survey findings, indicating that there is little likelihood that participants perform unneeded tasks or do “make work.” Staff report increased demand for SCSEP participants and host agencies’ reluctance to rotate or reduce the work schedule of participants. Program staff also report an increase in requests for SCSEP participants with higher skills and less host agency tolerance of unproductive or unacceptable performance by participants.

But shifting the full cost of paying the wages and benefits of SCSEP participants to their host agencies would prohibit most from continued participation. With few exceptions, the 30,000 local organizations where SCSEP participants work do not have the funds to pay the wages and benefits of their SCSEP participants. They vary in size, mission, and scope, but most focus on meeting basic human needs in their communities. Some are local chapters of national organizations such as the American Red Cross and Habitat for Humanity, but many are small community and faith-based organizations, especially in rural counties, with few paid staff and very modest budgets. Some local and state government agencies serve as host agencies but face equally limiting fiscal constraints. Nevertheless, when funding is available, many host agencies have hired SCSEP participants on their own payrolls.

Regardless of their ability to hire, all host agencies contribute considerable staff time supervising and training SCSEP participants at no cost to the federal government. The value of supervisors' time at host agencies is counted toward meeting the nonfederal share required by Title V of the Older Americans Act. In FY2011, the estimated value of this time is likely to exceed \$50 million.

The CBO report concludes with the following statement (emphasis added): "An argument against this option is that eliminating SCSEP, which is a major [*and only*] federal jobs program for low income older workers, could cause serious hardship for some people. Although, in general, older workers are less likely than younger workers to be unemployed, if they are without a job it can take longer for them to find work, particularly during periods of high unemployment."

In fact, [a 2011 Government Accountability Office \(GAO\) study](#) reported that SCSEP is one of only three workforce development programs which do not overlap with any other federal program. Other GAO studies in [2003](#) and [2008](#) reported that adult and dislocated worker programs under the Workforce Investment Act (WIA) serve a small number of older workers, with WIA adult programs enrolling less than 1% of eligible workers aged 55 and older. "Moreover GAO analysis found that only 9% of WIA and TAA [Trade Adjustment Assistance] dislocated worker and adult participants were over 55. An even smaller percentage of older workers received support for training programs," according to [a 2008 brief by the Heldrich Center at Rutgers University](#).

Older workers have been described as the "[new unemployables](#)" in a [2010 brief by the Heldrich Center](#). Those who meet the eligibility requirements for SCSEP are experiencing exceptionally prolonged unemployment in the current economy. In 2010 the unemployment rate of older adults 55-74 years of age who were likely to be eligible for SCSEP was 21%, more than three times the national average for all older workers. Among displaced workers 55 and older, the reemployment rate was only 38%, the lowest of any age group, with those from lower income households and with a high school education or less faring the worst. Finally, the average duration of unemployment among adults 55 and over currently exceeds 52 weeks, with more than half of all older jobseekers out of work for 27 or more weeks. (More information is available from the [AARP](#) and [Senior Service America](#) websites.)

In conclusion, eliminating funding for SCSEP by shifting its cost to local host agencies would 1) sharply reduce employment and training opportunities for economically disadvantaged older adults in a time of exceptional need and 2) eliminate a highly valued staffing resource to thousands of vital but strapped local programs serving their communities in nearly every county of the nation.