

DOCUMENT RESUME

ED 162 087

CE 018 012

TITLE CETA: Assessment and Recommendations.  
 INSTITUTION National Academy of Sciences - National Research Council, Washington, D.C. Committee on Evaluation of Employment and Training Programs.  
 SPONS AGENCY Employment and Training Administration (ICI), Washington, D.C.; Ford Foundation, New York, N.Y.  
 PUB DATE 78  
 NOTE 72p.; For a related document see CE 018 819  
 AVAILABLE FROM Committee on Evaluation of Employment and Training Programs, National Academy of Sciences, 2101 Constitution Avenue, N.W., Washington, D.C. 20418

EDRS PRICE MF-\$0.83 HC-\$3.50 Plus Postage.  
 DESCRIPTORS Administrative Problems; Economic Factors; Employment Problems; \*Employment Programs; Federal Legislation; \*Federal Programs; Federal State Relationship; Institutional Characteristics; \*Job Training; \*Objectives; Policy; Political Issues; Program Administration; Program Content; Program Coordination; \*Program Effectiveness; \*Program Evaluation; Resource Allocations; Social Factors  
 IDENTIFIERS \*Comprehensive Employment and Training Act

ABSTRACT This document presents the principal findings and recommendations of a study conducted by the Committee on Evaluation of Employment and Training Program to assess the impact of CETA (Comprehensive Employment and Training Act) on manpower programs. This report is divided into two parts. Part 1 provides an overview of CETA's history, summarizes CETA's objectives, and presents a summary of the committee's conclusions in relation to accomplishments, problems and recommendations, and policy issues. (A more comprehensive staff report, CE 018 819, is also available.) Part 2 presents the major findings and recommendations of the committee under the following categories: allocation of resources; substantive aspects of CETA programs; administrative processes; and institutional relationships. A brief discussion of the related social, economic, or institutional issues are included with each topic. Finally, the recommendations of the committee are summarized under two categories: (1) processes and institutional aspects of CETA; and (2) program substance and outcomes. The appendix contains a glossary of manpower acronyms. (BM)

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# CETA: Assessment and Recommendations

U.S. DEPARTMENT OF HEALTH,  
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Committee on Evaluation of  
Employment and Training Programs  
Assembly of Behavioral and Social Sciences  
National Research Council

NATIONAL ACADEMY OF SCIENCES  
Washington, D.C. 1978

NOTICE: The project that is the subject of this report was approved by the Governing Board of the National Research Council, whose members are drawn from the Councils of the National Academy of Sciences, the National Academy of Engineering, and the Institute of Medicine. The members of the Committee responsible for the report were chosen for their special competences and with regard for appropriate balance.

This report has been reviewed by a group other than the authors according to procedures approved by a Report Review Committee consisting of members of the National Academy of Sciences, the National Academy of Engineering, and the Institute of Medicine.

The study reported on in this book was supported primarily by grants from the Ford Foundation; supplementary funding was provided by the Employment and Training Administration of the U.S. Department of Labor. Points of view or opinions stated in this document are those of the authors and do not necessarily represent the official positions of the U.S. Department of Labor.

Available from:  
Committee on Evaluation of Employment and Training Programs  
National Academy of Sciences  
2101 Constitution Avenue, N.W., Washington, D.C. 20418

This volume is fittingly dedicated to the memory of Gerald G. Somers, a member of the Committee on Evaluation of Employment and Training Programs, whose untimely death in December 1977 was a great loss to us all. Dr. Somers, a professor of economics at the University of Wisconsin, brought to the Committee not only skill in human resources research and professional objectivity, but also a compassionate view of the problems of the disadvantaged. His influence is reflected in the recommendations of the Committee.

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## PREFACE

The need for federal programs to assist persons who are at a disadvantage in the labor market was recognized early in the 1960s with the passage of the Manpower Development and Training Act (MDTA). A score of categorical programs, all designed to deal with the problems of the disadvantaged, was launched during the decade, each with its own protective statute and institutions. By 1973, the federal government was spending \$2 billion a year on employment and training programs, most of them administered directly by federal officials. In that year the Comprehensive Employment and Training Act (CETA) changed, in a very fundamental way, responsibility for employment and training programs and the status of the categorical programs. Control was entrusted to state and local officials; most separate, categorical programs were eliminated as independent entities.

The Act's passage was widely acclaimed. Department of Labor officials, frustrated by a maze of uncoordinated programs, welcomed the decategorization of overlapping programs as a major reform that promised to bring order into the manpower system. The Nixon Administration, philosophically committed to decentralization, saw CETA as constraining the federal role and placing greater control at the grass roots. Local elected officials, who for a decade had been passive observers of the manpower scene, embraced the opportunity to incorporate employment and training programs into the structure of local government. Decentralization, it was assumed, would enable them to establish control over local manpower programs; decategorization would permit the flexibility necessary to put together combinations of programs most responsive to local needs.

To test the extent to which these expectations have been realized and to assess the economic, social, and political impact of CETA, the National Research Council

established the Committee on Evaluation of Employment and Training Programs, in 1974.

The evaluation study of the Committee was conducted in two phases. The first, completed in 1976, dealt mainly with the implementation and operation of CETA in its first year. The focus was on CETA programs dealing with the problems of structural unemployment (Title I), with particular attention to changes in methods of allocating resources, planning, types of manpower programs, systems for delivering services, and the types of people served. Three reports were produced: *The Comprehensive Employment and Training Act: Impact on People, Places, and Programs*; a volume of case studies, *Transition to Decentralized Manpower Programs*; and *The Comprehensive Employment and Training Act: Abstracts of Selected Studies*.

The second phase of the study was a follow-up on the subsequent year's experiences under CETA. Soon after its enactment, CETA was engulfed by a recession. In response, a new title designed as a countercyclical measure was added. Title VI added a new public service employment program and radically changed the nature and objectives of CETA. In order to explore the issues and effects associated with this public service employment title, the original study design was broadened and the project extended.

This volume presents the principal findings of the study and the recommendations of the Committee on Evaluation of Employment and Training Programs. A comprehensive staff report of the study, entitled *CETA: Manpower Programs Under Local Control*, is being published separately. The Committee's recommendations should be useful in suggesting legislative initiatives, developing Department of Labor policy, and improving local operations.

As this report is issued, Congress is considering bills to reauthorize CETA and extend it for four years, to September 1982. The reauthorization bills in the House and Senate differ in some respects but have these features in common: the targeting of most programs to persons in low-income families who meet unemployment eligibility criteria; a continuing public service employment program for those unemployed for structural reasons; a countercyclical public service employment program; limitation on the duration of participation in any CETA program; limitation on supplementation of wages above the limits set for public service employment; incorporation of new youth programs including the Young Adult Conservation Corps; a separate title to

encourage private sector initiatives; and simplification of the grant application process.

The information for the study was obtained from 28 prime sponsors, the designated unit of government responsible for CETA programs. The study covers the range of CETA programs administered by local officials, but not those administered directly by the national office of CETA, such as the Job Corps (Title IV) or special programs for Indians and migrants. The sample of 28 prime sponsors, stratified by type of sponsor, (six cities, nine counties, nine consortia and four states), and by variations in population and degree of unemployment, was drawn from the universe of more than 400 prime sponsors. In each of the 28 sites, resident field research associates interviewed key officials as well as other knowledgeable persons. The information they collected was supplemented by data from the national reporting system of the Employment and Training Administration of the Department of Labor and by other sources.

This study is part of the program of the Assembly Behavioral and Social Sciences of the National Research Council. William Mirengoff, who originated the project, was the study director. He was assisted by Lester Rindler, senior research associate. Dr. Claire K. Lipsman, on loan from the Department of Labor, made an invaluable contribution to the design of the second phase of the survey and in formulating recommendations for consideration by the Committee. The Committee is indebted to the resident field research associates, whose diligence and expertise made this study possible. The Committee is especially grateful to the prime sponsors and local respondents who patiently responded to lengthy questionnaires and provided statistical information above and beyond normal reporting requirements. Research assistance for the project was provided by Richard C. Piper and Scott S. Seablom. Mark Kendall was a consultant for the econometric model in the public service employment chapter. Phyllis Groom McCreary was the editor. Marian D. Miller, Rose Gunn, Diane Goldman, and Ingrid C. Larsen furnished the support services.

I am grateful to the members of the Committee on Evaluation of Employment and Training Programs, who provided advice and guidance throughout the project and reviewed a succession of drafts of this report.

The study was prepared under a grant from the Ford Foundation. Supplementary funding was provided by the Department of Labor. Robert Schrank of the Ford Foundation contributed to the formulation of the study objectives and to the case study design. Stanley Brezenoff,

also of the Ford Foundation, has been a constant source of encouragement and support. The authors wish to acknowledge the cooperation of the many persons in the national and regional offices of the Employment and Training Administration who provided data and commented on the drafts of the staff report and to Howard Rosen, Director, Office of Research and Development and Seymour Brandwein, Director, Office of Program Evaluation for helpful technical advice and encouragement.

Philip J. Rutledge, *Chairman*  
Committee on Evaluation of  
Employment and Training Programs

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## Part 1 OVERVIEW

### BACKGROUND

The Comprehensive Employment and Training Act of 1973<sup>1</sup> can be viewed against the backdrop of changes in manpower policy over several decades. There has been growing acceptance of government intervention in the processes of the labor market to minimize dislocations and to protect individuals from hazards over which they have little control. Legislation to set up a network of public employment offices, to establish minimum standards of wages and hours of work, and to provide income support during periods of joblessness date back to the 1930s. Federal subsidies for vocational education to help prepare youth for the job market were authorized even earlier. The Employment Act of 1946, which acknowledged federal responsibility to promote maximum employment, is landmark legislation.

In the 1960s manpower policy entered a new phase. Emphasis was on development of human resources, equal opportunity for minority groups and others who faced special barriers to employment, and the elimination of poverty. There was recognition that even in periods of rapid economic growth, there are persons who, because of inadequate education, lack of skills, or structural impediments in the labor market have a particularly hard time in entering and competing in the labor market.

The specific design of manpower programs has, from the beginning, been shaped by the prevailing economic, social, and political climate. In the 1960s, the climate was conducive to manpower programs focused on the problems of those in need of assistance in obtaining employment. The disadvantaged were "discovered"; the civil rights movement

<sup>1</sup>See page 4 for a summary of the act.

was at a peak; the administration was committed to a "war on poverty"; and the economy was in a position to absorb additional workers, even those at the margin of the labor market.

In this propitious setting, a host of manpower programs for special groups and places was initiated. The primary legislative vehicles were the Manpower Development and Training Act of 1962 and the Economic Opportunity Act of 1964. Their major components were work experience for disadvantaged youth and skill training for adults. Smaller programs were designed for older workers and other special groups and for inner cities. These programs were designed and controlled at the federal level and operated locally by the employment services, vocational education agencies, and various community organizations that were usually outside the local governmental unit.

Dissatisfaction with the tangle of separate programs that evolved, plus the drive of the Nixon Administration towards decentralization of federal programs, laid the foundation for a basic reform of the nation's manpower system.

In December 1973, after several years of legislative gestation, the Comprehensive Employment and Training Act (CETA) was passed. Program control shifted from the federal level to more than 400 state and local units of government, and programs lost their separate identities and funding. These changes were expected to permit greater flexibility in fashioning programs to local circumstances. This reform of the manpower system appealed to pragmatic administrators seeking a more rational way to conduct employment and training activities, to those attracted by the features of grass roots participation, and to those committed to a reduction of the federal role.

The 1970s were marked by sluggish economic growth and diminished social activism. The number of people seeking help as a result of the recession increased sharply as job opportunities grew more scarce. Rising unemployment stimulated interest in job creation programs that had been dormant since the 1930s and changed the size, objectives, and designs of manpower programs. The Emergency Employment Act of 1971, known as PEP, authorized \$2.25 billion over a 2-year period to employ jobless persons in essential public service activities. By 1973, when CETA was enacted, the economy had improved significantly except in lingering pockets of high unemployment. These were addressed by a modest public service employment program under Title II of CETA. Before this program could be fairly launched however, unemployment rose precipitously, and in late 1974 Congress

passed the Emergency Jobs and Unemployment Assistance Act, adding a new public service employment component (Title VI) to CETA and authorizing \$2.5 billion for it for one year.

As the recession persisted, the Title VI public service employment program grew and soon overshadowed the Title I programs, that were designed to deal essentially with persons at a disadvantage in seeking employment. In 1976, Congress extended Title VI and in 1977 authorized its expansion from 300,000 to 600,000 jobs. By 1978, Titles II and VI, the public service employment programs, accounted for 58 percent of the CETA appropriation, compared with 34 percent in 1975. CETA was now addressing two major dysfunctions of the labor market--structural and cyclical.

### CETA OBJECTIVES

The major objective of CETA is to provide training and improve employment opportunities for the economically disadvantaged and for the unemployed and underemployed. The means for accomplishing this end, the strategic objective, is to place the administration of manpower programs with local authorities and permit them to select programs appropriate to their needs.

#### Strategic Objectives

The first and central strategic objective of CETA, decentralization, has been achieved. Now, for the first time, manpower programs in each community are built into the local government structures under the authority of elected officials. But the shift from federal to local control occurred without abdication of federal oversight responsibilities and the degree of federal presence continues to be a controversial issue. Although 90 percent of the fiscal 1978 CETA funds are in programs under local control, there are increasing federal constraints on programs arising out of new legislation and from emphasis on Department of Labor accountability that limits local autonomy. Moreover, after the Nixon Administration there was less of an ideological commitment to decentralization.

CETA's second strategic objective was to discontinue 17 separate and independent programs to give prime sponsors the flexibility to put together a mix of manpower services suitable to their localities. However, in response to new developments, Congress added new categories of service.



SUMMARY OF THE COMPREHENSIVE  
EMPLOYMENT AND TRAINING ACT (CETA)

The Comprehensive Employment and Training Act of 1973 (PL 93-203), as amended by the Emergency Jobs and Unemployment Assistance Act of 1974 (PL 93-567), by the Emergency Jobs Programs Extension Act of 1976 (PL 94-444), by the Comprehensive Employment and Training Act Amendments of 1977 (PL 95-44), and by the Youth Employment and Demonstration Projects Act of 1977 (PL 95-93) has eight titles.

Title I authorizes comprehensive manpower services for the unemployed, underemployed, and economically disadvantaged. Programs are administered by prime sponsors, which are cities and counties of 100,000 or more, and consortia. The state government is prime sponsor for the balance of state. Funds are allocated according to each area's prior year's apportionment, number of unemployed, and adults in low-income families. Prime sponsors must submit an acceptable plan to the Secretary of Labor, prepared in consultation with local advisory councils. A state manpower services council reviews local plans and arranges for the cooperation of state agencies.

Title II provides funds to prime sponsors and Indian reservations to hire the unemployed in areas of substantial unemployment for public service jobs. Funds are allotted on the basis of the number of unemployed.

Title III Provides for nationally administered programs for Indians, migrant and seasonal farm workers, youth, and other groups that are in particular need of such services. This title also gives the Secretary of Labor responsibility for research, evaluation, experimental and demonstration projects, labor market information, and job banks.

Title IV authorizes the Department of Labor to operate the Job Corps, residential training centers for disadvantaged young men and women.

Title V establishes a National Commission for Manpower Policy to identify goals, evaluate manpower development programs and make recommendations to the President and to Congress. (The Emergency Jobs Programs Extension Act of 1976 establishes a separate National Commission on Employment and Unemployment Statistics.)

Title VI authorizes public service jobs for the unemployed. Funds are allocated to prime sponsors and Indian tribes, based on the number of unemployed, the unemployed in excess of a 4.5 percent rate, and the unemployed in areas of substantial unemployment. Under 1976 amendments, funds for the expanded Title VI Program are in new short-duration projects and most new participants must be long-term, low-income unemployed or welfare recipients.

Title VII contains provisions applicable to all programs such as Prohibitions against discrimination and political activity.

Title VIII establishes a Young Adult Conservation Corps to carry out projects on public lands.

Categorical programs, which amounted to more than one-half of all CETA resources in 1975, accounted for three-fourths of appropriations in 1978. Indeed, all of the program titles in CETA, except Title I, authorize categorical programs. Proposals now before Congress would continue the trend to address discrete problems with specifically targeted programs. As federal programs expand in response to the needs of particular groups, their purposes are more narrowly defined, the conditions are increased, the federal presence is extended, and the scope of state and local discretion diminished. Under the impact of these developments, CETA has become a "hybrid" program; not entirely decentralized, nor completely decategorized.

There are a number of subsidiary objectives that Congress sought to achieve through the manpower reform: improving the system for allocating resources, eliminating duplication and fragmentation in the delivery of manpower services, assuring that service deliverers of proven ability are given consideration by local sponsors, and providing for wider consultation in planning for manpower services.

#### Program Objectives

CETA has two major program objectives. The original legislation continued the structural objectives of earlier manpower programs--to improve, through remedial training and employment strategies, the employability of persons lacking knowledge, preparation, and connections with the world of work and to expand employment opportunities in areas of chronic and substantial unemployment. Amendments added a countercyclical objective--creation of temporary jobs in the public sector to counter rising unemployment.

*Meeting Structural Objectives* The extent to which the structural objectives of CETA are met depends upon who is served, the services they receive, and the outcomes of these services. The original act expressed concern for the poor, youth, minorities, older workers, migrant farm workers, Indians, and others who are at a disadvantage in the labor market. However, the specific eligibility requirements of CETA were much broader. Not only were the disadvantaged eligible, but also the unemployed and the underemployed generally. Moreover, rising joblessness in the 1970s expanded the constituency of regular manpower programs to include persons not ordinarily in need of manpower services. In the first 2 years of CETA, the combined

effect of these conditions enlarged the pool of program applicants, and Title I enrollees were older, better educated, and less disadvantaged than their predecessors in similar pre-CETA programs.

The assumption that employment and training programs will assist in the development of human capital is still the fundamental premise of the structurally oriented programs of Title I. In the main, the nature of the services provided under Title I is much the same as before CETA. Local sponsors have not used their newly acquired flexibility to undertake radically different programs. Decentralization and decategorization do not necessarily produce abrupt changes from past patterns, especially if the sponsor is unfamiliar with manpower issues and programs. There has been however, a relative movement away from preparation for economic self-sufficiency toward subsidized jobs. Relative expenditures for the major Title I development programs, classroom and on-the-job training, declined between 1974 and 1976, while the proportion of expenditures for work experience and other income maintenance programs rose. Some increase in skill training programs occurred in 1977. The shift towards income maintenance reflected the softening of the economy during these years and sponsors' uncertainty of the usefulness of skill training in a loose labor market. Even where classroom training is prevalent, local sponsors seem to opt for low-cost, short-duration courses.

The National Research Council (NRC) study limited its examination of the outcomes of CETA programs to the extent to which participants obtained unsubsidized employment. Placement outcomes, the ratios of persons who enter jobs to those who terminate from CETA, are lower than before CETA for similar programs, while the annual per person costs of Titles I and VI are in line with the pre-CETA costs. The ratio of people who entered employment from adult-oriented Title I programs was 42 percent in 1976, that is for every 100 who terminated, 42 were either placed in jobs or obtained jobs on their own. The pre-CETA 1974 estimate for comparable programs was 57 percent. The placement record for the CETA public service jobs programs is also lower than that of the earlier PEP program. Placement rates for both Title I and public service employment rose in 1977, but were still below rates for corresponding pre-CETA programs. The dilemma of manpower policy is its seemingly paradoxical emphasis on job placement while it urges the enrollment of the least employable.

*Meeting Countercyclical Objectives* Central to the countercyclical objective of CETA is the creation of public service jobs in addition to what state and local governments would fund in the absence of federal support: units of government are required to maintain their regular level of effort and may not substitute federal for state and local funds. However, local officials, especially those struggling with fiscal crises, tend to view federal funds as a source of fiscal relief, and substitution has been a thorny issue.

This study estimates that the direct job creation effect of CETA's public service employment (PSE) programs in the public sector averaged about 65 percent between mid-1974 and the end of 1976. That is, out of every 100 positions funded, 65 would not otherwise have existed. (These estimates apply to the period prior to the 1976 amendments to Title VI that attempted to restrict substitution.) Moreover, CETA salaries generate additional jobs in the economy through the indirect multiplier effect. No attempt has been made to estimate the job creation rate of positions allocated to nonprofit organizations, but it is presumed to be greater than the rate achieved in the public sector.

To hard-pressed officials, all dollars, whatever their program labels, are green, and the difficulties of tracking federal dollars through the mazes of local budget processes make substitution difficult to identify, measure, and control. When Congress extended and expanded Title VI in 1976, it also attempted to deal with substitution. The Emergency Jobs Programs Extension Act (EJPEA) required that all Title VI funds above the amount necessary to sustain existing levels of Title VI employment be used to fund positions in short-term "projects" that are not to be part of regular ongoing activities. They were to be specific tasks conducted by nonprofit community organizations or by prime sponsors. The limited duration of projects, their separation from regular government activities, and the encouragement of PSE funding to nonprofit organizations were all intended to constrain substitution. However, in the interests of rapid implementation of the expanded PSE program, the original concept of a project was diluted. It remains to be seen whether the new provisions of EJPEA will reduce job seepage and whether useful public service jobs were created as a result of this amendment.

*Balancing Multiple Objectives* As CETA evolved it became a bifurcated program. Titles I, III, and IV were

serving predominantly persons with structural handicaps; Titles II and VI, the job creation titles, were enrolling the job-ready unemployed, generally persons higher on the socio-economic ladder. They were not unlike those in the earlier PEP program, but considerably less disadvantaged than participants in Title I. The existence of two types of programs tended to divide CETA clientele into separate populations and reinforce the distinction between them. The programs were compartmentalized, and this discouraged both the transfer of manpower training clients to PSE programs jobs under Titles II and VI and the use of Title I resources to train PSE participants. The 1976 amendments to Title VI (EJPEA) that emphasized creating jobs for the long-term, low-income unemployed, introduced a third manpower design: one that embodies both structural and countercyclical objectives. In effect, Title VI, intended as an economic response to cyclical unemployment, was, because of social considerations, enlisted to serve structural purposes as well. Early indications are that the desired changes in clientele are occurring.

The enactment of Title VI and its subsequent expansion brought a large volume of dollars and jobs to prime sponsor jurisdictions. And with these came heightened interest and attention of local elected officials in CETA, especially in the PSE programs. In the face of the urgent and politically attractive job creation programs, the basic development programs of Title I, although larger than before, were relegated to the back burner.

The two PSE programs had different objectives. Title II was enacted as a continuing program targeted at selected areas experiencing substantial and persistent unemployment. Title VI, on the other hand, was viewed as a general countercyclical tool, directed to what was believed to be a temporary downturn in the economy. It was authorized initially for one year and was applicable to all areas. Despite the original differences between Titles II and VI, they became virtually indistinguishable soon after the programs were implemented. This was due in part to the rise in the national unemployment rate that made almost all localities eligible under Title II.

## SUMMING UP

The Committee's conclusions are based on the detailed findings of the study which are presented in the comprehensive staff report, *CETA: Manpower Programs Under Local Control*. That report covers 8 subjects:

*Resources and Allocations* Developments in funding manpower programs; distributional effects of formulas used to allocate resources; policy implications of the balance of funds among the CETA titles.

*Manpower Planning* Evolution of the manpower planning system; role of planning in the CETA decision making process; shortcomings in the art of planning for employment and training programs.

*Administration* Implementation of the decentralized employment and training system; development of the institutional infrastructure to administer CETA programs; role of elected officials; interorganizational relationships and jurisdictional problems.

*Delivery of Services* Effect of CETA on the roles of the organizations that have traditionally provided manpower services, i.e. employment service, educational agencies, and community based organizations; changes in local systems for delivering manpower services.

*Program Mix* Effect of CETA on the kinds of employment and training programs provided under Title I; comparisons with pre-CETA programs; shifts in program emphasis and quality of services.

*Public Service Employment* Growth and character of public service employment programs; extent to which PSE funds created new jobs or substituted federal for local resources; implications of PSE programs for manpower policy.

*Clientele* Eligibility criteria for admission to CETA programs; changes in the characteristics of CETA participants compared with pre-CETA manpower programs and reasons for the changes; extent to which the CETA clientele conforms to congressional expectations.

*Program Outcomes* Results and costs of CETA programs; comparisons with pre-CETA programs.

## Accomplishments

On the whole, the study finds that CETA, in terms of organization, delivery of service, and local participation, is a more effective way of handling the nation's employment and training programs than earlier centralized and categorical arrangements. The expansion of the PSE program from a 300,000- to a 700,000-job level in 1977 might not have been possible without the local administrative mechanisms in place.

**Resources** The allocation of resources through formulas is a more predictable way of distributing funds than the pre-CETA methods. However, some refinements are necessary to target funds more precisely to people and areas of greatest need and to measure the unemployment and income of areas more accurately.

**Planning** The process and substance of local planning for manpower programs has improved, although it is still largely a routine for obtaining funding. A large majority of the local planning councils are passive. But a significant number are quite active and there is substantially more local participation in decision making than there was in the pre-CETA period.

**Administration** The administration of programs by local governments, after a shaky start, is improving. There is closer management and accountability. Local staffs are in a better position to keep track of program operations than the relatively small number of Department of Labor regional office personnel operating from distant locations. These developments have been accompanied by a substantial growth in the number of administrative personnel among prime sponsors.

**Delivery Systems** The trend towards the consolidation of systems to deliver manpower services is noteworthy; about half of the local prime sponsors studied were taking steps to streamline intake and placement operations for Title I programs to avoid duplication.

## Problems and Recommendations

These achievements must be weighed against five major problems that impair the effectiveness of CETA. These problems and proposals to correct them are summarized below. The full recommendations of the Committee on Evaluation of Employment and Training Programs appear in Part 2.



*Clientele.* There has been a weakening of the commitment to the disadvantaged in Title I programs. The principal reasons for this change include: the broader eligibility criteria under CETA legislation as compared with pre-CETA requirements; the spread of resources into suburban areas with lower proportions of disadvantaged persons; and the inclination of program operators to select applicants most likely to succeed. The proportion of disadvantaged persons in the PSE programs (Titles II and VI) has been markedly lower than in the Title I programs to develop employability. However, the ratio of disadvantaged persons in Title VI has begun to increase as a result of the tighter eligibility requirements in the 1976 amendments to Title VI. The Committee recommends that eligibility under all titles be restricted to the low-income population (except for some openings in public service employment programs), allocation formulas be revised to reflect the shift in eligibility, public service employment programs be redesigned to include a continuing program limited to the economically disadvantaged, and prime sponsors supervise the client selection process more carefully.

*Quality of Service* The program emphasis of Title I has shifted from activities that enhance human capital to those that basically provide income maintenance. There are also serious questions about the quality of skill training and work experience programs. Recent efforts to conduct experimental and demonstration projects to improve the quality of skill training and youth programs are a step in the right direction, but not enough. The Committee recommends more thorough and systematic assessment of the content and duration of training programs, experimentation with enriched work experience models, and closer links with the private sector in developing programs that are relevant to the job market. Combinations of public service employment and skill training activities should be encouraged and more resources devoted to programs to enhance employability under Title I.

*Program Outcomes* There are various ways of evaluating the success of a training and employability program--including increasing proficiency of skills and enhancement of ability to compete independently in the labor market. In the final analysis, however, the primary criterion of success is the extent to which enrollees are able to obtain suitable long-term employment as a result of their CETA experience. The Department of Labor reporting system does not provide information on the duration of employment. However, placement ratios--the percentage of trainees who



find jobs either through the sponsor's efforts or on their own--have been lower in the first three years of CETA than for comparable pre-CETA programs. The Committee recognizes the special difficulties of placement in a period of high unemployment. There are, however, some steps that Congress and program administrators can take to improve the opportunities for enrollees to obtain unsubsidized employment. *The Committee recommends greater emphasis on job development and placement activities and restoration by Congress of the placement objective in public service employment programs.*

*Substitution.* One of the major shortcomings of the PSE program is the degree to which its job creation objective is subverted by the substitution of federal for local funds. Recent amendments to Title VI, limiting most newly hired participants to special projects, may tend to constrain substitution. *The Committee recommends renewal of counter-cyclical revenue sharing to help hard-pressed communities maintain public services, limiting participants' tenure in CETA to one year, strengthening the auditing and monitoring capabilities of the Department of Labor, and amending the definition of projects to preclude activities that are incremental to regular ongoing services.*

*Institutional Networks.* Relations between prime sponsors and other government and nongovernment agencies continue to be unsettled. This is particularly true of the association between the Employment Service and prime sponsors. In its desire to reform the fragmented manpower structure and reduce duplication, Congress fashioned a federal-local system that parallels in several respects the existing federal-state employment service network. *The Committee recommends that studies be conducted of the roles and performance of the Employment Service and CETA systems, of the existing relationships between them, and of the advantages and disadvantages of alternative coordination arrangements.*

#### Policy Issues

Several policy issues are evident in the CETA program and, in one form or another, touch its major problems: the relationship between national policy and local practice; multiple objectives; ambiguous legislation; the balance among program components; and the place of public service employment in the overall design of manpower programs.

One of the most pervasive issues is the degree to which local priorities and practices are consistent with national

objectives. The issue is apparent in the structural as well as the countercyclical components of CETA. In both there is divergence between the national emphasis upon enrolling those most in need and the tendency of local program operators to select participants likely to succeed. In the public service employment programs, national attention is riveted on creating jobs to reduce unemployment while some local officials view the federal funds as an opportunity to support their regular local budgets or as a way to avoid higher taxes. The congressional response to situations in which there are significant local departures from national policy has been to legislate additional provisions which, in turn, limit the degree of local autonomy.

Multiple objectives is another issue that permeates CETA operations and generates organizational and programmatic problems. CETA has become a program for all seasons, but in the pursuit of one set of objectives others are sacrificed, particularly if they appear competitive. For example: emphasis on the job creation program of Title VI results in a de-emphasis of the employability development programs of Title I. CETA strives for a high rate of job placement, yet encourages enrolling those most difficult to place; many target groups are singled out for consideration, but in focusing on some, others are neglected--it is unrealistic to expect prime sponsors to give simultaneous priority to veterans, women, the long-term unemployed, persons on unemployment insurance (UI) rolls, those not eligible for UI, and welfare recipients.

A third issue that significantly affects CETA operations, is the ambiguity of the legislation. The political necessity for some ambivalence to ensure the enactment of legislation is understandable. Nevertheless, the ambiguity of some CETA provisions results in confusion and bureaucratic conflicts. For example, the line between prime sponsor and federal authority is not clear. The Secretary of Labor is admonished not to "second guess the good faith judgment of the prime sponsor" but is also directed "to adopt administrative procedures for looking behind the certification of compliance including...spot checking..." In effect, the legislative history leaves a large gray area in which the reach of the local authorities contends with the grasp of the federal establishment.

The intent of CETA is also uncertain with respect to the choice of agencies to provide manpower services. Acknowledging the primacy of prime sponsors in a decentralized system, CETA places with them the responsibility for

selecting program deliverers. However, prime sponsors are also told to make full use of existing institutions of demonstrated effectiveness. Thus, having come down on both sides of the issue, the legislation leaves it up to the program administrators to sort things out as best they can.

The balancing of CETA objectives and the allocation of resources among CETA programs is another underlying issue. The question arises in several contexts. How should manpower resources be allocated between structural and countercyclical programs? Do the 1976 amendments to Title VI bridge the structural and countercyclical objectives? Within the structural component of CETA, what proportion of funds should be directed to activities that enhance human capital and what proportion for programs that essentially provide income maintenance?

CETA has demonstrated the effectiveness of public service employment as a temporary job creation program, but the tendency to substitute federal for local resources limits its usefulness in the long run. Congress has taken several steps to address this problem: at issue is whether those measures--short-term projects, increased use of nonprofit organizations as employing agencies, and enrollment of low-income persons--will be successful.

With respect to the broader issue of governmental strategies to counter recessions, the question is how much reliance should be placed on creating jobs in the public sector compared with such alternatives as tax incentives in the private sector, extended unemployment insurance, accelerated public works programs, stepped-up government purchases, tax cuts, or monetary policies? What constitutes an appropriate policy mix?

Beyond CETA, Congress is considering the use of public service employment as a major element in welfare reform and full-employment legislation. This raises such issues as the extent to which the public sector should be used to create jobs, the limits of state and local governments' capability to absorb unemployed persons, the degree to which local governments have become dependent on federally funded positions, and the consequences of subsequent withdrawal of these funds.

These are policy issues that need to be resolved in the political process leading to reauthorization of CETA. The Committee favors the reauthorization of CETA and hopes the findings of the study and recommendations in the pages that follow will provide a basis for discussion and decisions on some of the issues.

## Part 2 FINDINGS AND RECOMMENDATIONS

This chapter presents the recommendations of the Committee on Evaluation of Employment and Training Programs, which was established to assess the impact of CETA on manpower programs. The Committee was concerned not only with the extent to which the congressional intent was fulfilled, but also with broader social, economic, and institutional issues relating to manpower programs.

Government assistance in developing human resources through employment and training programs is an expression of social policy directed to persons who lack skills or are otherwise at a disadvantage in the competitive job market. Since funds are limited, the central social issue is whether the CETA allocation formulas, eligibility requirements, and the practices of prime sponsors in selecting participants are serving people and places with the greatest needs.

The institutional issue that concerned the Committee was the relationships among the federal, state, and local levels of government in the administration of CETA. The heart of the issue is the locus of decision making and accountability: Who decides among alternative places, programs, and people? Inherent in this set of relationships is the question of whether congruence can be achieved between national policies and local prime sponsor practices. The decentralization of manpower programs has also affected networks of institutions that traditionally have provided training and employment programs. The unsettled relationship between the Employment Service and prime sponsors is particularly troublesome. The question is whether CETA has indeed created a better organized system for administering manpower programs, one of the objectives that led to manpower reform. Another issue is whether the CETA programs are being used for local political purposes rather than for improving employability or creating jobs.

Finally, the Committee was interested in whether CETA was achieving its basic economic objectives. Do the, structurally oriented programs provide the skills, experience, and services that enable the disadvantaged to function more effectively in a complex and imperfect labor market or have they become a disguised form of income maintenance? Do the countercyclical public service employment programs reduce unemployment or substitute federal for local resources? The Committee was concerned with the kinds and quality of services, the balance of resources between structural and countercyclical programs, and the placement outcomes. A crucial question is how to protect programs to enhance employability during periods of high unemployment.

Although based on findings of the study, the recommendations also draw on the knowledge and experience of committee members. In addition, the Committee examined other sources including materials from the National Council on Employment Policy and the National Commission on Manpower Policy. The specific findings and recommendations that follow are grouped in four categories: allocation of resources; substantive aspects of CETA programs; administrative processes; and institutional relationships.

#### ALLOCATION OF RESOURCES

##### Issues

Funds for manpower programs, which began as a trickle in the early 1960s, have grown to be a sizable share of federal and local government budgets in recent years. The amounts appropriated and the distribution pattern define the scope of manpower programs and set limits on the kinds of activities that can be undertaken. There are four principal issues associated with funding: the level of appropriations necessary to deal with manpower problems; the appropriate balance between subsidized public employment and other measures, particularly unemployment insurance, to alleviate countercyclical joblessness; the proportion of CETA funds that should be devoted to structural objectives vis-a-vis the proportion for countercyclical job creation; and the suitability of the allocation formulas for the specific objectives of each title.

## Findings

- Funds for CETA rose from \$2.3 billion before CETA to \$5.7 billion in fiscal 1976 and to more than \$8 billion in both 1977 and 1978, as the CETA public service jobs program became one of the chief cornerstones of economic stimulus policies. But CETA is only one of the measures dealing with cyclical unemployment. In fiscal 1976, nearly 4 times as much was spent for unemployment insurance as for CETA, and there were also special appropriations for local public works and for countercyclical revenue sharing. The amount of funds devoted to manpower training and employment compared with alternative approaches for dealing with the economic downturn has been a controversial issue.<sup>1</sup>

- CETA originally emphasized human capital development (Titles I, III, and IV), with a minor job creation component for areas of substantial unemployment (Title II). Most of the increases in CETA funds, however, have been for public service employment (Title VI), signifying a shift to countercyclical job creation. Even Title I, which was intended to address structural problems, has been used in some areas to support public service jobs for the unemployed. The enactment of the Emergency Jobs Programs Extension Act and the economic stimulus appropriation of 1977 greatly increased the scale of the PSE programs, but also targeted them to the long-term, low-income unemployed and to welfare recipients. The increase in funds for national training programs and the passage of a youth employment act in 1977 also represent a return to emphasis on those unemployed for structural reasons.

- Although allocating funds by formula is more predictable than methods used before CETA, the formulas themselves have had unanticipated results. Under Title I, the amounts going to major cities, where problems of unemployment and poverty are concentrated, have declined year by year despite the mitigating effect of a "hold harmless" adjustment that maintains funds for each area at 90 percent of the previous year's level. The hold harmless adjustment has not been effective in preventing the erosion of funds for some areas at a time when inflation is chipping away at the purchasing power of CETA allotments. Moreover, there are serious questions about the formula elements that are supposed to measure economic hardship. The formula is weighted by the unemployment factor and does not adequately reflect other labor market dysfunctions,

such as low labor force participation rates or underemployment, that may also be important.

- The NRC study found deficiencies in the Title II formula, which is designed to channel funds for public service jobs to areas of substantial unemployment. With a national rate hovering around 7 percent, the unemployment rate criterion for Title II areas (6.5 percent) has been too low through 1977 to identify those areas suffering the most. Using unemployment data for a 3-month period to qualify areas and to allocate funds results in inequities due to seasonal and temporary factors. The allocation formula is based exclusively on the number of unemployed people and does not give extra weight to areas with the most severe unemployment, as reflected in unusually high unemployment rates.

- All of the allocation formulas rely on unemployment estimates for local areas. Unemployment is estimated from a combination of unemployment insurance data and the Census Bureau's monthly survey of the labor force. The other element in the Title I formula, the number of adults in low-income families, is also a derived figure. There are serious measurement problems involved in estimating both unemployment and poverty; both rely on derived techniques that are not sensitive enough to yield precise estimates for small geographic areas--in the case of unemployment figures, as small as neighborhoods with 10,000 population. A more serious question is whether the conventional measures of unemployment and poverty are appropriate for identifying the kinds of economic hardship and labor market disadvantage that Title I of CETA was intended to address. This problem was recognized in CETA itself. The act directed the Secretary of Labor to develop an annual statistical measure of economic hardship in the nation. Among the factors to be considered in addition to unemployment, were: labor force participation, involuntary part-time employment, and full-time employment at less than poverty wages. The Department of Labor has not as yet developed and refined the kind of hardship measure envisioned by Congress. This subject is being studied by the National Commission on Employment and Unemployment Statistics established under a 1976 amendment to CETA.

- Another question raised by the study related to the timing of allocations. One of the most pervasive administrative problems has been uncertainty of funding. Since the economic conditions addressed by Titles I and II tend to persist from year to year, it would be preferable to



have a longer funding cycle to eliminate year-to-year changes.

#### Recommendations

1. While unemployment insurance should continue to be the major means of dealing with short-term unemployment, the Committee recommends that emphasis be given to more constructive measures than income maintenance for the long-term unemployed.

The Committee believes that training or public service employment programs should be the primary vehicle for assisting those who have exhausted their unemployment insurance and other long-term unemployed people. Unemployment insurance should be used primarily to provide short-term income support. CETA, and more particularly its training programs, are geared toward retraining and employability development. In that sense, they may have more lasting benefits for persons who have little prospect of returning to previous jobs or who require remedial services.

Congress should determine the appropriate balance between the structural and countercyclical objectives of the different CETA titles. The Committee suggests that, for significant impact, the structural components of CETA (Titles I, III, IV, and VIII) should be supported at a level equal to 2 percent of the labor force (exclusive of summer employment programs for youth) and countercyclical public service employment programs should be supported at a level equivalent to 25 percent of the average number of persons unemployed 15 weeks or longer. In 1975, at the trough of the recession, the number of people unemployed for 15 or more weeks averaged 2.5 million. By 1977, it had fallen to 1.9 million. The structural and countercyclical programs of CETA would have provided 2.5 million opportunities, or about one-fifth of the number in need of employment or training assistance.

2. The formulas for allocating Titles I, II, and VI and summer funds for youth should be revised.

(a) Congress should discontinue the 90-percent hold harmless adjustment under Title I. Instead the minimum amount for each area should be pegged at the amount received in 1978, with adjustments whenever the total amount of Title I funds is changed.

The hold harmless adjustment (90 percent of prior year's funds) was intended to prevent major disruptions in area



fund levels, but it has only delayed them. Most of the major cities have received less Title I funds year by year despite the 90-percent minimum. With more funds available for Title I, it is anomalous that any city or other CETA Prime sponsor should now receive less money than it did in 1974. A hold harmless adjustment based on 100 percent of the 1978 Title I allotment for each area would end the downward spiral in funds for major cities and other sponsors.

(b) *The Department of Labor should continue to explore the development of an index of economic hardship and labor market disadvantage on a local basis to replace the unemployment and low-income factors in the Title I formula.*

The Title I formula relies on unemployment estimates; it does not consider measures of other labor market dysfunctions--intermittent employment, low income, and discouraged jobseekers. An index reflecting a combination of unemployment and low income may be a more appropriate measure of economic hardship, if the data for small areas can be derived from unemployment and poverty statistics.<sup>2</sup> The index might also be designed to take into account other relevant factors, such as the duration of unemployment and the educational attainment of the unemployed. A study should be made not only of the feasibility of an index of economic hardship, but also of its distributional effects. If the present concept of "adults in low-income families" as a proxy for various labor market problems is retained, the Department of Labor should adjust the figures for regional and urban-rural differentials in living costs.

(c) *The 6.5 percent unemployment rate criterion used to identify areas of substantial unemployment under Title II should be changed to a rate which is a fixed percentage above the national unemployment rate.*

The 6.5 percent unemployment rate to qualify for Title II funds was adopted when the national unemployment rate was about 5 percent. When the national rate was more than 7 percent and practically all prime sponsor areas qualified for Title II funds, it was obviously inappropriate. A sliding "trigger" would more effectively direct funds to areas with the most severe unemployment. The local trigger, for example, might be set at an unemployment rate of 35 percent above the national unemployment rate, or 6 percent, whichever is higher.

(d) *Annual, rather than 3-month average, unemployment figures, should be used to qualify areas of substantial unemployment and to allocate Title II funds.*

A 3-month eligibility period, prescribed for identifying areas of substantial unemployment, is designed for quick response to sudden changes in unemployment levels. However, it is not appropriate for Title II, which is meant for areas with chronic unemployment problems. Moreover, the 3-month average creates inequities in distribution of funds due to the influence of temporary and seasonal factors. Areas with volatile unemployment fare better than those where unemployment is high but seasonal fluctuations are less sharp.

(e) *A uniform method of identifying sub-areas of substantial unemployment should be adopted.*

The geographic unit for Title II eligibility--an area of substantial unemployment--may be a relatively small section of a city or county. Such areas are sometimes gerrymandered: sections with relatively low unemployment rates may become eligible for funds by being combined with adjoining high unemployment neighborhoods.<sup>3</sup> The results are funding inequities. A uniform method should be adopted for delineation of areas, based on standard and objective data, that are not subject to manipulation.

(f) *Congress should include a "severity" factor in the Title II formula to give extra funds to areas of high unemployment.*

The Title II formula allocates funds on the basis of the total number of unemployed persons. It does not differentiate among eligible areas on the basis of severity of unemployment. For example, if two areas have the same number of unemployed but one has an unemployment rate of 10 percent while the other has a rate of 6.5 percent, both receive the same allotment although the labor market conditions are much worse in the first area. A two-part formula should be used for Title II, with the second part distributing additional funds to areas of extremely high unemployment where prospects of obtaining jobs are not favorable. Part of the Title II funds could be distributed on the basis of the number of unemployed in each eligible area and part on the basis of the number of unemployed above 6.5 percent (or whatever rate is used as a criterion for identifying areas of substantial unemployment).

(g) *Title VI should be a standby public service employment program that becomes operational when the national unemployment rate reaches a level that signifies the onset of a recession and remains at that level for at least 3 months.*

To avoid delay in getting a countercyclical public service employment program under way, Title VI should be

retained on a standby basis, actuated automatically by a national unemployment rate trigger. The amount of funds might be graduated, based on the number or proportion of unemployed people out of work 15 weeks or longer. In order for Title VI to have greater effect, areas with low unemployment rates (less than 3 percent) should be excluded.

(h) *The Title VI formula should be revised to take into account new eligibility criteria.*

The Emergency Jobs Programs Extension Act of 1976 changed eligibility requirements for Title VI to reserve new openings for low-income, long-term unemployed persons and for welfare recipients. The allocation formula should be reviewed to see how it can be made more relevant in terms of these new eligibility requirements. Factors based on income and/or duration of unemployment might be included.

(i) *The Department of Labor should revise the formula for the summer employment program for youth to include youth unemployment factors.*

The formula for the summer program for economically disadvantaged youth is essentially the same as the Title I formula. It should be made more responsive, subject to the development of necessary data, to the population to be served, particularly minority youth in large cities. The Department of Labor should explore with the Census Bureau the possibility of deriving area estimates of disadvantaged unemployed youth from special national family income surveys. The 1975 Survey of Income and Education provides state data on the number of youth in poverty families which may be used as a basis for deriving estimates, but the information does not include age or unemployment status.

3. *Biennial apportionment should be used for Title I funding.*

Since Title I addresses long-term, intractable problems, it may be unnecessary to recompute the proportional share for each area every year. The share could be established every 2 years and the amount adjusted each year according to changes in the Title I appropriations. A longer cycle would make planning more meaningful and contribute to more effective administration.

#### SUBSTANTIVE ASPECTS OF CETA PROGRAMS

While CETA has shifted the locus of responsibility for administering manpower programs, the underlying policy remains the same--to improve opportunities for individuals

faced with chronic barriers to employment, that is, those unemployed for structural reasons. During periods of economic sluggishness, manpower policy objectives are extended to those unemployed for cyclical reasons. Although there is consensus as to these general goals, there is less agreement on the specific questions of who should be served, what assistance should be provided, and what results should be expected. The Committee has reviewed these issues against the backdrop of the recession, which enlarged the demand for services and reduced the potential for successful outcomes.

### Who Should Be Served

#### Issues

The competition for limited resources between those who were the focus of federal assistance in the 1960s--the poor and minorities--and the rising numbers of less disadvantaged, cyclically unemployed persons in the 1970s has emerged as a basic issue affecting manpower legislation and program operations.

#### Findings

- The preamble to CETA that identifies persons to be served--the economically disadvantaged, unemployed, and underemployed--is broad and ambiguous. The individual titles are more specific. Under Title I, for example, prime sponsors are to serve persons "most in need," including low-income persons and those who have limited English-speaking ability. Title II requires prime sponsors to give consideration to the long-term unemployed, Vietnam veterans, former manpower trainees, and to the "significant segments" of the unemployed population that are in particular need of assistance. Under the original Title VI, enacted in 1974, preferred consideration was to be given to persons who had exhausted unemployment insurance benefits or who were not eligible for UI, but those preferences stopped short of being either priorities or eligibility criteria for entrance into Title VI PSE programs. Sponsors were free to choose target groups, based upon their analysis of the local job markets.

- In addition to the statutory language, other factors have contributed to broadening the client base: the

allocation formulas, which spread funds into relatively affluent suburban areas, decisions by local officials in response to community pressure, and built-in incentives to select those most likely to succeed.

- During the first 2 years of CETA, there was a large increase in the number of persons served, due to substantially greater resources, and there were some significant changes in the types of clients.

With a large proportion of CETA enrollees in public sector employment, the characteristics of enrollees changed. CETA clients as a whole are relatively older, better educated, and less disadvantaged than those in corresponding manpower programs in fiscal 1974.

Title I training and employability programs continue to be oriented primarily toward the young, minorities, and the economically disadvantaged. However, the proportions of youth, of persons who have not finished high school, and of poor persons are smaller than in corresponding pre-CETA programs. The decline in the proportion of clients who have not completed high school is related to the decline in the proportion of youth.

Participants in PSE programs (Titles II and VI), are better educated, less disadvantaged, and less likely to come from minority groups than those enrolled in Title I activities. The percentage of AFDC and other public welfare beneficiaries was much lower in PSE than in Title I programs: 13 percent under Title II and 18 percent under Title VI in 1977 compared with 26 percent under Title I. The percentage of females was also significantly lower: 40 percent for Title II and 36 percent for Title VI compared with 48 percent for Title I. While Titles II and VI were not meant specifically for the disadvantaged groups, the difference in the socioeconomic level between their participants and those in Title I raises a question of social policy.

- In the 1976 extension of Title VI, Congress directed additional resources to the low-income, long-term unemployed. This change, when added to existing programs, may result in a three-part system: employability programs largely for the disadvantaged under Title I; employment in regular public service activities under Title II and the original Title VI for those higher on the socioeconomic ladder; and a new type of public service employment for the low-income person in special projects in the public sector, the new Title VI.

## Recommendations

1. Congress should reconcile the eligibility requirements among the various titles of the act.

Under Title I, an enrollee may be any unemployed, underemployed, or economically disadvantaged person. Title II states that enrollees must have been unemployed for 30 days or more and must live in an area of substantial unemployment. Originally, Title VI required 30 days of unemployment. The 1976 amendments to Title VI tightened eligibility criteria: most new participants under Title VI must be long-term (15 weeks or more), low-income unemployed people or welfare recipients.<sup>4</sup> Thus eligibility standards for Title VI, a countercyclical measure, are more stringent than for Title I, which was intended to deal with structural unemployment. These anomalous requirements should be reconciled so that the criteria for participation in a CETA program are related to the type of client to be served under each of the CETA titles.

The Committee recommends that:

- Titles I and II be restricted either to the economically disadvantaged or to those in the low-income group (including welfare recipients).
- Title VI be limited to (a) economically disadvantaged or low-income individuals, or (b) the long-term unemployed, with representation of the unemployed poor (including welfare recipients) in proportion to their numbers among all eligible persons.

These eligibility restrictions would not only result in more consistency but, more importantly, assure that limited resources are spent on those most in need. Alternative (b) would maintain the countercyclical nature of the PSE program, permit some flexibility in selecting applicants for PSE openings, but still ensure that the unemployed poor participate in the program.

2. Congress should establish a limited number of client groups to be given priority under Titles I, II, and VI.

The act at present identifies a number of groups for consideration within eligible categories: those "most in need," including low-income persons and persons of limited English-speaking ability in Title I; Vietnam-era veterans, former manpower trainees, and the disadvantaged long-term unemployed (Titles II and VI); and unemployed persons who have exhausted UI benefits, persons not eligible for UI, persons unemployed for 15 or more weeks; and welfare recipients (Title VI). Moreover, sponsors are to serve equitably the "significant segments" of the unemployed

population in PSE programs. This patchwork system of priorities needs to be reconciled. The attainment of one objective is often made at the expense of others. The problem arises in particular between Vietnam veterans and the low-income population since veterans do not necessarily fall in the low-income category. A similar problem exists in trying to reconcile the priorities between persons who have exhausted UI or those not eligible for UI with the income criterion. The Committee believes that the family income criterion should take precedence.

3. Prime sponsors should exercise more control over the client selection process to ensure that priorities set forth in the act are observed.

Selection of participants for public service employment is typically left to employing agencies, which tend to choose those whom they consider the most qualified from among the applicants referred rather than those most in need. Moreover, sponsors exercise little control over the selection process of Title I programs. Sponsors should tighten control over intake and selection systems either by direct operation of manpower centers or, where other agencies do the selection, by requiring that applicants be rated by a point system related to the eligibility and preference criteria in the act.

#### Title I Program Mix

##### Issues

Two major types of program changes were anticipated with the decategorization of Title I. The distribution of funds among major programs was expected to change as sponsors began to adapt categorical programs to the specific needs of their clients and their labor markets. And it was expected that the elimination of categorical restraints would generate ideas that would refashion program design. The issue is the extent to which local program changes have been made and the implication of such changes for clients.

##### Findings

• Department of Labor (DOL) reports indicate a relative shift from programs that stress preparation for economic self-sufficiency to those providing temporary



employment. Although the absolute amount spent for classroom and on-the-job training has risen under CETA, the proportion of Title I funds spent for these activities declined from 60 percent in fiscal 1974 to 42 percent in fiscal 1976 and 50 percent in 1977. There have been relative increases in public sector employment and in manpower services to participants--including assessment, counseling, and supportive services. More than 80 percent of combined expenditures under Titles I, II, and VI in fiscal 1976 were for work experience or public service jobs.

- Although the balance among programs has changed, there has been little change in basic program design. Sponsors were inclined to continue the kinds of programs they inherited. Few of the sponsors had the necessary expertise to improve existing models. Moreover, during the first 2 years of CETA both the Department of Labor and the sponsors were occupied with administrative matters and pressures arising from the recession.

- There are indications that the quality of Title I services has been diluted. Some sponsors pursued strategies involving low-cost, short-duration courses, and began to emphasize direct placement of persons who are ready for jobs.

#### Recommendations

1. *The type and quality of training programs should be upgraded and made more relevant to demands of the labor market.*

Approval of plans for training should rest upon evidence of specific standards for skill acquisition that are relevant to occupational requirements and that contribute to a significant improvement in the employability of enrollees. Insofar as practicable, training should be directed to occupations that offer stable employment.

DOL regional offices and prime sponsors should emphasize greater involvement of private employers in the training process in order to tailor skill training to the demand for workers. They should foster employer/union advisory groups to contribute to the design, implementation, and evaluation of classroom training in specific occupations as well as to assist in the placement of trainees. Greater efforts should be made to develop on-the-job training programs and apprenticeship openings in the private sector.

2. *The Department of Labor should emphasize more strongly substantive manpower programs that contribute to the enhancement of human capital.*



Title I resources should be focused more heavily on education and skill training for clients who need assistance to become readily employable. A higher proportion of Title I funds should be devoted to classroom and on-the-job training and a smaller proportion to work experience (unless accompanied by substantive basic education and skills training) and to job market services that result in short-term employment in secondary labor markets.

3. *The Department of Labor should do more to encourage sponsors to develop creative program approaches.*

The Department recently set aside funds for skill training and improvement projects and has encouraged experimentation with new approaches under the Youth Employment and Training Act of 1977. Continued emphasis should be given to such experiments and to the development of models for both youth and adults that combine work experience with training to improve the skills and employability of clients. For example, work and training projects leading to occupational credentials should be developed in cooperation with community colleges. Combining work experience in the public or private sector with formal training might be considered as a means of enriching work experience and making it more relevant to the job market. The Department should also encourage innovation by offering incentive funds or by subsidizing some of the risk. State manpower services funds might also be used to foster new approaches.

### Program Results

#### Issues

The prime measure of CETA's effectiveness is the extent to which persons completing manpower programs are successful in obtaining and retaining jobs both in the short and long term. The NRC study considered only the short-range effects, although it is recognized that enhancement of employability and long-term earnings potential are important objectives.<sup>5</sup> The issue is whether CETA programs are effective in obtaining unsubsidized employment for participants after termination.

#### Findings

- In fiscal 1976, 0.5 million of the 1.7 million persons who terminated from Title I, II, and VI programs found employment (see table below). And even despite some

tendency to enroll those most likely to succeed, the ratio of persons who obtained jobs to the number who terminated was lower than for corresponding pre-CETA training and public service employment programs. Lower placement ratios are partly due to generally looser labor market conditions, but other factors, including placement strategy and de-emphasis on transition of Title II and Title VI participants to unsubsidized employment may be equally significant. Placement rates rose from 29 percent in 1976 to 35 percent in fiscal 1977.

	FY 1976		FY 1977	
	Number (in thousands)	Percent	Number (in thousands)	Percent
Enrolled in Titles I, II, and VI	2,482	-	2,361	-
Terminated	1,677	100	1,471	100
Entered employment	486	29	510	35
Direct placements <sup>a</sup>	147	7	70	5
Indirect placements <sup>b</sup>	261	16	320	22
Obtained employment	109	6	120	8
Other positive terminations <sup>c</sup>	648	39	533	36
Nonpositive terminations <sup>d</sup>	543	32	428	29

SOURCE: Computed from Employment and Training Administration, U.S. Department of Labor data.

NOTE: Details may not add to totals due to rounding.

<sup>a</sup>Individuals placed after receiving only intake, assessment, and/or job referral service.

<sup>b</sup>Individuals placed after participation in training, employment, or supportive services.

<sup>c</sup>Entered armed forces or enrolled in school or in other manpower programs.

<sup>d</sup>Did not obtain employment, enter armed forces, or enroll in school or in other manpower programs.

- About one-half of those who entered employment went through a CETA training course or other substantive activity (indirect placements); the rest were placed directly, without participating in a program, or they found jobs on their own. Job opportunities were better for white than for nonwhite persons. Persons with a high school or post high school education and those who were not economically disadvantaged appeared to have better job opportunities.

- About one-third of the terminations were "nonpositive," that is, CETA participants who did not enter employment or return to school; this high percentage is indicative of underlying problems either in selection of enrollees or in program activities.

- Little reliable information is available at this time as to the quality of placements, job duration, or long-term earnings gains. Information on the noneconomic benefits of CETA in terms of the human resource development is no better. Finally, little is known about possible negative effects of the CETA experience.

## Recommendations

1. Placement of participants in unsubsidized employment should be recognized as the primary objective and should receive more attention at all levels of CETA administration.

Although the possibilities for enrollees to obtain jobs are limited in a loose labor market, the study finds that the decline in placement ratios compared with pre-CETA programs is in part related to less effective job development efforts under CETA. Assignment of more resources to job development and staff training in this function should improve the employment prospects of enrollees. However, increased job placement rates should not be accomplished through placements in low-wage, temporary jobs; the goal should be placements in long-term, stable employment.

The original CETA legislation emphasized the need to find openings for PSE program participants in regular unsubsidized employment, but Congress explicitly downgraded this objective in an effort to hasten the implementation of the program. A 1974 CETA amendment stipulated that placement should not be required as a condition for receiving funds, but considered a goal, and that waivers would be permitted when the goal was infeasible. It is recommended that Congress restore the transition objective for Titles II and VI. Quotas or other administrative measures should be used to spur efforts to place participants in nonsubsidized jobs. For example, employing agencies should be required to fill a specified percentage of their regular vacancies with CETA employees.

Moreover, Congress should limit the duration of employment of any participant to one year. Under the Emergency Jobs Programs Extension Act, projects are limited to a year, but a participant may be kept on the rolls indefinitely. Limiting tenure would create pressure to find unsubsidized jobs. Sponsors should be urged to use either Title II or Title VI administrative funds or Title I funds for auxiliary training that will enable participants to qualify for unsubsidized employment.

2. Research should be undertaken to assess the economic and noneconomic effects of CETA.

The national longitudinal study sponsored by the Department of Labor is expected to provide insights into the effect of CETA on subsequent earnings of participants. However, sponsors should also conduct follow-up studies on terminated participants to ascertain the kinds of employment obtained, earnings, stability of employment, and

relationship of jobs to training or experience in CETA programs. Special efforts should be made to determine the reasons for terminations to obtain clues on how to improve program design and effectiveness.

Research should be undertaken to measure the offsetting savings of CETA programs in welfare and unemployment insurance payments and tax revenues from earnings, as well as the noneconomic effects of CETA in terms of improving morale, family stability, etc. Possible counterproductive aspects of CETA, such as disincentives to seek nonsubsidized employment, development of poor work habits in CETA programs, and any negative effects of CETA on the quality of public service should also be explored. Further research is needed on the effect of targeting, project requirements, and limited duration of projects on the effectiveness of PSE in meeting economic objectives.

### Public Service Employment

#### Issues

The objective of Title II in the original CETA legislation was to provide federally subsidized public sector jobs in areas of substantial unemployment. With the onset of the recession, Congress enacted Title VI, which provided for public service employment programs in all areas and authorized a 6-fold increase in resources. Two of the large issues associated with public service employment programs are substitution, the use of CETA funds to support jobs that would otherwise be financed from local resources, and the targeting of public service employment to specific client groups. Other matters of concern are the relationship between the Title II and Title VI programs, the usefulness of PSE activities, and the placement of participants in unsubsidized jobs.

#### Findings

With the authorization of Title VI, the focus as well as the scale of PSE programs changed radically. Although Congress intended that Titles II and VI have different objectives, the differences between the two in terms of geographic coverage, eligibility, and target groups were soon obscured. Most areas qualified for both programs, and participants were often switched from one title to the other.

- Most PSE jobs were in public works, transportation, parks and recreation, law enforcement, education, and social services. It was the opinion of most respondents that PSE workers were engaged in useful public service activities. In fiscal 1976, Title II and Title VI employees represented 2.3 percent of all state and local government employees. (By early 1978, with the expansion under the economic stimulus program, Title II and VI accounted for over 5 percent of all state and local employees.) In some areas the percentage was much higher, and sponsors were becoming dependent on CETA employees to provide essential services.

- The common objective of Titles II and VI is to reduce unemployment by creating public sector jobs that would not otherwise have existed. Experience under the Emergency Employment Act and other federal grant programs indicated that there is a strong incentive for local governments to substitute federal for local funds. Congress sought to prevent substitution by requiring sponsors to maintain the level of public service employment they would have had without CETA.

This study classified prime sponsors according to the extent of job creation with Title II and Title VI funds from July 1974 to October 1975. The classifications were based on observations of local field associates, trends in local government employment, the fiscal position of the principal governmental units, perceptions of local officials as to the objectives of CETA public service employment programs, types of positions held by participants, extent to which nonprofit agencies were the employing units, and overt instances of maintenance-of-effort violations.

Based on this information, 14 of the 24 local prime sponsors were found to have had substantial job creation in the first 6 quarters of CETA, 5 had moderate job gains, and 5 had little gain. Most of the areas with substantial gains were small- or medium-sized areas with moderate or little fiscal pressure. Larger urban areas were difficult to classify because they may have used some CETA positions to prevent cutbacks in employment.

- Based on an econometric model, the net job creation ratio nationally was estimated to have ranged from 0.82 in the second quarter after the program began to 0.54 after 10 quarters, averaging 0.65. That is, for every 100 CETA positions, 65 represented positions that would not otherwise have existed, and 35 may have been substituted for regular jobs. Economists have noted, however, that even where substitution occurs, federal grants for public service employment, like other federal grants, are likely to have

stimulative effects on local economies either through public or private spending. A selective PSE program has the added advantage of being able to address structural problems by targeting assistance to specific groups.

• Congress addressed substitution in the 1976 CETA amendments by requiring that new enrollees above the number necessary to sustain existing levels of PSE employment must be in limited duration projects and that most new PSE enrollees must have been unemployed for 15 weeks or more and must be from low-income or welfare families. By limiting the expansion of PSE to special projects outside of regular governmental functions, it was anticipated that substitution would be held down. Indeed, the original DOL interpretation of the statute did preclude projects that were merely incremental to ongoing governmental activities. But in the face of prime sponsor opposition and in the interest of speedy implementation of the enlarged PSE program, projects were defined very loosely in the final DOL regulations.

#### Recommendations

1. *The Committee recommends a three-part public service employment program aimed at both structural and counter-cyclical objectives.*

Public service employment programs can embrace several objectives: opening employment opportunities for the disadvantaged, providing additional assistance to chronically depressed areas, and combating cyclical unemployment. A design incorporating these objectives should include:

- A continuing PSE program restricted to the low-income, long-term unemployed and welfare recipients. This program should include a built-in training component to increase the employability of participants while giving them an opportunity to acquire useful experience.

- Supplemental funds for areas of substantial unemployment, also limited to those unemployed for structural reasons.

- Countercyclical funds that would trigger on automatically as the national unemployment rate rises. The countercyclical component could either be targeted to the disadvantaged or partially targeted, for example, by setting aside an amount for the disadvantaged in proportion to their number among the eligible group in the prime sponsor's area.

In all three of the above, areas with low unemployment rates should be excluded on the grounds that the unemployed there have a better opportunity to be absorbed in the private sector in areas with a favorable labor market. The advantage of the above three-part formulation is that it establishes the principle that the government has a responsibility to create jobs in the public sector, as an alternative to welfare, for the hard-to-employ. It also retains the principle that special efforts are needed to stimulate the economy in areas of high unemployment.<sup>6</sup>

2. Congress and the Department of Labor should ensure that Title II and Title VI funds are used for net job creation.

Several methods are recommended:

- Congress should continue to provide countercyclical revenue sharing funds as needed to sustain the regular public service work force. Title II of the Public Works Employment Act of 1976 authorized funds for state and local governments to maintain public services and prevent layoffs despite fiscal difficulties. Congress should extend this legislation in some form beyond the present termination date of September 1977 if the economy has not recovered sufficiently by then. This will indirectly help to avoid substitution by giving hard-pressed local governments alternative support.

- The likelihood of substitution would be reduced by establishing useful projects outside the regular activities of local government. But the Department of Labor should revise its regulations to preclude projects that are merely an extension of existing services. The development of such projects may be hindered by lack of equipment and supplies, particularly in jurisdictions that are hard pressed financially. Sponsors should, therefore, attempt to develop projects linked with economic development or other subsidized programs to obtain the necessary capital from other sources.

- The Department of Labor should continue to require that a proportion of all Title VI project funds be used for jobs in the private nonprofit sector as an additional means of creating new employment opportunities.

- Congress should amend CETA to permit the setting of quotas on rehired staff. This would permit the Department of Labor to restrict the percentage of laid-off local public service employees rehired under CETA. It would tend to constrain overt substitution and would allow other unemployed people to have the same opportunity as former local government employees to fill CETA openings.



- The Department of Labor review and auditing capability should be strengthened to assure compliance with maintenance-of-effort rules. General Accounting Office reports indicate that detailed studies of local government tax efforts and employment patterns are necessary to ascertain the extent of substitution. DOL auditing should be intensified to make the systematic reviews that are needed. A specific percentage of PSE funds should be earmarked for auditing and monitoring.

- The DOL should set up a task force to review and establish methods to deal with maintenance-of-effort problems. The task force should: develop methods for identifying direct and indirect substitution; devise means of ensuring compliance of program agents, nonprofit institutions, and jurisdictions of prime sponsor areas; examine the relationship between the capacity of local governments to expand their work force in productive activities and the substitution problem; and explore the relationship between length of stay of participants and substitution.

The task force should consider other administrative means of ensuring that local governments maintain normal hiring as a condition for obtaining PSE participants. One proposal would be to establish a ratio of CETA employees to regular employees for each prime sponsor (or for each employing agency within a sponsor's jurisdiction) and require the sponsor to maintain the same ratio in hiring replacements.

#### ADMINISTRATIVE PROCESSES

When the management of manpower programs was decentralized, it was assumed that local officials would develop a comprehensive plan in consultation with local advisory groups and would be able to put together a program tailor-made for the local labor market. This section deals with the planning, administration, and organization of a local delivery system. The central question is how well did local officials, most of whom had little or no experience with manpower activities, assume and carry out these new responsibilities during the first 2 years of CETA.



## Planning

## Issues

Decentralization was expected to result in planning for the distribution and use of federal resources that would be more responsive to community needs than was the case under the earlier centralized, categorical manpower system. The issue is whether the concepts of planning are being applied or whether planning is merely a ritual for obtaining federal grants.

## Findings

In fiscal 1976, prime sponsor planning was in transition from a purely mechanical exercise to a useful strategic process. On the whole, sponsors were better able to analyze their needs and to prepare planning documents than in fiscal 1975, the first year of CETA, but weaknesses remain. Some are rooted in federal practices, such as preoccupation with procedure instead of program substance. Other problems, such as perfunctory attention to the planning process, are local in character.

- Decentralization has not yet resulted in a clear perception of the nature of local planning; few local sponsors have developed long-range goals as a framework for year-to-year planning. There is still a need to improve management information systems to provide a basis for analysis, to upgrade planning skills, and to develop effective evaluation techniques.

- Planning for Titles II and VI is not integrally related to that for Title I; nor do plans adequately take into consideration other related programs in the community.

- Few sponsors have involved private industry effectively in the planning process. Yet links to the private sector are vital to the central objective of CETA--employment in nonsubsidized jobs.

- Balance-of-state sponsors, consortia, and large counties that encompass smaller units of government tend to decentralize planning responsibility. When the subunits are small, opportunities for job placement may be limited. Fragmented planning may also lead to unnecessary duplication in training facilities and other manpower services.

## Recommendations

1. *Local plans should be made more comprehensive by integrating planning for Titles I, II, and VI, and by incorporating information on related programs in the community.*

Department of Labor regional offices should disseminate information on CETA national programs (Title III) and other manpower programs to local sponsors so they have a more comprehensive picture of activities in their areas. Sponsors should obtain information on other federal programs that are available to local governments (community development, housing, health, law enforcement, social services, etc.) to assist in linking CETA with programs that could provide related services or employment opportunities. State and local elected officials should establish mechanisms to coordinate planning for these related activities. The Department of Labor should provide planning grants for experimental models of coordinated planning.

Most planning under CETA is for small geographic areas. Even in consortia and balance of states, there is a tendency to decentralize and fragment plans. The Department of Labor should encourage planning on a labor market area basis wherever it is feasible to do so. This would provide a broader analysis of occupational demand and training opportunities within commuting range. In consortia and balance of states, consideration should be given to multi-county planning to make the plans more comprehensive.

2. *The Department of Labor should require evidence of participation of private employers in Title I planning as a condition for approval of Title I programs.*

It is important that private employers be drawn into the planning process at an early stage to ensure that training programs are relevant to occupational demand and to advise on specific elements of skill training programs. Private employers can be particularly helpful in planning for on-the-job training. Since almost all CETA participants must eventually find employment in the private sector, local planners should also consult private employers about job development.

## Local Management

### Issues

Decentralization conferred on state and local governments the responsibility for managing a complex array of

manpower programs. The capability of local governments to handle these programs efficiently is a central element in assessing the CETA block-grant approach. Of particular concern are management problems in counties, consortia, and balance of states, where sponsors must deal with other subunits of government. The extent to which administration of public service employment is integrated with Title I programs presents another management issue.

### Findings

Prior to CETA, employment and training programs were managed by the Manpower Administration directly or through state employment service and education agencies. One of the most notable achievements of CETA has been the successful transfer of this responsibility to state and local units of government, most of which had only minimal prior contact with manpower programs. Now, for the first time, the administration of manpower programs is an accepted responsibility of local government.

- The first year of CETA was spent in setting up the administrative machinery for planning, budgeting, supervising contracts, reporting, and establishing fiscal control. Considerable progress was made in the second year; some expertise was developed and many of the problems of integrating manpower programs into the structure of local government were resolved. However, local staffs still lack technical knowledge of the substance of manpower programs, a serious weakness that also applies to federal staff assigned to supervise local programs.

- The framers of CETA contemplated a close relationship between PSE programs and the employability development activities of Title I. Titles II and VI require that former manpower trainees be given consideration for PSE slots. The NRC study found that administrative units handling PSE are indeed generally lodged in the same organizational office that handles Title I, but functional coordination is usually minimal. Planning, grant management, subcontracting, and supervision are handled separately, and there is little interchange among clients.

- Consortia and balance-of-state areas must grapple with administrative problems inherent in joint ventures. Delegation of responsibilities to constituent jurisdictions often means less control by the sponsor and fragmentation of administration. Balance-of-state sponsors administering programs over broad geographic areas have

unique problems, especially where administrative sub-structures are lacking. Councils of government and other multi-county structures that are now administering CETA were initially planning organizations without experience in program management. There is still a need for developing administrative capability in subareas of balance of states.

#### • Recommendations

1. *The Department of Labor should encourage integration of public service employment and training programs.*

The planning, administration, and evaluation of Title I, II, and VI programs should be coordinated. Bringing these programs closer together should make it possible to integrate the procedures for selecting participants, to expose clients to a broad range of program options, to arrange combinations of training and employment, and to improve the effectiveness of job development and placement.

2. *Management studies should be undertaken to explore administrative problems that occur among overlapping jurisdictions.*

More information is needed on administrative relationships between sponsors and subunits in counties, consortia, and balance of states. The Department of Labor should initiate studies of administrative problems such as the effects of administrative layers on processes, divided accountability, and the trade-offs between centralized and decentralized contracting and supervision of operations. Problems of fragmented administration and the effects of using planning organizations to administer programs in balance of states also need further exploration.

#### Management Data

#### Issues

In implementing CETA, the Employment and Training Administration restructured its reporting system to unify the data systems of numerous separate programs. While this resulted in integrated reporting, it does raise several questions: Does the new system serve the program and information needs at all levels of government--local as well as national? Does it provide Congress and policy makers with information necessary to determine whether

CETA's objectives have been met? Is it responsive to information needs arising from the Emergency Jobs Programs Extension Act?

### Findings

The study finds that the data system does not provide adequate information for national policy purposes or for local management.

- One of the most serious gaps in the data system that limits its usefulness for program evaluation at the national and local levels is the lack of an accurate count of individuals enrolled. A participant may be counted more than once if he or she is transferred among programs or terminates and re-enrolls. Another problem results from aggregation of data for youth and adults, which makes it difficult to assess program results since the expected and actual outcomes for youth are quite different from those for adults. In addition, the CETA data system has not yet been expanded to cover the new target groups that have been added by the CETA amendments.

- There are also gaps in the information needed for planning. Data on the number and characteristics of persons in need of assistance, occupations in demand, and alternative services in the community are generally unavailable in sufficient geographic detail or on a current basis.

- Some sponsors have gone beyond the DOL data requirements and have established local management information systems flexible enough to generate information for local program planning and evaluation. For the most part, however, sponsors do not have satisfactory systems for evaluating the performance of subcontractors or for assessing the relative costs and effectiveness of program activities. As a consequence the data system cannot adequately serve the needs of the sponsors themselves.

- Information about public service employment programs is sparse, particularly with respect to occupations and earnings, activity of the employing unit, duration of employment, and the number of former public service workers rehired under CETA.

### Recommendations

1. The Department of Labor should establish a task force of federal and local personnel to design a more useful data base for planning, management, and evaluation.

The task force should consider revisions in data elements and processing to:

*Differentiate data for youth and adults* The high incidence of youths in many CETA programs tends to obscure information about services to adults, particularly their placement rates.

*Relate data to the requirements of the act* For program control and accountability to Congress, the reporting system should include service and outcome data on target groups listed in the act--those who have exhausted UI benefits, persons not eligible for UI, those unemployed for 15 weeks or more, the long-term low-income unemployed, former manpower trainees, etc.

*Refine data elements* Data items that need to be defined more clearly and validated to be useful include the count of participants, the identification of the economically disadvantaged, the labor force status of participants prior to entry in the program, and "direct" versus "indirect" placements.

*Develop evaluation data* Local management information systems require, at a minimum, outcome data by type of program and by program operator, information on targeting, costs by service components, and more flexibility in cross-tabulation of program and targeting data.

*Develop better follow-up data* For evaluation purposes, the data system should furnish more information on post-program labor force experience--retention in jobs, duration of employment, earnings, and whether employment is in a training-related occupation.

These suggestions may increase the reporting workload, but offsetting savings could be achieved by other means, such as a regional computerized system with coded entries from individual record cards. This could reduce processing time, provide needed flexibility, and free local staff for validation of reports and for analysis of data.

Alternative approaches to the present reporting system that might be considered are: periodic surveys of a nationally representative sample of sponsors to obtain more detailed information, special reports from all sponsors on a less frequent basis than the normal quarterly cycle covering selected items not in the regular reporting system, or expansion of the longitudinal survey being conducted for the Department of Labor to include specific items that could be extracted quickly and fed back to sponsors and the national office.

2. *The Department of Labor and state governments should assist prime sponsors in installing management information systems.*

Efforts of the Department of Labor to improve management information systems should be increased. Exchange of information among sponsors and assistance from specialists trained in operations research would strengthen local information and evaluation systems. Such exchanges would be an appropriate activity for state governments to undertake with the state manpower services fund. The states could arrange for consultants, training of local staffs, or for a central management information system to serve all prime sponsors within the state.

Technical assistance is especially necessary to make the evaluation process more comprehensive. Broadly conceived, evaluation should deal with program results in relation to needs and the relative effectiveness of alternative program strategies and various deliverers of service.

3. ~~Methods of measuring the quality of programs should be studied.~~

One of the most serious gaps is the lack of information on the quality of the services offered under Title I of CETA. National and state technical staff should explore methods of systematically measuring the quality of training and work experience programs. This would include assessing curriculum, the duration of courses, proficiency standards, and the adequacy of the equipment for skill training, as well as the training and supervision components of youth work experience programs. (See also p. 27)

### The Delivery System

#### Issue

The fragmented nature of the delivery system was one of the most heavily criticized aspects of pre-CETA manpower programs. One purpose of CETA was to bring about a better integration of various programs for training and employment and a closer coordination among agencies providing those services. At issue is the extent to which local delivery systems are being made more rational and whether this results in better service to clients.

#### Findings

The NRC study noted a trend toward consolidation of services to enhance employability. Of the local sponsors surveyed, about 33 percent have adopted a comprehensive



delivery system for Title I programs--one in which intake is coordinated, a wide range of services is available according to individual need, and each client is followed through a sequence of activities from initial assessment to training and eventually to placement. Forty percent retained a categorical delivery system and the remaining sponsors in the study sample had mixed systems.

In a number of places manpower centers are being established as a focal point for bringing clients and services together. There has also been some movement toward centralized exit activities, particularly job development and placement. The trend toward a comprehensive system is more evident in smaller areas than in large cities and consortia, which tend to use established program deliverers.

Although there is a trend toward comprehensive delivery of employability services (Title I), there is little indication that PSE programs are being integrated with them.

#### Recommendations.

1. Prime sponsors should arrange for combinations of training and public service employment programs leading to career opportunities.

Participants in structurally oriented programs should have access to public service jobs, particularly those that offer career potential. Title II or Title VI openings could provide useful experience for clients trained initially under Title I. This neglected concept of CETA should be implemented. Congress should provide additional Title I funds specifically to encourage combinations with PSE training.

2. The Department of Labor should arrange for research to determine how client convenience and quality of services are related to various Title I delivery patterns.

Studies should analyze the client flow and availability of program options under comprehensive, mixed, and categorical systems. Centralized versus decentralized arrangements for service in balance-of-state programs should be compared. Delivery models should be developed that expose clients to a spectrum of services and ensure continuity of responsibility as clients move from intake to placement.



## Continuing Research and Evaluation

## Issues

The growth and complexity of CETA makes it increasingly important to assess the degree to which the purposes of the legislation are met. The act provides for research and evaluation activity and the passage of the Youth Employment and Training Act adds a significant new experimental and demonstration dimension. At issue is the need for greater in-house and independent research and evaluation capabilities to provide to Congress and government agencies information necessary for the development of national policy and to provide experimental models for local programs.

## Findings

The NRC study, as well as other research activity, has identified numerous problems requiring further exploration, experimentation, and evaluation. There is a clear need for further study of the content and quality of training and work experience programs, the relevance of CETA programs to job market demands, the participation of the private sector in employment and training, substitution of federal for local funds in PSE programs, alternative patterns for delivery of manpower services, intergovernmental roles, the Employment Service/CETA relationship, linkages between CETA and other manpower programs, and, in particular, the effects of CETA on clients.

## Recommendations

1. Congress should provide for a continuous research, evaluation, and demonstration program both within government agencies and by outside, independent research organizations. Approximately 1 percent of CETA funds should be earmarked for this purpose.

The Committee is aware of the valuable research activities of the Department of Labor, the National Commission for Manpower Policy, and the National Commission on Employment and Unemployment Statistics. State and local governments and private nonprofit research organizations have also undertaken useful studies. However, the magnitude and complexities of the problems associated with CETA programs in a changing economic environment are so

great that a more systematic and comprehensive program should be underwritten by Congress. The Committee believes that this would be a wise investment that would pay dividends in contributions to national policy and improvement of local programs. An allotment of 1 percent of federal appropriations for this purpose would not be excessive, considering that much of the money would be used for payment of allowances in experimental and demonstration programs. In elementary and secondary education research, approximately 5 percent of the federal education budget is devoted to research (this does not include allowances for student support).

### INSTITUTIONAL RELATIONSHIPS

The original CETA legislation enacted not so much a new program as a new set of relationships. A system of checks and balances among federal, state, and local units of government was designed to permit local flexibility within a framework of national objectives. Sponsor autonomy was to be balanced by federal oversight. States were made responsible for conducting programs in the balance-of-state areas and for providing assistance to all sponsors within a state. Within the sponsor's jurisdiction, diverse elements in the community were to participate in the decision-making process. Sponsors were free to choose institutions to deliver services, subject to giving due consideration to established programs of "demonstrated effectiveness."

### The Federal Role

#### Issues

The relationship between federal and local units of government lies at the heart of decentralization. CETA represents an uneasy compromise between a commitment to local determination and a recognition of the need for federal oversight in the furtherance of national objectives. The act is ambiguous in defining the federal role. It leaves the bounds of the federal presence to be worked out in the interaction between the Department of Labor and prime sponsors.

## Findings

- CETA assigns to the Department of Labor responsibility for making sure that the requirements of the legislation are met, but at the same time it cautions the DOL not to second-guess decisions of local officials on program. Since the original act, Congress has added several categorical programs--public service employment, summer activities for youth, and youth employment demonstration projects--that tend to circumscribe local autonomy, but the basic federal-local relationship has not been clarified.

- The Department of Labor has outlined four functions for itself in addition to allocation of funds: establishment of national objectives, priorities, and standards; provision of technical assistance; review and approval of plans; and assessment of prime sponsor performance against plans. During the first year there was a general feeling of uncertainty in federal-local relations, reflecting the gray area between local autonomy and federal oversight. Federal involvement increased the second year as a consequence of the demands of new legislation and the awareness of weaknesses in program implementation.

- DOL regional-office review of prime sponsor plans has focused largely on procedure. Assessments emphasized meeting goals in plans, the rate at which funds were spent, administrative costs, financial management, and reporting. Regional office staff intervened from time to time in such program matters as placement policies and maintenance-of-effort and rehire problems, but not on a regular basis.

- Tension between regional offices and sponsors centered around repeated requests for modifying plans, lack of uniformity in interpreting regulations, irregular and unpredictable funding, and the use of rigid performance standards. Sponsors felt that the performance standards tended to constrain the kinds of programs and services they could choose and placed a premium on low-cost strategies. They also resented DOL pressure to use the employment service agencies.

## Recommendations

1. *The Department of Labor should interpret national policies and issue annual statements of priorities for prime sponsor guidance.*

The Department of Labor has responsibility to interpret the objectives of the act. In addition, it should have

explicit authority to set national goals and priorities. These could be issued in an annual statement of current objectives and priorities prior to the planning cycle. The statement should deal with such matters as types of clientele to be served, mix of programs, and patterns of delivery. To achieve harmony of local programs with national policies, the regional offices of the Department of Labor should then interpret evolving national objectives and goals in the context of local social and economic conditions. The purpose is not to replace local with national goals but to provide additional and broader perspective to local planners.

2. *Federal oversight should emphasize program content and quality in addition to placement goals and other quantitative measures.*

Program assessment should be broadened to encompass the content and quality of work experience and training programs. Technical assistance has tended to focus on procedure, but it is equally important to help local staff gain an understanding of the substantive aspects of training and employment programs so that they can supervise and monitor the performance of program contractors. Regional offices should have a core of trained specialists to assist field representatives in working with sponsors.

3. *The Department of Labor should promote intergovernmental cooperation to assist local sponsors.*

The Department of Labor should reinforce present inter-agency agreements or establish new ones with agencies that have manpower-related responsibilities (the Departments of Health, Education, and Welfare and of Housing and Urban Development and the Economic Development Administration of the Department of Commerce) to foster cooperation at the local level. Concerted action can improve the quality and relevance of local training and open up new possibilities for unsubsidized jobs.

## The State Role

### Issues

CETA has given state governments multiple responsibilities. In addition to sponsoring balance-of-state programs, they are responsible for maintaining a manpower services council, administering the state manpower services fund and the state vocational education fund, and coordinating

the services of state agencies with local prime sponsors. State manpower services councils (SMSCs) are charged with reviewing local plans and monitoring local programs. There are questions, however, as to whether the state role is properly defined in the legislation, as well as to whether the current role is being carried out effectively.

#### Findings

- During the first year of CETA, the NRC survey found that SMSCs had virtually no impact on local manpower programs. Some councils were not organized in time to review plans, and there was little monitoring of local activities. In the second year, plan review was still perfunctory, there was some monitoring, but for the most part SMSCs still had little influence on local programs.

- Although there were some attempts at the state level to coordinate the services of various agencies with CETA, most states did not systematically establish such arrangements.

- The act intended that the state manpower services fund (4 percent of the Title I appropriation each year) would enable states to provide services to areas and groups not adequately covered by local programs and would ensure the support of state agencies. The NRC study found that these funds are being used mainly for miscellaneous projects rather than for supportive services to local sponsors, such as labor market information and program evaluation.

#### Recommendations

1. *Congress should strengthen the coordinating responsibilities of the State Manpower Services Councils.*

Congress should give the SMSCs responsibility for the comprehensive state manpower plan, increase their authority and responsibility for coordinating manpower-related activities at the state level, and end their responsibility to monitor local programs.

A SMSC is too unwieldy an organization to monitor local programs. Moreover, in a federal-local system, state monitoring is redundant, especially since the state's authority to influence local programs is minimal. SMSCs should continue to review local plans with a view to identifying areas in which the state can be helpful to local sponsors.

The state may be most helpful in coordinating state social services, vocational education, employment services, and economic development activities with the CETA programs. The governor is in an advantageous position to accomplish this coordination through the use of the state grant funds, authority over state governmental units, and the overall influence of the office.

2. State manpower services grants should be used primarily to support activities beneficial to all prime sponsors.

In addition to funding projects, the state should use its manpower services funds for activities that assist local sponsors and promote coordination. The state could use the fund to provide current data on labor supply and demand for sponsor planning, to establish residential training facilities beyond the capability of individual sponsors, to organize statewide on-the-job training programs with major employers, or to arrange with universities or research organizations to provide technical assistance to local sponsors in installing management information and evaluation systems.

### Local Planning Councils

#### Issues

In an effort to ensure community participation in decisions affecting local programs, Congress mandated the establishment of local advisory councils. Membership was to include those who delivered manpower services, those who received them, and others who might be directly affected by the quality and substance of programs offered. It was presumed that suppliers and consumers would operate as a check on each other and that members of the general public would exercise a moderating influence. Under the recent extension of Title VI, the purview of the planning councils was extended to include review of public service employment projects. At issue is whether advisory councils have played the active role contemplated by the legislation.

#### Findings

- The advisory councils in the first year of CETA fell short of fulfilling the legislative intent. There was a

quickenings of interest in manpower planning on the part of local officials, but the community was not drawn into the decision-making process to any significant extent. Lack of time was partly responsible; councils were being established as Title I decisions were being made. By the second year, about a third of the planning councils in the NRC sample were rated as having a significant influence in Title I planning, usually through a subcommittee structure.

- Influence on the councils from the various sectors of the community has been uneven; client groups and private employers have had the least weight. Securing adequate participation by employers has been difficult although that link is critical for effective planning. Community organizations, as program operators, have interests that do not always coincide with those of the client groups whom they represent.

- Conflict of interest continues to be a problem where program operators participate in decisions affecting contract awards. To avoid such conflicts, some prime sponsors exclude service deliverers from council membership although permitting them to form a technical council to advise the CETA administrator. Others permit service deliverers to be members of planning councils but do not allow them to vote on renewal of their own contracts.

#### Recommendations

1. *The prime sponsors, with the support of the Department of Labor, should increase the effectiveness and independence of local planning councils.*

If planning councils are to be effective their members need to be well informed and capable of taking independent positions. Prime sponsors should assign staff to ensure that the council is fully informed. Councils should be drawn into the planning process for Titles II and VI and for youth programs, as well as for Title I. (The act calls for separate local councils for youth employment.) DOL regional offices and prime sponsors should arrange for periodic training of council members. Councils should actively participate in the evaluation process through special subcommittees or other means.

The legislation should require that all Title I program proposals be subject to council consideration and recommendations. Prime sponsor decisions that are contrary to council recommendations should be explained in writing.



2. Service deliverers that are members of planning or technical councils should be prohibited from voting on contracts.

The participation of service deliverers is desirable to keep councils informed of issues and practical problems in service delivery, but their presence may lead to conflicts of interest. Present regulations do not permit them to vote on their own contracts, but do permit them to vote on other contracts. It is recommended that service deliverers work with planning councils, but not vote on any contract decisions.

3. The Department of Labor should encourage prime sponsors to broaden council representation and public awareness of CETA.

The DOL should foster increased representation and participation of employers, client representatives, and citizen groups on local councils and in related planning and monitoring activities.

#### Realignment of Service Deliverers

##### Issues

The ambiguity of CETA with respect to the selection of local organizations to provide manpower programs and services has been a source of concern. Respecting the decentralization objective, CETA gave prime sponsors the option of using existing program deliverers or selecting new ones. Yet in deference to established institutions, CETA stipulated that existing agencies of demonstrated effectiveness must be considered to the extent feasible. The issue is how to reconcile these two principles and, more importantly, whether the organizations selected are the best available to serve the needs of clients, particularly minority groups and the poor, formerly served by ethnic-oriented, community-based organizations.

The employment service-prime sponsor relationship is particularly troublesome. In its effort to eliminate duplication among manpower programs, Congress created, through CETA, a federal-local manpower system that parallels in many respects the Wagner-Peyser network of local employment service offices. At issue is the structuring of a relationship between the two systems that identifies (or merges) the separate roles of each and uses the strengths of each.



## Findings

The selection of service deliverers has been accompanied by a struggle over turf. Pre-CETA agencies sought to retain their influence and their funding; others sought entry into the system.

- Congress expected that prime sponsors would choose the best program deliverers. However, with new responsibilities facing them, there was neither the time nor the capability to assess the relative performance of competing agencies in the first year. Decisions were based largely on general impressions, political considerations, agency influence, and cost. Initially, existing program deliverers were continued, although in many cases their activities were changed to fit sponsors' plans.

- One of the most striking and unexpected results of decentralization is the appearance of prime sponsors as direct deliverers of services. Within the NRC sample, 17 of 24 local sponsors were directly operating some programs. This development has far reaching implications for the relationship between the prime sponsor and other agencies providing manpower services and needs further study.

- Community based organizations such as the Opportunities Industrialization Centers (OIC), Jobs for Progress (SER), and the Urban League have been receiving more funds than previously, but their roles and their autonomy have diminished. The rise of these kinds of community organizations in the 1960s was part of the "Great Society" thrust to ensure attention and service to minorities. They are now concerned about whether the service and attention they were able to gain for their constituencies will continue under the decentralized CETA system.

- Under CETA, the proportion of funds going to public educational institutions has been sustained, but their influence has declined. Sponsors are using larger numbers of training agencies and have shifted to the use of individual referrals of enrollees to established skill training programs rather than organizing classes of CETA participants.

- The Employment Service (ES), which had a leading role under the Manpower Development and Training Act and other pre-CETA programs, lost its key position as well as funds and staff in the first year of CETA. Its responsibilities in many areas, particularly large metropolitan cities, were taken over by prime sponsors or other agencies. These losses were attributed by sponsors to cost considerations, effectiveness, and degree of rapport with the disadvantaged. There was some recovery in the second year as

the Employment Service was used more extensively in implementing the Title II and VI programs.

The Emergency Jobs Programs Extension Act and the expansion of PSE programs resulted in a larger role for the ES. The impact was felt in several ways. First, the legislation specified UI beneficiaries and welfare clients as people eligible for Title VI programs. This fostered the use of the ES in developing pools of applicants since these groups are already registered in local ES offices. In addition, the policy of the DOL to relieve prime sponsors of responsibility for enrolling ineligible participants, provided the eligibility determination is made by the ES, encouraged the use of that agency. Finally the large and rapid expansion of PSE programs led sponsors to rely more heavily on the ES.

#### Recommendations

1. *Objective standards should be established by prime sponsors for rating program deliverers.*

Sponsors now have sufficient experience to enable them to assess "demonstrated effectiveness" in selecting program operators. The criteria for selecting Title I contractors should be stipulated and the ratings of competing organizations should be available to the planning councils.

2. *Several alternatives for structuring ES/CETA responsibilities should be considered.*

*Earmarked funds for ES* One alternative is to earmark a proportion of Title I CETA funds for state ES agencies to be used to provide services to prime sponsors. This would parallel the existing 5 percent fund for state vocational education agencies. The employment service and prime sponsors would negotiate non-financial agreements stipulating the services to be provided.

*"Laissez faire"* Under this approach, each sponsor and ES local office would work out their own arrangements, based on local needs, capabilities, and relationships. The present effort of the DOL to experiment with different types of ES/CETA relationships is a step in this direction.

*A two-part system* This alternative would differentiate between job-ready clients and those needing services to develop employability. The employment service would be responsible for the job-ready and CETA would concentrate on supplying developmental services and PSE programs.

*Employment Service as presumptive deliverer* CETA could be amended to reintroduce the employment service

as the exclusive deliverer of all manpower functions stipulated in the Wagner-Peyser Act. These services could be provided to the prime sponsor without cost if provision were made to defray the ES cost.

*Merger* The most fundamental (and the most difficult) resolution would combine the Wagner-Peyser and the CETA systems through legislation and create a single "super" manpower system. This alternative would require a re-examination of the state role in the manpower system and the restructuring of federal-state-local relationships.

*Congress should mandate an independent study that would examine the manpower functions now being performed by both the ES and CETA organizations, assess existing ES/CETA relations, and explore the merits and problems associated with each of the alternatives.* Basic legislative changes should be based upon the findings of such a report.

#### SUMMARY

During the four years since CETA became operational, employment and training programs have become institutionalized as an integral part of local and state government activities and structures. Federally funded manpower programs, previously administered by the federal establishment, are now the responsibility of local units of government and are conducted under the direction of state and local officials.

The NRC study has focused both on the processes and the product of manpower programs. It has found that local control of programs has resulted in tighter program management, greater accountability, and more rational delivery systems. Local manpower planning, though still weak, is more meaningful than in the pre-CETA period, and grass roots participation in the planning process is greater. However the shift of program control scrambled the relationships among government jurisdictions and among the local institutions that deliver manpower services. The role of the Employment Service was particularly affected.

The study identified several major areas of concern, including: the choice of participants to be served, the processes for providing services, the kind and quality of programs, and their outcomes in terms of the adjustment of clients to the labor market. There are also serious questions as to the extent of new job creation under public service employment programs--now the bulk of manpower activities.

The recommendations of the Committee on Evaluation of Employment and Training Programs are directed to these issues and are summarized below under two categories: processes and institutional aspects of CETA, and program substance and outcomes.

#### Processes and Institutional Aspects of CETA

- Revise formulas for allocating Title I, II, VI, and summer youth employment funds so that resources are distributed among areas on the basis of the specific groups to be served under each title.
- Integrate Title I, II, and VI plans and incorporate information on related programs in the community.
- Require evidence of private sector participation in Title I planning as a condition for the approval of plans.
- Increase the effectiveness and independence of local advisory councils; strengthen the coordinating authority of State Manpower Services Councils and eliminate their monitoring responsibilities.
- Establish a federal-local task force to design a more useful data base for planning, management, and evaluation; provide assistance to prime sponsors in developing management information systems.
- Conduct research to illuminate such issues as: the Employment Service/CETA relationship, linkages between CETA and other manpower programs, and the effectiveness of various systems for delivering client services.

#### Program Substance and Outcomes

- Rely on unemployment insurance as the major means of dealing with short-term unemployment, but rely on training and public service employment programs as the primary vehicles for assisting the long-term unemployed.
- Restrict Titles I and II to persons who are economically disadvantaged or members of low-income families. Limit Title VI to the same groups or, alternatively, to the long-term unemployed, with representation of the economically disadvantaged in proportion to their numbers among all eligible persons.
- Stress greater control by prime sponsors over client selection to assure that the priorities in the act are observed.

- Give priority to Title I programs that enhance human capital over those that are primarily income maintenance programs.

- Give greater emphasis, at all levels of administration, on upgrading the program content and quality of training programs.

- Greater emphasis should be given to job development and placement of program participants in unsubsidized employment, with more follow-up to determine whether CETA participants are able to obtain stable employment.

- Integrate PSE and employability development programs to improve the effectiveness of both training and placement outcomes.

- Redesign the PSE program to provide a three-part system aimed at both structural and countercyclical objectives: (a) continuing program for low-income, long-term unemployed and welfare recipients; (b) supplemental funds for areas of substantial and chronic unemployment, also limited to those unemployed for structural reasons, and; (c) countercyclical program triggered automatically by changes in the national unemployment rate.

- Constrain the substitution of PSE funds for local resources by: (a) providing countercyclical revenue sharing fund to sustain the regular work force of state and local governments; (b) limit PSE projects to those that are outside of the regular activities of local government; (c) require that a proportion of all Title VI projects be used for jobs in the private nonprofit sector; (d) amend CETA to permit limitations on rehires, and; (e) strengthen the DOL review and auditing capabilities.

#### NOTES

1. See, for example, U.S. Congress, Congressional Budget Office, *Temporary Measures to Stimulate Employment-- An Evaluation of Some Alternatives*, Prepared by Nancy S. Barrett and George Iden, Washington, D.C.: Congressional Budget Office, September 1975; "Inflation and Unemployment," *Economic Report of the President 1978*, Washington, D.C.: U.S. Government Printing Office, 1978, Ch. 4; National Commission for Manpower Policy, "Commissioned Papers," Volume III of *Job Creation Through Public Service Employment*, An Interim Report to the Congress, Washington, D.C.: National Commission for Manpower Policy, 1978.

2. The National Commission on Employment and Unemployment Statistics is studying various alternatives.
3. *Progress and Problems in Allocating Funds under Title I and II--Comprehensive Employment and Training Act*, General Accounting Office, Jan. 1977.
4. Economically disadvantaged persons are defined as members of families whose annual income is less than the poverty criteria--\$5800 for an urban family of 4 in 1976. A low-income person is one whose family income is less than 70 percent of the Bureau of Labor Statistics lower income family budget--about \$6700 for a family of 4 in 1976.
5. A longitudinal study conducted by the Census Bureau and by Westat, Inc. for the Department of Labor will have information on the long-range effect on the earnings potential of enrollees.
6. For a summary of the recommendations of the National Commission For Manpower Policy on job creation in the public sector, see Appendix C in National Research Council, *CETA: Manpower Programs Under Local Control*, Prepared by William Mirengoff and Lester Rindler, Committee on Evaluation of Employment and Training Programs, Washington, D.C.: National Academy of Sciences, 1978.

## APPENDIX

### MANPOWER ACRONYMS

#### Legislation

AFDC	Aid to Families with Dependent Children
CETA	Comprehensive Employment and Training Act of 1973
EEA	Emergency Employment Act of 1971
EJPEA	Emergency Jobs Programs Extension Act of 1976
EJUAA	Emergency Jobs and Unemployment Assistance Act of 1974
EOA	Economic Opportunity Act of 1964
MDTA	Manpower Development and Training Act of 1962
PWEA	Public Works Employment Act of 1976
PWEDA	Public Works and Economic Development Act of 1965
YEDPA	Youth Employment and Demonstration Projects Act of 1977

#### Planning Systems

AMPB	Ancillary Manpower Planning Board (pre-CETA)
BOS/MPC	Balance of State Manpower Planning Council
CAMPS	Cooperative Area Manpower Planning System (pre-CETA)
MAPC	Manpower Area Planning Council (pre-CETA)
MPC	Local Manpower Planning Council
SMPC	State Manpower Planning Council (pre-CETA)
SMSC	State Manpower Services Council

## Programs

CEP	Concentrated Employment Program
FSB	Federal Supplemental Benefits (extended UI)
JOBS	Job Opportunities in the Business Sector - National Alliance of Businessmen
JOP	Jobs Optional Program (MDTA-OJT)
NYC	Neighborhood Youth Corps
OJT	On-the-Job Training
PEP	Public Employment Program (EEA)
PSC	Public Service Careers Program (includes New Careers)
PSE	Public Service Employment (CETA or EEA)
SUA	Special Unemployment Assistance Program
UI	Unemployment Insurance
WE	Work Experience
WIN	Work Incentive Program (for welfare recipients)

## Organizations and Agencies

BOS	Balance of State
CAA	Community Action Agency
CBO	Community Based Organization
COG	Council of Governments
CSA	Community Services Administration
DHEW	U.S. Department of Health, Education, and Welfare
DOL	U.S. Department of Labor
ES	Employment Service (state agency)
ETA	Employment and Training Administration (DOL) (formerly Manpower Administration)
NPO	Nonprofit Organization
OEO	Office of Economic Opportunity (now Community Services Administration)
OIC	Opportunities Industrialization Center
SER	Services, Employment, Redevelopment (also Jobs for Progress)
SESA	State Employment Security Agency (includes ES, UI, and WIN)
UIS	Unemployment Insurance Service (state agency)
UL	Urban League
VOED	Vocational Education Agency (state or local)