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ABSTRACT

This volume contains nine case studies describing the initial two-year experiences of local governments in implementing the Comprehensive Employment and Training Act of 1973 (CETA). (An earlier volume published eight similar area studies on the transition from federally centralized to decentralized manpower programs.) Written by resident field researchers familiar with the local scene, these reports span a range of experiences - from well-run operations to one on the verge of dissolution because of interjurisdictional tensions. The reports are approximately twenty pages in length and summarize how local governments administer employability development and public service employment programs. The governmental units and locations are as follows: Capital Area Consortium, Texas; Calhoun County, Michigan; Orange County Consortium, California; Kansas City-Wyandotte County Consortium, Kansas; Topeka-Shawnee County Consortium, Kansas; Phoenix-Maricopa County Consortium, Arizona; Lansing Tri-County Regional Consortium, Michigan; St. Paul, Minnesota; and Cleveland Area-Western Reserve Manpower Consortium, Ohio. Specific topics covered include (1) pre-CETA services; (2) the clientele served; (3) relationship with other state and local agencies; (4) assessment of program effectiveness; and (5) the planning and administration of Titles I, II, and VI. While problems, such as piecemeal planning and difficulty in arranging on-the-job training, are discussed, the overall tenor of the studies is positive, reflecting progress in coordinating local program operations. (EIG)

Employment and Training Programs

The Local View

WILLIAM MIRENGOFF, *Editor*

prepared for the
COMMITTEE ON EVALUATION OF
EMPLOYMENT AND TRAINING PROGRAMS

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WILLIAM L. HEARTWELL, JR., Executive Vice President, Interstate Conference of Employment Security Agencies

GERALD G. SOMERS,* Professor, Department of Economics, University of Wisconsin

*Deceased.

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PREFACE

This is the second volume of case studies describing the experiences of local governments in implementing the Comprehensive Employment and Training Act of 1973 (CETA). Earlier legislation—the Manpower Development and Training Act of 1962 (MDTA) and the Economic Opportunity Act of 1964 (EOA)—acknowledged the responsibility of the federal government to train the hardcore unemployed and aid in their adjustment to the labor market. CETA, however, shifted responsibility for managing these programs to state and local authorities on the assumption that local officials are in a better position to tailor programs to community needs, select the most effective program operators, and coordinate the entire delivery system.

The first 2 years of CETA, the period reviewed in this volume, were trying for these officials. The difficulties that prime sponsors had in gearing up for their unaccustomed role were multiplied by the new responsibilities thrust on them when Congress added a large public service employment program to create jobs for the rising number of unemployed. CETA now became the vehicle for dealing with countercyclical as well as structural problems.

The case studies in this volume describe how local governments administered both the employability development and the public service employment programs. They supplement other reports of the Committee on Evaluation of Employment and Training Programs, which was established by the National Research Council to assess the political, economic, and social impact of CETA. The Committee has issued an interim report, "The Comprehensive Employment and Training Act: Impact on People, Places, Programs," and a final report, "The Comprehensive Employment and Training Act, the Early Years," both of which are national in scope. The first volume of case studies is entitled "Transition to Decentralized Manpower Programs: Eight-Area Studies."

The area studies, written by resident field researchers familiar with the local scene, bring into sharper focus the trends discussed in the national reports and add local flavor and perceptions.

While in all of the areas CETA serves minority groups, the economically disadvantaged, and the unemployed, there are differences among them in emphasis and priorities. There are also variations in program content, in relationships between sponsors and delivery agencies, and in style of operations. The studies span a range of experiences—from well-run operations to one on the verge of dissolution because of interjurisdictional tensions. For three of the case studies, this is a report of the second phase of CETA. The early developments in the Kansas City-Wyandotte, Topeka-Shawnee, and Lansing consortiums were described in the previous volume.

Caution is urged in drawing generalizations from the case studies, but they do exemplify some of the problems noted in the Committee's national reports: piecemeal planning, difficulty in arranging on-the-job training, too much emphasis on work experience programs, poor coordination between sponsors and employment service agencies, inadequate arrangements for placing participants into jobs, and a tendency on the part of some local governments to rely on CETA for maintaining public service.

On the whole, the tenor of the case studies is positive. Manpower programs have been established as an important function of local goverments, and progress has been made in coordinating local program operations.

The assessment study of CETA by the Committee on Evaluation of Employment and Training Programs was funded initially by the Ford Foundation with supplementary support in 1977 from the Employment and Training Administration of the U.S. Department of Labor.

The Committee wishes to acknowledge the contributions of Mr. Robert Schrank of the Ford Foundation, who helped formulate the objectives of the larger study and suggested the case study approach. We are also grateful for the cooperation of members of the Committee in guiding the project and reviewing drafts of the case studies. A number of persons on prime sponsor staffs assisted the field research associates by providing statistical information and insights. Department of Labor staff

have been helpful throughout the study in supplying national data and materials.

We are grateful to the field research associates who prepared case studies. William Mirengoff, project director, Lester Rindler, research associate, and Richard C. Piper, research assistant on the Committee staff provided technical supervision. Finally, we wish to thank Phyllis Groom McCreary for technical editing and Marian D. Miller and Rose Gunn for support services.

PHILIP RUTLEDGE, *Chairman*
Committee on Evaluation of
Employment and Training Programs

1 Capital Area Consortium, Texas

ROBERT W. GLOVER

This paper examines the effect of the Comprehensive Employment and Training Act (CETA) on manpower programs in the Capital Area Consortium during fiscal 1975 and 1976. The consortium is comprised of a nine-county area in central Texas, split into highly urbanized Travis County, containing the city of Austin, and eight contiguous largely rural counties.

Since Austin—a city in the middle of the sunbelt—has enjoyed one of the lowest unemployment rates of any city in the nation and has been among the country's 10 fastest growing metropolitan areas in the 1970's, one might assume that it has relatively few significant manpower problems. However, as has been stated, "there is a lot of shade in the sunbelt." Aggregate indicators such as the overall unemployment rate often mask problems in specific areas, and Austin is no exception, possessing several manpower-related problems that are magnified by the peculiarities of its labor market.

THE LABOR MARKET SETTING

The Austin labor market is distorted by the more than 50,000 college students and wives or husbands of students from five institutions of

Robert W. Glover is affiliated with the Center for the Study of Human Resources, University of Texas at Austin.

higher education and two seminaries. Many of these students and their spouses want part-time or even full-time jobs. Further, a large portion of the approximately 12,000 annual graduates prefer to settle and to seek their first jobs in the area, often at the substantial sacrifice of better positions or higher incomes that they could obtain elsewhere.

The effect of such large numbers of college-associated workers on a labor market of 193,900 workers is dramatic. Wages for unskilled and entry-level jobs are pushed down, and the competition for them is intense. Employers facing large supplies of highly educated workers, can afford to become more credential conscious in screening. Jobs such as retail salesclerk, waiter/waitress, and bookkeeper are commonly filled by underemployed, highly educated manpower—often with a master's or doctoral degree.

In Austin then, the high school graduate encounters trouble finding a job with competition from highly credentialed workers, and the black high school dropout or the Chicano who has difficulty with English is really at a severe disadvantage. Thus, CETA's primary emphasis has been to assist the disadvantaged to improve their educational credentials by getting a general high school equivalency diploma (GED) and to improve their experience credentials by placing them in a work experience program.

The demand side of the Austin labor market is also atypical. Roughly 40 percent of the nonagricultural labor force is employed by the public sector—more than twice the national proportion. Manufacturing employs a little over 8 percent of the Austin labor force—roughly a third of the national average.

One of every three state employees works in Austin, the state capital. Major state employers include the University of Texas at Austin, agencies of the capital complex, and special schools for the deaf, blind, retarded, and emotionally disturbed. In June 1975, 8 of the 10 largest Austin employers were in the public sector. In fact, among the largest 50 employers, only 19 were in the private-for-profit sector.[1]

The dominance of public employment—together with the Austin economic development efforts to emphasize attracting clean (i.e., nonpolluting) industry—have had important implications for the Austin labor market: It has more than its share of white collar and high skill jobs, and these are the occupations that recently have been growing most rapidly. As a result, Austin has developed into an almost classic example

[1] Austin Chamber of Commerce.

of a dual labor market, a primary sector containing jobs for experienced credentialed workers who are protected by various job security devices and a highly competitive, low-pay, high-turnover, secondary market offering little encouragement to the disadvantaged job seeker.[2]

In the eight rural counties outside Austin, which have one-third of the consortium population, one finds employment and training problems characteristic of rural areas. The dispersal of population across a wide geographic area complicates effective delivery of manpower services. Transportation is a problem for potential CETA clients. The paucity of training facilities limits opportunities for rural residents to obtain skills. The small industrial base offers few options to rural workers separated from a job and imposes special needs for job creation and income maintenance in rural areas, especially for the higher proportions of youth and older persons in the labor force.

It is in such a labor market context that the CETA programs offered by the Capital Area Consortium have been designed and implemented. In part, the program has been established and modified in response to the characteristics of the groups to be served and the labor market they face. The heavy reliance on credentials by Austin employers has led CETA officials to stress classroom training, especially adult basic education. Work experience programs have been heavily funded because of the inability of CETA clients to find suitable employment. Placement efforts have been primarily directed toward public employment, since it constitutes such a significant share of the market. Thus much of the Capital Area Consortium program consists of work experience, public on-the-job training, and public service employment. In rural areas, stress has been on work experience.

CETA—THE FIRST 2 YEARS

FORMATION OF THE CONSORTIUM

The Capital Area Consortium grew out of the Cooperative Area Manpower Planning System (CAMPS) grant to the Austin mayor's office. The CAMPS grant covered a 10 county area whose boundaries coincide with the Capital Area Council of Governments, one of the Texas state

[2]For one description of the dual labor market hypothesis, see Peter B. Doeringer and Michael J. Piore, *Internal Labor Markets and Manpower Analysis* (Lexington: Heath Lexington Books, 1971).

planning regions. Encouraged by state officials, consortium sponsors were motivated to maintain prior interjurisdictional planning arrangements. In addition, consortium members anticipated obtaining a larger apportionment of funds than they would have received had the rural counties joined the Texas balance-of-state prime sponsor. As Table 1 illustrates, CETA brought substantial increases in funding to the Capital Area Consortium in almost all program categories.

Since the inception of CETA, the consortium has enjoyed relative stability in membership. Only one county—the smallest in population—has dropped out. Such stability is a notable achievement in view of the heterogeneous nature of the participating local governments and the somewhat large area (approximately 8,000 square miles) for a single labor market.

PROGRAM STRUCTURE

Prior to CETA, manpower programs were administered through a CAMPS office in Austin. Program operators included the Austin Department of Community Action (a community action agency before it was incorporated into city government), the Texas Employment Commission, Jobs for Progress (SER), and the Williamson-Burnet Counties Community Action Agency. About two thirds of the fiscal 1974 funds went into work experience programs, primarily Neighborhood Youth Corps programs and an Operation Mainstream program.

Under CETA, program agents have remained substantially the same, although operations have been shifted from the Austin Department of Community Action and consolidated with consortium program administration in the City of Austin Manpower Training Division. Operations are split into an urban component covering Austin and Travis County and a rural component covering the remaining counties. Urban program operations are primarily conducted by the Austin Manpower Division itself, although approximately 5 percent of the consortium's fiscal 1976 urban area Title I funds were subcontracted to Jobs for Progress (SER) and the Texas Employment Commission. Rural program operations are conducted through a subgrant by the Williamson-Burnet Counties Community Action Agency.

As illustrated in Table 2, the shift to local control under CETA has been accompanied by some shifts in program. Most apparent are the dramatic increases in spending on public service employment and on classroom training. Also, funds allocated to on-the-job training diminished somewhat under CETA. In large measure this decline was due to elimination of the public service careers program, an on-the-job training

TABLE 1 Allocations and Expenditures, Fiscal 1974, 1975, and 1976: Capital Area Consortium (thousands of dollars)

	Fiscal 1974	Fiscal 1975		Fiscal 1976[a]	
Source	Allocation	Allocation	Expenditure	Allocation	Expenditure
Comprehensive manpower assistance (Title I)					
Amount allocated	2,669.8	2,467.6	–	2,320.5	–
Discretionary amount	0	0	–	0	–
Consortium incentive	0	246.8	–	232.0	–
Subtotal	2,669.8	2,714.4	2,822.2	2,552.5	2,561.2
Public service employment					
Emergency Employment Act of 1971	100.3	0	0	0	0
Title VI allocation	0	490.6	282.4	861.1	935.4
Title VI discretionary	0	0	0	0	0
Subtotal	100.3	490.6	282.4	861.1	935.4
State vocational education fund (5%)	0	142.5	80.6	125.7	162.3
State manpower service fund (4%)	0	NA	NA	NA	NA
Summer youth program	(946.0)[b]	736.3	890.0	880.6	880.6
Title III Grants	0	0	0	87.4	6.6
TOTAL	2,770.1	4,083.8	4,075.2	4,507.3	4,546.1

SOURCES: Employment and Training Administration, U.S. Department of Labor, and Capital Area Consortium reports.

[a] Data for allocations and expenditures in 1976 do not include money for the transitional quarter. All expenditure figures are reported expenditures, except that for the summer youth program, which is a planned figure.

[b] Included in Title I allotment base.

program in the public sector. In part, the decline reflects response to the recession. According to CETA officials, employers were unwilling to make training commitments when faced with a recessionary climate. Work experience programs have still received the largest proportion of manpower funds under CETA; but their lead has diminished over time. Youth programs continued to receive strong emphasis in the employment and training efforts of the consortium. The summer program for

TABLE 2 Manpower Expenditures by Program Activity, Fiscal 1974, 1975, and 1976: Capital Area Consortium (amounts in thousands of dollars)

	Fiscal 1974[a]		Fiscal 1975[b]		Fiscal 1976[b]	
Type of Program	Amount	Percent	Amount	Percent	Amount	Percent
Public service employment						
Emergency Employment Act						
CETA Titles II and VI	100	3.7	282	6.9	935	20.6
Special target programs	(946)	(32.4)	890	21.8	888	19.6
Summer youth program	(946)	(32.4)	890	21.8	881	19.4
English as a second language	0	0	0	(0)	(7)	(0.2)
Other	2,005	74.1	2,903	71.3	2,723	59.9
Classroom training (including vocational education funds)	284	10.5	930	22.8	1,142	25.1
On-the-job training	449	16.6	405	10.0	226	5.0
Work experience	1,244	46.0	1,568	38.5	1,355	29.8
Services and other	28	1.0	—	—	—	—
TOTAL	2,703	100.0	4,075	100.0	4,546	100.0

SOURCES: Employment and Training Administration, U.S. Department of Labor, and Capital Area Consortium reports.

[a]The 1974 data is classified to correspond as well as possible with program activity categories under CETA. For example, the SER program is classified under "classroom training" although it also engaged in direct placement, on-the-job training, and other activities. Likewise the 1974 Public Service Careers program is classified under "on-the-job training". The 1974 figures are "obligated funds," whereas the data for 1975 and 1976 are expenditures, except for the summer program, which is a planned expenditure figure. The summer youth figure for fiscal 1974 includes $350,000, which is also in the work experience figure of $1,244,000.

[b]Although an attempt was made to gather information on manpower expenditures in as complete detail as possible, some programs have undoubtedly been omitted. For example, the state services funds (Section 106 of CETA) and Title III programs operating within the consortium area, except those Title III programs operated by the prime sponsor, are excluded.

youth accounted for 1 of every 5 CETA dollars spent in the consortium in fiscal 1976.

PLANNING

The Capital Area Consortium experience with the Manpower Planning Council has been unusual, yet instructive. At the inception of CETA, the consortium executive committee appointed a Manpower Advisory

Planning Council to review and approve the plans. Initially, three persons held dual memberships on the council and the consortium executive committee, but they dropped out of the former when they discovered that the same issues came before the consortium executive committee. The two tier advisory structure did not work well. During fiscal 1976 the members of the Manpower Planning Council became frustrated over their lack of influence, and three meetings were canceled for lack of a quorum. Thus, in late fiscal 1976, it was decided to merge the Manpower Planning Council and the consortium executive committee by broadening the membership base of the latter. The executive committee in effect operates as the planning council.

The seat of power in the consortium lies with the nine county judges and the Austin city council. However, none of the judges has chosen to participate personally as a member of the consortium executive committee, each preferring to appoint a representative.

Business and labor representatives initially invited to serve later dropped off the council, leaving only one private sector representative in fiscal 1976—an official of a minority business organization. A second attempt to enlist the participation of business and labor was made for fiscal 1977. As a result, the 1977 Manpower Planning Council included two additional business representatives and a labor union official.

The Capital Area Consortium had various administrative problems over the first 2 years. During fiscal 1976, staff vacancies and turnover were high. Among four key staff positions with the Austin Manpower Training Division there were five turnovers, and the division was led by an acting director for 9 months. By the end of fiscal 1976, however, positions had been filled, turnover had stabilized, and morale among key staff was higher than at any time in the past.

WHO SHALL BE SERVED?

Despite Austin's favorable unemployment rate, Capital Area Consortium officials estimate that they face an eligible population 10 times the number that CETA resources have been able to serve. Other prime sponsors in Texas indicate similar resource-to-need ratios.

At least part of the deficit of resources is attributable to the heavy reliance on unemployment rates as a factor in distributing CETA funds. Capital Area Consortium staff were highly critical that the national CETA allocations have been so heavily keyed to unemployment data. They pointed out that unemployment rates—especially in rural areas of the consortium—are understated because of insufficient service and subsequent incomplete data collection by the state employment service. Many residents do not have adequate transportation to present themselves and be counted. Unemployment rates do not take into account part-time workers who would prefer to work full time or discouraged workers who have dropped out of the labor force because they could not find a job. Similarly, they do not reflect the needs of workers who are employed at substandard wages. In short, prime sponsor officials point out that focusing on the unemployed rather than underemployed or subemployed tends to minimize important manpower problems. They would prefer to substitute a more comprehensive underemployment rate in CETA allocation formulas for the unemployed/low-income weighting scheme used to date.

Implementation of the law's requirement to define and serve "significant segments"[3] of the population without regard to past program operations has not been easy in the experience of the Capital Area Consortium. Interviews with program staff revealed that significant segments chosen by the prime sponsor were shaped more by actual program experience (i.e., by who actually applied for service) than by any preconceived plan to aim at a particular group and recruit from it. Thus, when the initial CETA grant application was submitted in July 1974, the "educationally disadvantaged" category was named as the top priority. The need for attention to educational deficiencies derived largely from staff analysis of the area's labor market. However, by March 1975, program data showed that the most-served category was "heads of household"; and heads of household became designated as primary. By April 1976, more youth were being served by the program and heads of household and youth were both ranked above the educationally disadvantaged category.

Of course, shifts in client characteristics have occurred, but they have not been due to policy decisions. For example, officials do not know why from fiscal 1975 to fiscal 1976 the participation of Spanish Americans rose both in Titles I and VI. But since the eligible population is 10 times greater than enrollment, Capital Area Consortium officials do not find it surprising that there is room for some shifts in types of clients.

To conform to federal regulations, the Capital Area Consortium has dutifully revised its list of significant segments whenever reports show that those "planned to be served" differ from those "actually served" by more than 15 percent. However, this has not been a very meaningful exercise. Indeed, to avoid constant revisions in its fiscal 1977 plans, the consortium has chosen four broader groupings for establishing program

[3]Those groups characterized by racial, ethnic, sex, age, occupation, or veteran status, which causes them to generally experience unusual difficulty in finding work, and who are most in need of manpower services.

selection focus. Keyed to the "Quarterly Summary of Client Characteristics," they are as follows:

1. Economically disadvantaged (including unemployed and/or underemployed).
2. Educationally disadvantaged (those who dropped out of school before the ninth grade).
3. Situationally disadvantaged (including handicapped, veterans, offenders, and/or persons of limited English speaking ability).
4. Structurally disadvantaged (including youth, older workers, minority groups, and/or women).

By avoiding specificity in selection of groups to be served, the prime sponsor hopes to reduce the number of future modifications. However, conceptually at least, broadening the target groups has the effect of trading ease of administration for a relaxation of focus. In practice though, it may not make much difference because the significant segments concept has not been very effective in the past in constraining or directing program activities. With so few resources to serve so many eligible individuals, it is very difficult for the program operator to seek out those "most in need" and enroll them in a program while ignoring a line of eligible applicants at the door.

By choosing a program compounded of traditional types of manpower activities run by pre-CETA program operators, the Capital Area Consortium largely *de facto* selected the characteristics of its enrollees. Each established program operator comes with a given clientele accustomed to obtaining certain services.

From the point of view of the program operators, revision of focus often makes little sense. Faced with an overwhelming stream of applicants already flooding into their offices, CETA program operators are often reluctant to recruit additional candidates—even to recruit selectively newly targeted significant segments.

Table 3 shows the characteristics of the individuals served under CETA. The majority of Title I participants in fiscal 1975 and 1976 were female and under 21 years of age and had not completed high school (although about a third were full-time students). More than 9 out of 10 were economically disadvantaged. More than a third were black, and a third were Spanish American. In sum, the table reflects a Title I program that is largely directed toward youth and has a heavy representation of minorities and women.

Title VI public service employment, on the other hand, served proportionately more white men who were older, better educated, and

TABLE 3 Client Characteristics, Titles I and VI: Capital Area Consortium (percent)

Total Number of Individuals and Characteristics	Fiscal 1975		Fiscal 1976	
	Title I	Title VI	Title I	Title VI
Individuals served (cumulative number)	1,863	107	2,048	350
Sex				
Male	42.4	68.2	42.8	50.9
Female	57.6	31.8	57.2	49.1
Age				
18 years and under	41.1	1.9	38.0	4.0
19-21	18.3	8.4	19.0	16.0
22-44	36.0	83.2	39.2	69.7
45-54	2.3	5.6	2.3	6.3
55-64	1.4	0.9	0.9	2.6
65 and over	0.3	0	0.4	1.4
Education				
8 years and under	15.2	10.3	14.1	8.6
9-11 years	53.9	18.7	49.1	17.1
High-school graduate	25.0	43.0	29.2	35.7
Post-high school	6.2	28.0	7.6	38.6
Family income				
AFDC	11.8	0	13.3	5.1
Public assistance	10.9	1.9	10.7	7.1
Economically disadvantaged	93.6	53.3	89.8	55.7
Ethnic group				
White	64.5	77.6	64.6	82.9
Black	35.4	21.5	33.7	16.6
American Indian	0.1	0.9	0.2	0.3
Other	0.1	0	1.5	0.3
Spanish American	40.3	22.4	43.1	28.6
Limited English-speaking ability	5.1	3.7	6.7	3.7
Migrant or seasonal farm family member	1.2	0	1.4	2.0
Veteran				
Recently separated	0	0	3.1	6.6
Special (Vietnam era)	4.0	14.0	1.8	6.6
Other	0.2	4.7	0.8	2.9
Disabled	0	0	0.1	0.3
Handicapped	3.9	1.9	4.3	3.4
Full-time student	33.7	0	35.2	1.1
Offender	8.1	11.2	6.3	4.9
Labor force status				
Underemployed	7.6	10.3	6.6	7.1
Unemployed	45.4	83.2	58.0	83.4
Other[a]	47.0	6.5	35.4	9.4
Receiving unemployment insurance	0.3	12.1	2.2	4.3

SOURCE: Employment and Training Administration, U.S. Department of Labor.
NOTE: Details may not add to totals due to rounding.
[a]Consists primarily of persons not in the labor force.

less disadvantaged than Title I participants, especially when the program began in fiscal 1975. Perhaps this result should be expected, however, since eligibility requirements for Title VI are less strict than they are for Title I and because employers retained the prerogative of interviewing—and rejecting—applicants. Since employers are used to hiring better-skilled white men, they continued to exercise the same type of choice with Title VI employees. Also, since employers in the capital area have viewed public service employment as an opportunity to get useful work done, to perform this work they have naturally turned to the more skilled, experienced workers in the pool of eligibles.

Some exceptions to this bias in favor of white men existed, of course. Some Austin agencies used public service employment as a recruiting and screening device to locate good minority workers. However, the prime sponsor made no concerted effort outside Austin to promote this potential use of public service employment as an upgrading device for minorities. Despite this, the fiscal 1976 data showed some hopeful signs that public service employment was successfully being redirected toward proportionately more women and Spanish-American clients. However, the proportion of black participants fell, somewhat offsetting an otherwise encouraging outlook.

Under both titles, service to Spanish Americans increased from 1975 to 1976, whereas the proportion of black participants declined. This may have been because Chicano community organizations, especially SER, were closely monitoring and working with employment and training programs, whereas black organizations generally took little effective interest in manpower programs.

THE TENDENCY TOWARD OVERCOMMITMENT

It is difficult for a prime sponsor to turn away applicants, especially when programs are operated by a local government itself and refusal to provide service carries political implications. Additionally, CETA counselors are often personally motivated to try to help everyone and thus sometimes tend to enroll applicants who may need greater or longer-term assistance than CETA resources can offer. Once enrolled, such individuals tend to remain a long time, driving up program costs and effectively closing the door to new enrollees. Partly as a result of these forces, the Capital Area Consortium has found itself becoming overcommitted.

To counteract this tendency, the consortium has taken several measures, including the following:

1. CETA staff have obtained information about programs of other organizations so that applicants for whom CETA programs are unsuitable can be referred to an agency more appropriate to their needs. Ability to make such referrals also makes rejection more palatable to applicants as well as easier for the counselors.

2. Open door procedures for enrollment have been abandoned because they quickly accumulated far more applicants than the system could manage. Under later procedures, the program interviews only when program slots are available, advertising the openings through public service announcements, fliers delivered house to house in disadvantaged neighborhoods, and other traditional means of recruitment.

3. Staff have begun to identify characteristics of persons who can be most effectively and efficiently helped by CETA programs. This effort has led them to analyze past program data in order to make more careful selections.

4. The program has moved toward establishing expenditure limits permitted each enrollee.

5. During the summer of 1976, the employability development plan of every enrollee was reviewed for efficiency and effectiveness and trimmed where possible.

Basically, CETA program staff have come to recognize that CETA enrollees should be selected both on the basis of their eligibility for enrollment and the likelihood of their being helped. Thus, enrollment has become a two-stage eligibility and feasibility decision.

ENACTMENT OF TITLE VI

Since the Capital Area Consortium was not eligible for Title II funding during fiscal 1975 and 1976, the enactment of Title VI introduced the first CETA-funded public service employment program to Austin. As such, it was welcomed and never considered an added burden or issue of conflict with regular Title I programs. The same planning and program staff that operated Title I was given responsibility for implementing public service employment under Title VI. The rationale for such consolidation was twofold: first, it was thought to increase the options available to participants who move through the system, and, second, by pooling the work of both titles among the same staff, the consortium expected to be able to make more flexible and efficient use of staff. In sum, Title VI was simply accepted as part of the program and did not provoke complaints regarding dilution of staff time, managerial resources, or program development and control.

Public service employment in the Capital Area Consortium has been relatively free of many of the problems that characterized its implementation in other places. Since no strong civil service systems operated in the consortium area, there were no conflicts with civil service and attendant controversies over the determination of entry-level jobs and promotion of CETA employees. Since Texas law forbids collective bargaining[4] by government employees and since two unions were preoccupied in a jurisdictional battle for dues checkoff during fiscal 1976, not much union attention has been given to public service employees under CETA.

Also, lacking the financial problems that plagued other areas of the country, local governments in the Capital Area Consortium were not so tempted to violate the maintenance of effort provisions of CETA regulations. Because area local governments did not suffer any severe fiscal pressures during the first 2 years of CETA, they were not forced to lay off regular employees, and consequently no problems have arisen over replacing regular employees with CETA enrollees. Finally, maintenance of effort in the Capital Area Consortium has been less a problem because a substantial portion of public service employment positions have been allocated to nonprofit organizations such as the YMCA, Planned Parenthood, and Big Brothers, which would not have been able to hire such staff otherwise.

RELATIONSHIPS WITH OTHER AGENCIES

By the end of fiscal 1976, the Capital Area Consortium had negotiated common client or other nonfinancial agreements with the Development Assistance Rehabilitation, Manpower Education and Training, Inc. (a Title III CETA contractor); Texas SER Job Bank and the Veterans Outreach Program (both Texas State Services CETA contractors); and the Texas Employment Commission, WIN and various community action agencies. In addition the consortium had reached informal understandings with the Texas Department of Public Welfare; Travis Council on Mental Health and Mental Retardation; Child and Family Services, Inc.; the Austin Community Development Office; the Texas Rehabilitation Commission; and the Travis County Welfare Department.

While most of these agreements provide merely for information

[4] As of the end of 1976, the only exception was a provision for police and fire fighters, who may conduct bargaining under the approval of the local electorate. No elections had been conducted in the Capital Area Consortium as of December 1976.

exchange to minimize duplication of services and to facilitate cross-referrals, they represent a beginning toward fuller cooperation and program linkage.

Relationships with at least two organizations—the Texas Employment Commission and SER—have been controversial during the life of the consortium, although by the end of fiscal 1976 hostility had somewhat abated. The relationships to state CETA operations and to the U.S. Department of Labor are also instructive. These issues deserve more detailed comment.

TEXAS EMPLOYMENT COMMISSION

Although the Texas Employment Commission retained a subcontract for job development with the consortium during fiscal 1975 and 1976, its role in manpower was considerably reduced from the days of Manpower Development and Training Act (MDTA) programs. Partly because of this, employment service officials have been extremely critical of CETA operations. First, Texas Employment Commission officials consider it inequitable that the employment service is evaluated and funded under strict performance standards, including cost considerations, while CETA performance is not subject to as stringent requirements. Officials point out that even the WIN program, which is operated by the employment service and aimed at a disadvantaged clientele, is subject to strict performance evaluation. Second, Texas Employment Commission officials feel that the expertise and background of the employment service in such important areas as job development and labor market surveys, have been largely overlooked by CETA staff. Third, Texas Employment Commission spokespersons view CETA essentially as a duplicative effort to their own operations. They point out, for example, that the Texas Employment Commission serves more than the proportionate share of minorities in the labor force.[5]

Capital Area Consortium officials argue that CETA can be more responsive to those most in need without the imposition of rigid federal standards such as those that apply to the employment service. The diversity of client needs dictates that flexibility be maintained and that other criteria besides efficiency be used to evaluate program results. The need for flexibility also makes the decentralized strategy of CETA more relevant than the centralized approach of the Texas Employment

[5]This point is documented in Richard Perkins, *Employment Services to Ethnic Groups*, Manpower Data Analysis and Research Monograph No. 1 (Austin: Texas Employment Commission, 1972). However, nothing is mentioned about the quality of jobs in which minorities are placed by the employment service.

Commission. In response to employment service complaints of duplication, CETA officials are quick to point out the deficiencies of rural services provided by the employment service. More specifically, the Texas Employment Commission has only four offices in the nine-county area of the consortium outside metropolitan Austin. Each of the four operates for only part of 1 day each week. According to CETA administrators, such limited service means that the Texas Employment Commission is largely confined to being an unemployment service (i.e., primarily concerned with processing unemployment insurance claims) in rural areas of the consortium and as a result provides inadequate employment services. Prime sponsor staff point out that in urban areas the employment service has been an integral part of CETA operations.

Despite differences in opinion, local employment service officials and CETA staff have a cordial working relationship. A representative from the Texas Employment Commission has been an active participant in both the consortium executive committee and the Manpower Planning Advisory Council. Officially, the Texas Employment Commission stands ready to assist CETA organizations in any way it can. However, since commission directors feel that special placement efforts made for CETA during fiscal 1976 under a Texas State Services contract had a detrimental effect on Texas Employment Commission productivity, new procedures were to be in effect in fiscal 1977 whereby CETA clients are treated the same way as any other walk-in client of an employment service office.

SER (JOBS FOR PROGRESS)

The role of SER in CETA is an issue that has been raised in the consortium again and again—on the Manpower Planning Advisory Council, on the consortium executive committee, in city council and county commissioner chambers, with members of Congress, and even in the federal courts. The issue is complicated, and certainly in the absence of comparative hard performance data from SER-Austin and the Austin Manpower Training Division operations, reasonable people could differ in their evaluation; good arguments are made by both sides.

SER has persistently argued for a contract to provide a full range of manpower services to the Chicano community, which it views as its constituency. SER officials point out that the Chicano is disadvantaged and in severe need of manpower services. Also, they contend that SER has the best support and rapport with the Chicano community to offer manpower services. As an organization chiefly concerned with combating labor-market discrimination, SER officials contend that they have a sharper concern for the quality of job placements than do CETA officials. As one SER spokesperson said, "We do no good if we merely place Chicanos into janitorial slots." High pay, opportunity for upward mobility, and job security are all sought-after characteristics in SER placements.

In response, prime sponsor staff argue that funding SER for a full range of program operations is a reversion to duplicative categorical manpower programs. Further, while acknowledging the severe needs of the Chicano community in Austin, they contend that CETA staff too are concerned with the quality of placements, that Chicanos have been adequately served by city-run operations, and that SER has not performed well on past contracts or has met goals that were too easy.

SER officials acknowledge some administrative program deficiencies in the past but argue that these have been partly due to funding problems and hassles with consortium officials. They also openly speculate whether performance is what matters under CETA, since in some CETA projects on which Texas-SER has met its goals, its performance has been downplayed as "too easy." Such experience leads them to consider political influence as the most important determinant of funding. Indeed, Texas State SER officials report that SER has initiated a nationwide campaign to develop local political connections to facilitate obtaining and maintaining SER contracts. SER officials acknowledge that of course the most effective strategy for obtaining and maintaining funding includes a good program model and a well-documented track record of demonstrated effectiveness in addition to political clout.

Relations between CETA and SER in Austin at the end of fiscal 1976 were better than they had ever been. This is largely due to a change in personalities as new CETA administrative staff came into office and SER appointed a new local director for Austin. The new administrators have established rapport based on mutual respect and have negotiated a compromise contract for fiscal 1977 for SER to develop on-the-job (OJT) contracts and conduct job placement for their clientele. The amount of the contract—$62,500—was less than SER proposed but significantly above past years' contracts. Although the SER system will not be completely integrated into consortium operations, it is to be coordinated with them.

To conclude, the conflict over the role of SER in program delivery has not yet been resolved, and only with thorough documentation and comparative analysis of program performance can the arguments be substantiated and any special advantages resulting from operating programs through SER be demonstrated. By the end of fiscal 1976, the

Austin community had at least benefited from the de-escalation of open confrontation that had existed between CETA and SER.

TEXAS STATE CETA AGENCIES

The Capital Area Consortium holds a seat on the Texas State Manpower Services Council along with all other CETA prime sponsors in Texas. Relationships between the two groups are good and have changed little over 2 years of CETA operations. However, it is fair to say that the Texas State Manpower Services Council has had a minimal effect on the Capital Area operations. Review of prime sponsor plans has been fairly perfunctory and no significant changes have ever been made in any of the plans, largely because the council has been dominated by local prime sponsors who have a "stay off my turf and I'll stay off yours" attitude. Prime sponsors have been monitored, but this has been largely a matter of compiling operating information on the program; the central focus has been on form rather than substance. The relationships between the staff of the Texas State Manpower Services Council and the local prime sponsor staff are close, but local staff could not pinpoint any special technical assistance provided them by the state. Moreover, through fiscal 1976, local CETA staff could not identify any substantial benefit they had received from contracts funded under the CETA state services program. At best, in the eyes of Capital Area Consortium officials, the Texas State Manpower Services Council has served as a forum for local prime sponsors and as a voice to respond to federal initiatives.

Capital Area Consortium staff consider the funding and approval process for 5 percent vocational education funds under CETA somewhat cumbersome. However, they have managed without insurmountable problems. Nonfinancial agreements have been negotiated with the Texas education agency, and funds have been spent despite state prohibitions against using 5 percent funds for allowances (a ruling which effectively obliges local prime sponsors to pay any supplementary allowance funds from their own Title I budgets in order to spend 5 percent vocational education funds).

Substantial arguments between the Capital Area Consortium staff and Texas education agency officials have arisen over how the money is to be spent. Consortium staff prefer to use it in individual referrals to public schools or accredited proprietary training institutions. This results in a lot of individual contracts with the Texas education agency. Partly motivated out of a desire to simplify record keeping and partly from a bias in favor of classroom training in public schools, state education officials prefer to contract with public schools for entire classes only once. As a partial compromise, a procedure has been negotiated for fiscal 1977 whereby the Texas education agency is to contract with the Austin Community College, which will act as local fiscal agent, making subcontracts for individual referrals or classes as needed.

U.S. DEPARTMENT OF LABOR

While Capital Area Consortium staff expressed no dissatisfaction with the level and quality of technical assistance from the Department of Labor regional office, they have encountered some problems with the federal government, and they are extremely wary regarding the growing federal presence over time. A related problem is that the federal face seems to constantly change; from June to September 1976, the Capital Area Consortium had three consecutive regional office representatives, each of whom approached the program with slightly different concerns. The result has been an almost constant process of revising program plans and operations in accordance with the suggestions and criticisms of each succeeding representative.

Staff planners note that the federal government is moving very quickly toward a "fill-in-the blanks" approach to planning. The more the federal government participates in planning in a detailed way, the less participation local planners feel, and the more mechanistic their approach tends to become. CETA staff similarly strongly resist the imposition of any national performance standards (e.g., administrative costs, placement ratios, cost per placement standards), considering this a blatant violation of the decentralized approach embodied in the CETA law. They do agree that evaluation at the local level is necessary and useful; what they resist is its imposition by the federal government.

PROGRAM OUTCOME

Table 4 shows enrollment and termination data, as well as placement rates, expenditures, and unit costs by program. These data are aggregate figures and should not be compared too closely with the data for other prime sponsors or even for the 2 years, for each year's figures represent a different mix of programs. A few observations are in order, however.

Enrollment data show that the program expanded to serve more people during fiscal 1976, especially in Title VI. The higher number of terminations in 1976 reflects a concern on the part of local prime sponsor officials to move participants through the system.

TABLE 4 Status of CETA Enrollees After Termination and Costs per Enrollee, Titles I and VI, Fiscal 1975 and 1976: Capital Area Consortium

	Fiscal 1975		Fiscal 1976	
Items	Title I	Title VI	Title I	Title VI
Enrollments	1,863	107	2,048	350
Terminations	751	33	1,703	215
Entering employment	338	21	645	129
Direct placement[a]	(166)	(0)	(255)	(0)
Indirect placement[b]	(130)	(21)	(263)	(117)
Self-placement[c]	(42)	(0)	(127)	(12)
Other positive terminations	143	1	536	6
Nonpositive terminations	250	11	522	80
Placement ratio	0.46	0.64	0.38	0.60
Cost per enrollee (dollars)	1,558	2,639	1,330	2,673
Cost per enrollee entering employment (dollars)	8,588	13,448	4,222	7,251

SOURCE: Employment and Training Administration, U.S. Department of Labor.
[a]Enrollees provided only outreach, intake, and job referral services from CETA.
[b]Enrollees provided CETA training, employment, or manpower and supportive services.
[c]Enrollees obtained unsubsidized employment through means other than placement by the prime sponsor or its agencies.

The placement rates for both titles dropped slightly in 1976, largely due to the recession. The placement rate for Title VI has been significantly higher than for Title I. This is partly because Title VI participants have fewer handicaps and thus have an easier time locating work and partly because Title I program enrollees include youths who return to school and thus are counted as "other positive terminations."

As Table 4 indicates, Title I cost per enrollee declined from fiscal 1975 to fiscal 1976, whereas Title VI cost per enrollee increased slightly. Title VI cost per enrollee appears to be lower than the national average, probably due to the emphasis that the Capital Area Consortium places on using Title VI funds to finance OJT, which is less expensive than fully funded public service employment.

Of course, it would be useful to go beyond these data to examine information on the quality of jobs obtained and data from follow-up surveys of participants. Also, it would be helpful to compare data for particular types of programs as well as program operators. Likewise, disaggregating program activity experience by background characteristics of the participants, such as sex, age, or ethnic background, would also provide information for analysis of the effect of the program. However, such program data are not yet conveniently available. As of the beginning of fiscal 1977, a management information system was being designed by prime sponsor staff to generate some of these data.

CONCLUSIONS

During its first 2 years, the Capital Area Consortium has effectively implemented its programs, getting them funded and operating. It has also successfully maintained a relatively stable consortium of very heterogeneous urban and rural elements. In fiscal 1976 especially, great strides were made in improving administration of the program. The problem of staff turnover in key positions was at least temporarily eliminated. Communication with other agencies such as Jobs for Progress was improved. The Manpower Advisory Planning Council and the consortium executive committee were combined to create the new Manpower Advisory Planning Council for fiscal 1977.

The program has had some shortcomings that seem fairly widespread among prime sponsors. Often plans do not control program activity. Rather, the reverse is more accurate, as experience with the significant segments concept shows. Evaluation has been minimal and no assessment of the program's longer-run effects by using follow-up survey data has been attempted. Partly motivated by the threat of imposed federal performance standards, staff have been developing a more refined management information system and have been considering adoption of evaluation techniques to justify their program decisions and defend consortium actions against perceived upcoming federal intervention.

Another shortcoming has been the prime sponsor's lack of major emphasis on upgrading minorities. For example, although staff noted that certain Austin agencies were using public service employment as a recruiting and screening device to locate good minority workers, no effort was made to promote this potentially useful aspect of Title VI outside the Austin city government. Likewise, evaluation undertaken thus far has focused little attention on such matters as income gains and quality of placements.

Relatively little innovation has occurred in program operations under CETA, especially in the rural areas. Research and demonstration efforts either sponsored nationally by the Office of Research and Development of the U.S. Department of Labor or by the Texas State Services program have had little direct or conscious impact upon this prime sponsor.

However, many of CETA's objectives have been achieved in the Capital Area Consortium. Manpower decision making has been decentralized, and a comprehensive delivery system has been put into place. Linkages with related program efforts have been initiated. Now that CETA programs have been well established, increased attention is being devoted to making operations more effective and efficient.

2 Calhoun County, Michigan

E. EARL WRIGHT

INTRODUCTION

With too little preparation and with a limited awareness of the demands and responsibilities that the Comprehensive Employment and Training Act (CETA) created for local units of government, Calhoun County embarked upon its role as a CETA prime sponsor in fiscal 1975. Manpower planning in Calhoun County prior to CETA was minimal and fragmented. Pre-CETA employment and training programs were provided under auspices of state agencies and community-based organizations with minimal relationship to local units of government. The Calhoun prime sponsor's major experience in manpower planning and operations was limited to a locally developed and financed work training program for direct relief recipients under the Emergency Employment Act and to participation in the Cooperative Area Manpower Planning System Committee (CAMPS).

The initial year of CETA planning and operations in the county was fraught with problems and failures covering practically the entire continuum of manpower planning and operations. As a result of an

E. Earl Wright is affiliated with the W.E. Upjohn Institute for Employment Research, Kalamazoo.

almost unbelievable number of problems, the fiscal 1975 Title I program did not get off the ground during CETA's inaugural year.

Fiscal 1976 represented a sharp contrast with the first year. The Calhoun County program was totally changed. The concept of a comprehensive delivery system for Title I became a mixed delivery system in fact. The scope and orientation of elected-official involvement changed considerably. An almost entirely new staff resulted in substantially improved planning and contract administration. As a consequence of many changes made by the prime sponsor, the Title I program evolved from an unacceptable, inoperative activity in fiscal 1975 to a functioning and highly successful program in fiscal 1976.

The process of change itself represents a classic case of organizational and institutional adjustments and responsiveness to new and expanded program demands. More important, however, CETA in Calhoun County has led to enhanced efficiency, effectiveness, and accountability for employment and training programs.

CETA has led to other positive developments in county government or, at least, has had a favorable effect on other areas of local government. Because of the county's experience with CETA, the county has created a personnel department and has formalized the personnel function. A merit system is also being developed for county employees. Furthermore, affirmative action policies and programs have taken on added significance, not only in county government, but also in its townships, villages, and cities. Although the CETA program was plagued by deficiencies during its first year and no doubt there are still some inadequacies, the Calhoun County program is one example of positive changes in the planning and administration of comprehensive employment and training activities under CETA.

TITLE I PLANNING AND OPERATIONS

To understand the changes in the planning process, a recap of Calhoun County's experience during the first 2 years of CETA is important. Calhoun County's fiscal 1975 plan was never operational. During fiscal 1975, Calhoun County, like other prime sponsors, had to prepare a Title I plan very quickly. Because Calhoun County did not have any manpower planning background, the time constraints imposed by law made it impossible for an inexperienced and understaffed CETA office to complete the necessary series of tasks. The Title I plan that was put in operation in fiscal 1976 was developed during the latter part of fiscal 1975 and, of course, modified to reflect program adjustments during fiscal 1976.

The change in the quality of planning between fiscal 1975 and fiscal 1976 was attributable to the reversal of several unfavorable conditions and influences. The primary favorable change was the total restaffing of the county's CETA office. The recruitment of the current CETA administrator—an individual with proven management abilities, some manpower program experience, and an ability to function in a political environment—was critical. In addition, a support staff with planning and operational expertise was hired according to a staffing plan recommended by the regional office of the U.S. Department of Labor (DOL).

The level and scope of technical assistance provided by the Chicago regional office of the Employment and Training Administration of the DOL were critical to the development of a workable Title I program in Calhoun County. Although regional office personnel had worked with the prime sponsor's personnel from the inception of CETA, the major DOL intervention was in November 1974. At that time, the county board of commissioners received a corrective action report that prescribed major and far-reaching changes in the county's program. The report detailed specific steps to be taken in the development of a management information system, fiscal procedures, and a client tracking system and in staffing the prime sponsor's CETA office.

From the date of that report until the end of fiscal 1975, the federal presence in Calhoun County was indeed heavy. However, in addition to providing much needed technical assistance, the regional office representative was able to work easily with Calhoun County officials. As a result, by the beginning of fiscal 1976, sufficient changes had been made so that the Title I program was implemented.

What also enhanced the prime sponsor's planning process were the changes in the nature of the county commissioner's involvement. The changes do not imply that the board of commissioners is any less interested in CETA or less informed; on the contrary, CETA has emerged as an economic and social program that has a very high, legitimate political priority.

Although it is difficult to explain the changed level and degree of political involvement, it is possible to indicate manifestations of the changes. First, county commissioners have not served as members of the planning council or as active participants in the planning process since the latter part of fiscal 1975. Planning has been the responsibility of the CETA staff, with an advisory or review and comment role provided by the council.

The nature of elected-official participation in the day-to-day administrative operations of the prime sponsor's CETA office has also changed. Since the recruitment of the present CETA administration, the county commission has delegated total administrative responsibility and authority for the CETA program to the administrator. The rationale for the change was best summed up by one commissioner who noted, "The CETA administrator is a specialist and elected officials are lay people; therefore, elected officials must rely on the person with the expertise."

Another factor that had considerable influence during fiscal 1976 was the recognition by elected officials and the CETA staff that a prime sponsor with little manpower program experience should not reinvent the wheel or perform every CETA function on its own. It was finally recognized that the prime sponsor had overall responsibility for CETA, but in discharging this responsibility priorities had to be established and the "turf" had to be divided or shared. During the Operational Planning Grant (OPG) period and for the first two quarters of fiscal 1975, the prime sponsor had been intent on providing all administrative services and delivering most, if not all, services to clients.

Subsequent to the regional office's corrective action report in November 1974, this position began to shift rather markedly. The prime sponsor established certain priorities and responsibilities that could not be properly delegated. These included the development of a workable Title I planning document and a planning mechanism with an acceptable management information and monitoring system. The goal of carrying on all CETA activities was dropped in favor of the more attainable and, given the limited manpower delivery experience of the county, perhaps more appropriate function of planning and managing the CETA program.

A closely related change was a shift in the county's willingness to accept assistance and to use the expertise of other organizations. During the OPG period and the early stages of fiscal 1975, the prime sponsor seemed unwilling to use a number of resources available. Primary among these was the regional office of DOL, an agency that was initially viewed as an adversary. The regional office's corrective action report tended to force the county officials to work cooperatively with the Department of Labor. However, the CETA administrator clearly recognized that planning assistance was needed and was willing to accept assistance from the regional office staff as well as from other sources.

The Calhoun County CETA officials also recognized that local agencies could make contributions to planning. Accordingly, the employment service was asked increasingly for labor market and unemployment data. The adversary relationship between the county and the area's two community-based organizations—the community action agency (CAA) and the Urban League—altered at least to the point that communications were possible. Also, the planning contributions of local delivery agencies, while recognized as partially self-serving, were not totally disregarded by the prime sponsor's staff.

The aforementioned changes offer some insight into the political and other dynamics of the development of the Title I program during the last half of fiscal 1975 and the first quarter of fiscal 1976. Although it is difficult to single out any one factor, certainly the appearance of the new CETA administrator was critical to the successful planning process that evolved. He provided positive and clear direction, and the elected officials and staff turned their attention and efforts toward the successful implementation of CETA. Finally, the technical assistance and constructive interest of the Chicago regional office were instrumental in making the Calhoun County program a success.

TITLE I PLANNING PROCESS

During the latter part of fiscal 1975, the regional office role in planning was perhaps as great as in any prime sponsor area in the nation. The regional office representative and a technical assistance team from DOL developed the fiscal 1976 Title I plan. However, other CETA staff and institutional representatives also played important roles.

Several changes facilitated greater contributions from the planning council and local agencies. Planning council membership was reduced from 31 to 15 members. But the change in size was not as significant as the change in composition. The county commissioners decided not to serve as voting members of the council. The primary reason was to enhance the advisory role of the council to the board of commissioners, but the change also had the effect of removing politics from the advisory council's planning process. The council as constituted during fiscal 1976 was representative of all agencies and interest groups concerned.

The planning function during fiscal 1976 was primarily discharged by the CETA office. Yet, the advisory council was involved in a review and comment role. The role of county commissioners was reduced substantially during fiscal 1976. The chief elected official for the county delegated primary responsibility and authority to the CETA administrator, with goals and objectives established in a broad context by the board of commissioners. From the standpoint of responsibility and authority for approving plans, the elected officials' influence was very important, but for planning itself, the CETA administrator was clearly the most influential.

It is clear that the planning council was viewed to have only advisory responsibilities. Although the role of the council increased somewhat in the decision-making process from early fiscal 1975, the planning council has little impact in major decisions. To illustrate, the council through fiscal 1976 did not recommend any major changes in the plans presented by the CETA administrator.

The employment service (ES), vocational education, and other public agencies exert little, if any, influence in planning. The role of the employment service is primarily limited to providing labor-market data. In fact, the ES agency continued in fiscal 1976 to demonstrate surprisingly little interest in CETA. Other agencies, such as the local welfare department, public health, and city and township governments, are viewed by those interviewed for this study as being quite cooperative, but none exercise much influence in planning.

The fiscal 1976 Title I plan and the planning process are considerably better than the initial document and the process employed during the early part of fiscal 1975. Planning as a management function was integrated into the entire CETA operation, with monitoring and evaluation feeding back into the planning process. The relative influence of various groups in the planning process had shifted by the close of fiscal 1976. The DOL regional office role had diminished to one of monitoring and oversight in contrast to the predominant role it held during fiscal 1975. The county board of commissioners continues to approve plans to establish major policies and strategies, but the CETA administrator and his staff have almost total responsibility for planning. The council has emerged as a body independent from the board of commissioners and has the basic foundation necessary for becoming even more useful in an advisory capacity.

PROGRAM ADMINISTRATION

As noted earlier, there was considerable staff turbulence during most of fiscal 1975. The DOL corrective action report highlighted the administrative morass. Changes made during the latter part of fiscal 1975 have resulted in a very effective and efficient administrative structure for the program. The administrative structure that gradually evolved during fiscal 1976 is shown in Figure 1. All CETA titles—I, II, III, and VI—are integrated within the Calhoun County Employment and Training Administration, which was organized along functional lines so that all titles could be centrally administered. This type of organizational structure enhances efficiency and provides optimal control over all operations.

The Calhoun CETA staff developed a highly structured and effective monitoring system for Title I programs. A key feature is the measurement of subcontractor performance against standards and goals

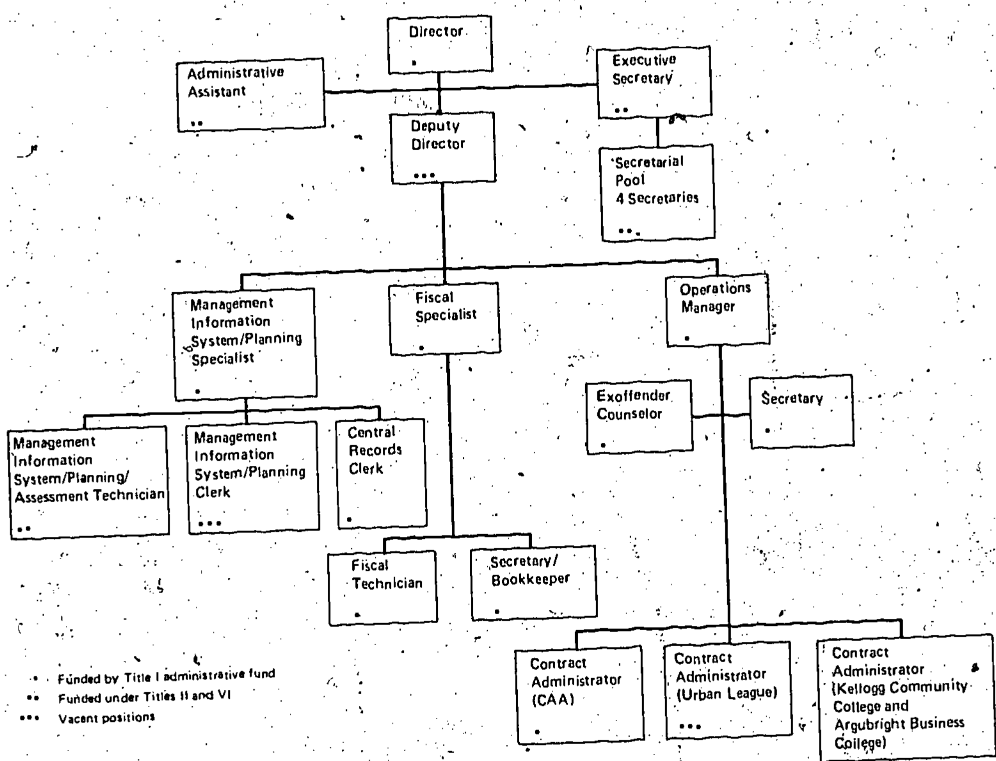


FIGURE 1 Calhoun County employment and training administration as of June 1976.

developed by the prime sponsor. All Title I subcontracts are monitored weekly for client information and monthly for fiscal information.

The monitoring system has two major elements. First, reports derived from the management information system and client tracking records indicate whether subcontractors are operating consistently with planned goals. A high degree of specificity regarding client and expenditure goals is implicit in this element. The second major element is the on-site monitoring. Program monitors from the prime sponsor's staff are assigned to work with each of the Title I subcontractors. During the third quarter of fiscal 1976, one full-time monitor was assigned to the primary service delivery agency, the Community Action Agency (CAA). Another full-time monitor was assigned to the Battle Creek Urban League and two deliverers of classroom training. The prime sponsor's administrator insists that performance be consistent with contractual standards and goals. Throughout the monitoring process, emphasis is placed on both qualitative and quantitative controls.

Although there are differing opinions and assessments, on balance it appears that the effect of the monitoring system is positive. A number of results were cited by the CETA administrator and the regional office representative. First, significant improvement has been made in program quality. Second, the accountability of service delivery agencies has increased. Third, the monitoring system forced subcontractors to exercise tighter client selection procedures in order to achieve high job placement rates.

As might be expected, the Title I delivery agencies did not view the prime sponsor's monitoring system in a totally favorable manner. The subcontractors complained that the tight monitoring and high performance standards forced the selection of participants most likely to succeed. Related to this idea, some subcontractors also noted that the Calhoun system placed limits on client services and the delivery of quality services tailored to individual client needs. Some criticized what they regarded as the excessive paperwork and reporting and the priority given accountability. Perhaps the most valid criticism was that the monitoring system did not take account of changes in the economy and labor market conditions.

Although there was considerable variation in the assessments of the Calhoun CETA monitoring and program administrative system, the general consensus was that the CETA monitoring system is significantly more sophisticated and thorough in terms of staff assigned, comprehensiveness, and frequency of monitoring than were previous efforts. It would be difficult to develop a more extensive monitoring program. Though they may have imperfections, the Calhoun monitoring and program administration approaches have led to enhanced accountability and better program performance.

PROGRAM OPERATIONS

The Calhoun County Title I delivery system has undergone considerable change from the concept described in the initial fiscal 1975 planning document. That concept envisioned a comprehensive delivery system with the prime sponsor providing practically all services. However, an entirely different system has emerged. The delivery system during fiscal 1976 can be classified as a mixed delivery system, with all training and employment services provided by subcontractors. As such, it was far from comprehensive, and there was some duplication of services.

Service Delivery Design There was no centralized Title I delivery system in Calhoun County during fiscal 1976. Two agencies—the Calhoun County CAA and the Battle Creek Urban League—provided the same types of services to basically the same client groups. Both agencies, located in the same city, provided manpower services (outreach, intake, assessment, counseling, orientation, and follow-up), job development, and on-the-job training (OJT). Coordination between the two was limited, since both were attempting to meet tight performance standards under separate contracts. Client access to the range of Title I services appeared in reality to be limited to only one opportunity in most cases.

In terms of the continuity of guidance for clients, the Calhoun delivery system could be ranked quite high. During fiscal 1976, each client was assigned to a single counselor, who continued to serve to the client until placement.

Although the CETA system is not totally comprehensive, there is considerably less duplication and fragmentation than existed before. The categorical programs funded prior to CETA were administered by many of the CETA delivery agencies, but the activities were totally uncoordinated. Most programs funded by the Economic Opportunity Act were under the CAA's sponsorship and were operated in an autonomous manner. Training activities funded under The Manpower Development and Training Act (MDTA) were furnished by the vocational education agencies, with some manpower services rendered by the local employment service office. A central coordinating vehicle such as the Calhoun County CETA office did not exist.

A review of the flow of clients through the Title I program tends to confirm the aforementioned observations regarding duplication of services. During fiscal 1976 there was no centralized intake and referral. Clients applied at two separate agencies and, on occasion, for residents of one city in the county, to the prime sponsor. Although clients theoretically had more than one available option, it is the author's assessment that, in most instances clients were recruited to fill work experience, OJT, and classroom training openings as they occurred. In short, clients were related to services in a manner characterized by overlap, duplication, and a relative lack of referral criteria. It is difficult to see how services could be tailored for individuals during fiscal 1976, given the client flow plan for Title I, which was heavily based on providing services to a large number of clients with relatively short work experience or training periods.

Service Delivery Agencies. During fiscal 1976, Title I funds for fiscal 1975 and fiscal 1976 were pooled; and the major challenge confronting the prime sponsor was to develop an accelerated monthly expenditure rate that would use all funds available, particularly the fiscal 1975 grant money. The DOL-imposed requirement to spend Title I funds rapidly resulted, in part, in the prime sponsor's dropping its plan to provide services directly. Other factors included the limited experience of the prime sponsor, staff limitations, and the availability of community-based organizations with program experience.

Four agencies were selected to furnish Title I services during fiscal 1976. Because a competitive bidding system was not used, the Title I contracts were awarded on a sole-source basis. As noted in Table 1, the Calhoun County Community Action Agency was the major provider of services during fiscal 1976.

Initially it was not expected that the CAA would be selected as a delivery agency. Several factors resulted in changing the initial decision. First, the CAA had provided manpower services before, and the CETA administrator believed that it deserved a chance under CETA. In addition, Title I regulations require that agencies of demonstrated effectiveness be given due consideration for delivery of Title I programs. Pressure on the prime sponsor to spend funds quickly also played a big part. The CAA had filed a complaint with the Chicago regional office of the Labor Department, but it was withdrawn during the early part of fiscal 1976. The Battle Creek Urban League was selected as a delivery agency for many of the reasons cited for the CAA's selection. The Urban League, however, was not as aggressive as the CAA in seeking service delivery status.

Two agencies—one public and one private—were selected as the

TABLE 1 Title I Subcontractor Funding, Fiscal 1976: Calhoun County (amounts in thousands of dollars)

Subcontractors	Funds Awarded	
	Amount	Percent
Calhoun County Community Action Agency	530.6	45.0
Battle Creek Urban League	312.4	26.4
Kellogg Community College	166.0	14.0
Argubright Business College	54.4	4.6
Prime sponsor	118.1	10.0
TOTAL	1,181.5	100.0

SOURCE: Calhoun County Employment and Training Administration.

primary deliverers of classroom training. Both had experience in operating pre-CETA programs.

As referred to earlier, the employment service has demonstrated little interest in a service delivery role, never really applied for a contract, and was not seriously considered by the prime sponsor during fiscal 1976. The CETA administrator noted that he had explored the possibility of having the ES administer the allowance payments for Title I, but that the agency's costs were too high. The perception of local CETA officials regarding ES effectiveness as a pre-CETA delivery agency and the high level of unemployment insurance activity encountered during fiscal 1976 also influenced the contract decision.

Program Mix The primary influences in the program mix were the general level of the economy and the consequent high level of unemployment. During fiscal 1976, work experience was emphasized because it simulated an employment situation. On-the-job training was somewhat limited because of the loose labor market, and classroom training was envisioned primarily as a short-range training program to provide entry-level skills. Table 2 shows the relative funding levels for pre-CETA and CETA program activities. Classroom training and public service employment fared better under CETA than during the fiscal 1974 pre-CETA period. Conversely, on-the-job training and manpower services declined in relative funding.

One significant shift in program mix is not revealed by Table 2. In fiscal 1976, work experience was oriented exclusively to adults. In fiscal 1974, a sizeable share of all manpower funds was designated for youth activities. Funds for youth work experience—in-school and out-of-school programs—accounted for 30 percent of the total fiscal 1974 allocation.

TABLE 2 Title I Expenditures by Program, Fiscal 1974 and 1976: Calhoun County (amounts in thousands of dollars)

Program	Fiscal 1974 Amount	Fiscal 1974 Percent	Fiscal 1976[a] Amount	Fiscal 1976[a] Percent
Classroom training	148.5	21.8	558.7	32.7
On-the-job training	76.8	11.3	134.0	7.8
Public service employment	NA	NA	142.3	8.3
Work experience	343.4	50.3	856.3	50.1
Services and other	113.4[b]	16.6	19.1	1.1
TOTAL	682.1	100.0	1,710.4	100.0

SOURCE: Calhoun County Employment and Training Administration.
[a]Includes Title I fiscal 1975 and 1976 funds.
[b]Includes $78,900 in CEP funds, $19,500 in 5-percent "set-aside" funds, and $15,000 for an operational planning grant.

One impact of CETA, therefore, was that the Neighborhood Youth Corps, a categorical program, was eliminated. The elimination of a youth work experience activity, other than a summer program, is consistent with the prime sponsor's priority for serving heads of households. Furthermore, the emphasis on training individuals who have a greater probability of moving to unsubsidized employment influenced the decision to eliminate youth work experience. The relative low funding level for on-the-job training primarily reflected the recessionary conditions during most of fiscal 1976 rather than a low program priority.

Within the classroom training program, there was a shift toward some basic education and a marked reduction in the length of classroom training. There was a shift from manufacturing occupations to include training for service jobs. These changes were influenced by the CETA administrator's high priority on job placements.

ASSESSMENT OF PROGRAM

Calhoun County was under considerable pressure to begin spending Title I funds during fiscal 1976. Therefore, the prime sponsor was forced to rely on "tried and proven models" for funding programs. This pressure obviously limited the county's flexibility to alter the substance of a given program or the overall combination of programs. The Title I program was very similar to the pre-CETA program. Yet some changes have occurred. As mentioned, youth work experience other than Title III summer programs have been eliminated. Although it was manifested in a change in program mix, this was more a function of a change in client orientation.

The emphasis during fiscal 1976 was toward employability development with little apparent priority accorded a balanced program mix, as urged by the regional office. There is probably no single balanced program suitable for all places and times. However, client needs and priorities, labor market conditions, economic activity in the area, employer needs, the prime sponsor's investment strategies and priorities, and the overall purpose of the Title I program are elements to be considered in developing a suitable program combination.

Program Results The Calhoun County Title I program during fiscal 1976 adequately reached the groups identified in the plan as being in need of services. They included heads of households, veterans, exoffenders, welfare recipients, unemployment insurance recipients, and former manpower program trainees. Calhoun tended to treat the CETA requirements to designate certain groups as "significant segments" of the population most in need in perfunctory fashion merely to meet DOL planning requirements. Lack of specific data by category prevents analysis of what happened to the clients so grouped.

Client data for the Calhoun County Title I program indicate that client orientation was broadened to include not only the economically disadvantaged but all who were unemployed and underemployed as well. Selected characteristics of Title I enrollees are shown in Table 3. The comparison of client characteristics for all Title I participants and those participants who entered unsubsidized employment following CETA participation reveals few, if any, significant differences. Over two-thirds of the clients in each category were economically disadvantaged and slightly over one-half were minority group members.

Since the economically disadvantaged, unemployed, minorities, etc., are not homogeneous in terms of socioeconomic characteristics and, more important, in terms of needs for employment and training services, one is limited in making generalizations regarding the client orientation of CETA. Within any single target group (e.g., welfare recipients), needs of all types—medical, psychological, behavioral, skill development, education, and legal—vary widely. To assess a prime sponsor's orientation adequately, one must find out what these needs are and whether they are being met.

The primary measure of results of the Calhoun Title I program was the placement of participants in unsubsidized employment. As shown in Table 4, the Calhoun prime sponsor had a total placement rate of 0.406 for the period from July 1, 1975, through September 30, 1976. A

TABLE 3 Title I Client Characteristics, Fiscal 1976: Calhoun County

Characteristic	Total Participants Number	Total Participants Percent	Entered Employment Number	Entered Employment Percent
Individuals Served	1,765	100	707	100
Sex				
Male	998	57	386	55
Female	767	43	321	45
Age				
18 and under	193	11	77	11
19-21	469	27	182	26
22-44	994	-56	412	58
45-54	90	5	31	4
55-64	17	1	5	1
65 and over	2	0	0	0
Education				
8 years and under	82	5	23	3
9-11 years	491	28	169	24
High school graduate	1,102	62	486	69
Post-high school	90	5	29	4
Family income				
AFDC	369	21	123	17
Public assistance, other	148	8	34	5
Economically disadvantaged	1,202	68	538	76
Ethnic Group				
White	846	48	343	49
Black	815	46	336	47
Other	104	6	28	4
Migrant or seasonal farm family member	18	1	12	2
Veteran				
Recently separated	70	4	34	5
Special	102	6	43	6
Other	84	5	43	6
Disabled	6	0	2	0
Handicapped	32	2	4	1
Full-time student	2	0	1	0
Offender	207	12	65	9
Labor force status				
Underemployed	15	1	6	1
Unemployed	1,748	99	700	99
Other	2	0	1	0
Receiving unemployment insurance	337	19	165	24

SOURCE: Calhoun County Employment and Training Administration.

TABLE 4 Status of Title I Enrollees After Termination, Fiscal 1976: Calhoun County

Item	Number	Ratio
Total enrollments	1,765	—
Total terminations	1,740	.99
Entered employment	707	.41
Direct placements[a]	210	.12
Indirect placements[b]	457	.26
Self placements[c]	40	.02
Other positive terminations	182	.10
Nonpositive terminations	851	.49

SOURCE: Calhoun County Employment and Training Administration.

[a]Enrollees provided only outreach, intake, and job referral services.

[b]Enrollees provided training, employment, or manpower and supportive services other than outreach, intake, or job referral.

[c]Enrollees obtained unsubsidized employment through means other than placement by the prime sponsor or its agencies.

relatively high direct placement rate (0.121) was also experienced. The CETA administrator noted general satisfaction with placement performance but concern over job retention. According to him, job loss was running about 40 percent within the first 45 days. Among the factors mentioned were problems of matching clients with jobs and the "overselling" of some clients.

TITLE VI

PUBLIC SERVICE EMPLOYMENT PLANNING

During the initial months of the Title VI program (January through March 1975), Calhoun County recognized some clear legislative and programmatic distinctions between the Titles II and VI public service employment (PSE) programs. The prime sponsor's Title VI plan recognized the countercyclical orientation of Title VI by including a provision to stagger the enrollment of participants and thereby serve a larger number of unemployed persons. Short-term public employment was incorporated in the conceptual framework of the plan. The Title VI program was also oriented to the "new unemployed" and to unemployment insurance exhaustees. The eligibility requirement for the program also reflected orientation to the cyclically unemployed. Unemployed heads of households, 18 years and older, were to be given priority under Title VI, and economically disadvantaged groups were to be served under Titles I and II. Another indication of the initial countercyclical orientation of Title VI was the comparatively low monthly wage levels of the Title VI positions. According to a grant modification submitted in February 1975, monthly wage levels ranged from $375 to $696, with the exception of one position funded at the maximum allowable rate. The majority of the positions were budgeted at approximately $500 a month.

The programmatic and client orientation differences between Titles II and VI were quickly lost as fiscal 1976 proceeded. Uncertainties and delays in funding, the need to transfer Title II enrollees into Title VI, and during June 1976 the transferring of Title VI participants into Title II all combined to erase any relevant program differences. The result, unfortunate as it may have been, was that the two titles became viewed programmatically as one effort.

Planning Objectives and Strategies The primary objective of Titles II and VI was to furnish job opportunties to the unemployed. The provision of public services, albeit important, appeared to be a secondary objective of the Calhoun County program. The CETA administrator attempted to attain the goals of the program by integrating Titles II and VI jobs with regular public service employment. Titles II and VI slots were also allocated to a relatively large number of other public and private nonprofit agencies.

To the extent feasible, the prime sponsor also relied upon a "special projects" strategy. Under this approach, short-term and temporary positions were created for specified projects such as cleaning roadsides and storm drains and painting and exterior maintenance of homes of poor senior citizens. Several of those interviewed for this study mentioned the barriers to the creation of special projects under Title VI. According to these individuals, the lack of "brick and mortar" money was the biggest problem. It would appear that more special projects would have been pursued if funds for equipment and supplies had been available.

Political Considerations and Maintenance of Effort Any discussion of political consideration and influence should differentiate between the political responsiveness of an elected official to his constituency and political influence that might constitute favoritism, patronage, or nepotism or be used purely for political aims. Political responsiveness such as client or constituency advocacy or an appeal for funding for a specified jurisdiction is legitimate and was present under the Calhoun County program. However, no patronage nor other forms of favoritism were discovered. Nevertheless, during fiscal 1975, there were a number of concerns expressed by persons interviewed that political goals and the desire of elected officials to control the CETA program contributed to the problems in getting the program off to a good start in fiscal 1975. As noted earlier, the elected officials of Calhoun County made extraordinary efforts during fiscal 1976 to prevent the occurrence of negative political influence.

Planning goals and strategies tend to support the finding that the prime sponsor did not view the public service employment titles as vehicles for obtaining fiscal relief. On the contrary, the CETA administrator and elected officials viewed them as a vehicle for reducing unemployment and as a means of expanding or enriching public services. This strategy has been heavily influenced by the planned emphasis on the transition of PSE enrollees to permanent, unsubsidized employment.

Therefore the act's requirement that the sponsor maintain the level of spending that would have occurred without CETA money has not emerged as a problem. The county did not have a budget deficit during fiscal 1976, services were not eliminated or reduced, nor were regular employees laid off.

PROGRAM OPERATIONS

The operation of Titles II and VI in Calhoun County was hindered by the level and flow of funds. Because of funding delays and uncertainties associated with funding, the distinctions between structural and countercyclical objectives for Titles II and VI never really emerged. In November of 1975, Title II funds were exhausted, and all PSE participants were transferred into Title VI until June 30, 1976. With the advent of the supplemental Title II funding during the last quarter of fiscal 1976, a large number of the PSE enrollees were transferred back into Title II. For many participants, the July 1976 intertitle transfer marked their third enrollment under a CETA title, all due to transfers. Undoubtedly, a program funded over a longer period would have been much more desirable, probably would have facilitated program stability and perhaps would have helped separate the identities of Titles II and VI.

Approximately 11 governmental units, other than school districts, were alloted PSE positions. Several state agency installations in Calhoun County were also allocated positions. The agencies funded included the employment service, social services (welfare department), state police, and the civil rights commission. Federal agencies, however, were not relied upon because they could not provide good prospects for absorption. Nonprofit organizations were used heavily; 12 of the 17

United Way agencies in Calhoun County were provided with PSE enrollees. In addition, other nonprofit organizations such as day care centers, hospitals, and drug abuse agencies received PSE allotments.

About half of all PSE jobs were in local units of government—31 percent under the prime sponsor and 19 percent allotted to other smaller governmental units. School districts throughout the prime sponsor's jurisdiction were allotted 15 percent of the slots, and state agencies received about 6 percent of the PSE positions. As noted, nonprofit organizations received almost one out of every three slots. Clearly, the Calhoun County prime sponsor did not encounter any problems in sharing PSE funds.

Within the aforementioned organizations, PSE positions were selected primarily upon the basis of two criteria: (1) the degree to which the job was considered essential and, equally important, (2) the likelihood of its being absorbed by the employer when PSE funds were exhausted.

PUBLIC SERVICE EMPLOYMENT RESULTS

Client data for Titles II and VI reveal a relatively high incidence of service to men and to whites. Approximately 60 percent of the enrollees were men and about 70 percent were white. Minority participation under Titles II and VI, although lower than under the Title I program, was consistent with the relative minority population in the county. The largest proportion of enrollees was in the 22-44 age category—68 percent under Title II and 72 percent under Title VI. A large share of enrollees had at least a high school education, with 86 percent and 81 percent of the Titles II and VI enrollees, respectively, in this category.

As shown in Table 5, the incidence of service to economically disadvantaged persons was high for both Titles II and VI. Given the other characteristics of participants and the prime sponsor's emphasis on selecting clients with a relatively higher probability for movement to unsubsidized employment, service to the economically disadvantaged may be somewhat overstated. The relatively low incidence of welfare recipients tends to support this observation.

The CETA administrator stressed the importance of placements in unsubsidized employment as a high priority goal for both Titles II and VI. As indicated in Table 6, Calhoun County had relatively high placement rates during fiscal 1976. Under Title II, 46 participants (0.225 placement rate) entered unsubsidized employment, and under Title VI, 75 participants (0.175 placement rate) obtained non-CETA jobs. The major barrier to more job placements appeared to be the budgetary plight of most governmental units and nonprofit agencies in the county.

TABLE 5 Client Characteristics, Titles II and VI, Fiscal 1976: Calhoun County

Characteristic	Title II Number[a]	Title II Percent	Title VI Number[a]	Title VI Percent
Individuals served	379	100	492	100
Sex				
Male	229	60	309	63
Female	150	40	183	37
Age				
18 and under	4	1	12	2
19-21	45	12	69	14
22-44	256	68	353	72
45-54	45	12	35	7
55-64	23	6	21	4
65 and over	6	1	2	—
Education				
8 years and under	21	6	28	6
9-11 years	31	8	76	15
High school graduate	248	65	250	51
Post high school	79	21	138	28
Family income				
AFDC	22	6	68	14
Public assistance, other	31	8	52	11
Economically disadvantaged	163	43	341	69
Ethnic group				
White	291	77	343	70
Black	73	19	114	23
American Indian	0	0	3	1
Other	15	4	32	6
Migrant or seasonal farm family member	0	0	0	0
Veteran				
Recently separated	11	3	9	2
Special (Vietnam)	23	6	42	9
Other	57	15	55	11
Disabled	2	1	3	1
Handicapped	9	2	21	4
Full-time student	1	0	4	1
Offender	36	9	56	11
Labor force status				
Underemployed	17	4	5	1
Unemployed	186	49	485	98
Other	176	46	2	0
Receiving unemployment insurance	19	5	100	20

SOURCE: Calhoun County Employment and Training Administration.

[a]Some enrollees are counted under both titles because of intertitle transfers.

TABLE 6 Status of Public Service Enrollees After Termination, Fiscal 1976, Calhoun County

	Title II		Title VI	
Item	Number	Ratio	Number	Ratio
Total enrollments	379	–	492	–
Total terminations	204	1.00	428	1.00
Entered employment	46	.22	75	.18
Direct placements[a]	2	.01	3	.01
Indirect placements[b]	44	.22	50	.12
Self placement[c]	0	0	22	.05
Other positive terminations	121	.59	201	.47
Nonpositive terminations	37	.18	152	.36

SOURCE: Calhoun County Employment and Training Administration.
NOTE: Some enrollees are counted under both titles because of intertitle transfers.
[a]Enrollees provided only outreach and job referral services from CETA.
[b]Enrollees provided training, employment, or manpower and supportive services other than outreach, intake, and job referral.
[c]Enrollees obtained unsubsidized employment other than by placement by the prime sponsor or its agencies.

All indications are that the prime sponsor developed and implemented Titles II and VI in an exemplary fashion, given the constraints imposed by national DOL policy questions and uncertainties and delays in funding. Operational problems undoubtedly occurred, but the most serious problems were caused by factors beyond the countrol of the prime sponsor and the Chicago regional office of DOL.

OBSERVATIONS AND RECOMMENDATIONS

While the study of a single prime sponsor cannot be a sufficient base for far-reaching recommendations for the entire CETA system, it is possible to make some observations with policy implications. The CETA program as a whole has been criticized in several areas. For example, low job placement rates are cited, but "low" in comparison to what other programs? The CETA and pre-CETA data bases are not sufficiently detailed or comparable to allow valid comparisons.

Another criticism is the slow pace of implementation, particularly during fiscal 1975. Yet many prime sponsors were attempting to assume a most complex new role—that of planning for developing the mechanisms for the delivery of comprehensive employment and training services. Not only did decision making shift to prime sponsors, but other units of government were forced to develop and undertake unaccustomed manpower roles. Clearly, new missions and altered intergovernmental relationships affected the implementation of CETA. If the CAMPS process had been more productive, perhaps some of the problems encountered by local government could have been alleviated. Yet it is doubtful that any major shift in a nationally funded social program could have been implemented without some difficulties during the transition.

Being part of a major social program conceived and planned in an economic environment of relative prosperity, but implemented during the nation's worst economic downturn since the 1930's served to compound the problems of CETA prime sponsors. Declining job opportunities in the private sector and budget deficits and layoff experiences of many local governments severely limited the range of feasible program alternatives. Plans predicated on favorable labor market conditions and on availability of private sector placements through on-the-job and classroom training had to be adjusted to new economic conditions. Accordingly, funding and program strategies were shifted toward public service employment and work experience designed to achieve basic income maintenance for a relatively small share of the increasing numbers of unemployed workers.

Adding to CETA a countercyclical PSE program with several inherent limitations created more problems. Prime sponsors probably could have adjusted to the Title VI effort if there had been more certainty regarding funding and consistent national policies that differentiated between Titles II and VI and if funding levels and expenditure flexibility had been sufficient to attack unemployment to any appreciable degree. Because these factors were not present, it was practically impossible for prime sponsors to preserve the legislative intent of the Title VI program.

With these observations in mind, several recommendations follow.

TRAINING FOR ADVISORY COUNCILS

Comprehensive training programs should be developed for CETA advisory councils. Training should focus on the responsibilities and roles of advisory councils and the nature and scope of employment and training programs.

SELECTION OF PUBLIC SERVICE POSITIONS

Quantifiable criteria should be used by prime sponsors for selecting PSE positions. The factors should relate to objectives of various PSE titles and programmatic considerations. They could include (1) the skill levels of the eligible target groups who are to be given priority for PSE employment; (2) the probability of transferring the PSE positions into unsubsidized employment; (3) wage costs and job skill levels, with larger weights given to jobs with salary and skill levels consistent with the objectives of the titles; and (4) the priority of the public service needs that could be met by various positions.

EVALUATION OF CETA PERFORMANCE

The U.S. Department of Labor should assess and evaluate the qualitative aspects of the Title I program. Such studies should emphasize CETA's output performance and impact evaluation of the program. To date, program assessments have been devoted almost exclusively to monitoring to assure the prime sponsors' actual performance meets planned goals.

INSTITUTIONAL ROLES AND RELATIONSHIPS

The respective roles and relationships among prime sponsors, the employment service, the vocational education agencies, and the state manpower services councils should be made more specific in amendments to CETA. Attempts to resolve duplication and fragmented effort to promote program integration in the employment and training areas necessitate clearly articulated and consistent policies.

DURATION OF PSE PROGRAMS

A public service employment program that is legislatively designed to address structural unemployment (Title II) should be authorized for a longer period of time—5 to 7 years—in order to provide enough time for an effective planning, operating, and evaluating program. The legislative intent of a public service employment program oriented to structural unemployment should not be distorted by policies and strategies that are designed to deal with massive cyclical unemployment.

FUNDING FLEXIBILITY FOR THE COUNTERCYCLICAL PSE PROGRAM

Funding under the cyclical unemployment-oriented title should be such that materials, supplies, and equipment items could be purchased with grant funds. This would facilitate more short-term and project-type employment that might avoid some of the pitfalls of the Title VI program in fiscal 1976.

PSE POLICY ALTERNATIVES

During periods of cyclical downturns, PSE legislation and policies should recognize the fiscal, personnel, and service delivery dilemmas encountered by many cities and counties. Demands for services sharply increase, but revenues to support the increased services decline. Therefore, if PSE funding is to be for the creation of new jobs only, trade-offs will probably be required. Maintenance of effort may be traded for high-priority public services and transition to unsubsidized employment. Maintenance of effort could be better assured if prime sponsors were required to develop special and nonregular public service positions. Special projects could also be initiated during the cyclical downswing and could be phased out as economic activity improved. Such a policy orientation, however, would probably mean that second- and third-level public service priorities were funded, and the probability of absorption would be nil. Yet, maintenance of effort could be better assured.

In short, it is not very realistic to expect that transition, provision of top priority public service needs, integration of CETA positions into regular public service employment, and absolute maintenance of effort can be achieved by most local prime sponsors, even in a more favorable economic climate. To expect such goals to be attainable in view of the economic, social, and political problems that are plaguing many local governments is very idealistic.

INCREASED ROLE FOR PRIVATE SECTOR

The role of the private employer in CETA should be expanded considerably. Private employers should be on the advisory council. The feasibility of their providing more training opportunities should be seriously explored. The use of tax credits, as in the WIN program, a voucher system for on-the-job training, and other incentives to increase the training and employment of eligible individuals could be developed. Since most jobs are in the private sector of the economy and since private employers have considerable training expertise, better relationships between publicly funded training programs and private employers would be highly advantageous.

3 Orange County Consortium, California

PAUL BULLOCK

Orange County, located southeast of Los Angeles County in southern California, was one of the fastest-growing areas in the nation during the 1960's, but its growth slowed perceptibly in the mid-1970's and population in some of its communities has stabilized or in a few cases slightly diminished. Generally affluent, the county nevertheless contains some poor sections, and its unemployment rate averaged 7.6 percent in 1975 (about 60,000 persons). The minority population is relatively small; in 1970 about 14 percent of the residents belonged to an ethnic minority, with the Spanish surname group by far the largest. Blacks are less than 1 percent of the population.

Before the Comprehensive Employment and Training Act (CETA), Orange County's manpower programming was limited. Program operators were few: there were three institutional Manpower Development and Training Act (MDTA) training programs, two training facilities operated by community-based organizations—Jobs for Progress (SER), primarily serving Chicanos, and Opportunities Industrialization Center (OIC), primarily serving blacks—one on-the-job training (OJT) program, two Neighborhood Youth Corps (NYC) programs, and a Public Service

Paul Bullock is affiliated with the Institute of Industrial Relations, University of California, Los Angeles.

Careers program run by the county. In addition, public employment programs under the Emergency Employment Act (EEA) were administered in six cities (Anaheim, Fullerton, Garden Grove, Huntington Beach, Orange, and Santa Ana) and in the balance of the county. In the year prior to implementation of CETA, total funding for such programs amounted to $4.6 million, compared with Title I allocations of $8.4 million in 1976.

Enactment of the Comprehensive Employment and Training Act in 1973 offered an opportunity for greater local development of manpower planning and programming. Four cities—Anaheim, Garden Grove, Huntington Beach, and Santa Ana—and the county of Orange itself were eligible to become Title I prime sponsors, but in March 1974, they formed a consortium and a newly organized Orange County Manpower Commission (OCMC) was designated as the prime sponsor for all CETA programs in the county.

The legislative provision for a bonus to areas forming a consortium unquestionably was a major incentive; by applying a formula to the allocation of CETA money, including the bonus, among the various areas within the county, the commission could assure that every community would receive more than its entitlement if each eligible unit had become an individual prime sponsor. Another consideration also underlay the formation of a consortium: most of the communities had little experience with planning and administration of manpower programs, and the exchange of information and the centralization of some administrative functions through a consortium arrangement were expected to be helpful.

Five of the manpower commissioners of the OCMC are appointed by the five county supervisors, four others by each of the cities eligible to be prime sponsors, and two more by the Orange County division of the League of California Cities. The commission has an administrative, technical, and planning staff and a 21-member Manpower Advisory Committee (MAC) with voting membership equally divided among three categories: (1) business and labor, (2) client community and community-based organizations, and (3) educational and training institutions and agencies. Program operators do not have voting memberships, but may serve as consultants and participate in MAC discussions.

THE PLANNING PROCESS

By decentralizing planning, the OCMC has been able to achieve the "best of all possible worlds" from the viewpoint of the communities. There are six planning units in the county, with a manpower planner for each: the cities of Anaheim, Garden Grove, Huntington Beach, and Santa Ana; a miniconsortium of eight communities in the northern part of the county; and the county government for the balance of the county. Planning for each area is done at the local level by the planner in cooperation with commission staff, with varying participation by legislative bodies and other local staff. Using whatever economic, demographic, and labor market data may be available, often from the U.S. Bureau of the Census, the planners develop plans for their areas. When the size of federal allocations to Orange County becomes known, they reckon the costs of the plans and send the results to the appropriate city councils for review; the "balance of county" planners have a somewhat easier task because they are not accountable to a local council. Neither do they operate programs, so they are not as likely to be subject to a conflict in their roles.

The OCMC staff must make sure that the local plans meet all Department of Labor, CETA, and commission guidelines, serve the identified "significant segments,"[1] and, in the case of public service employment, observe the "maintenance of effort"[2] rules.

Particularly in those cities with an actively interested city council, the planner may be subject to pressures from a number of directions. He may be both planner and program operator, and he must meet the requirements of both the legislative body and the commission. In some communities, politically articulate groups, as well as CETA program operators, play an active oversight role in relation to the projected plan; in other areas, the process is more routine.

Following city council review, the plan is submitted to the Manpower Advisory Committee and to the Orange County Manpower Commission. At this point, the final form of the plan has largely been determined; rarely are the staff plans (developed both locally and centrally) changed in any substantive respect by the reviewing units. In the past, planning typically has been fragmented; coordination among planners has been less than ideal. Each has tended to plan in terms of the perceived needs of individual communities. There are recent indications, however, that this fragmentation is less severe and that exchanges of information and ideas are occurring in regular, more frequent meetings.

Title I funds are distributed to every community in the county on the basis of a formula adopted by the commission and patterned generally

[1]Refers to groups of people, characterized by racial, ethnic, sex, occupation, or other characteristics that cause them to have unusual difficulty in getting a job and who most need the services of the act.

[2]Refers to CETA's requirement that localities maintain the level of spending that would have existed without CETA money.

after the national allocation formula in the CETA legislation (the Orange County system gives less weight to "prior year's manpower funding" and more to "number of economically disadvantaged"). This uniform "fair share" allocation spreads the available money widely throughout the county and insures that politics and favoritism cannot influence its distribution. Before CETA, much of the manpower and antipoverty funding was concentrated in Santa Ana, which has a significant Spanish surname population.

On the other hand, the fair share formula can be a headache for program operators. Since each community has the option of "buying" program slots with its share, every program must recruit participants in accordance with the number of such slots allotted annually to a particular locality. Although there may be a surplus of applicants from one area and a shortage from another, the program must adhere to the fair share allocation system or be found in violation of its contract. Some program operators complain that the system compels them to serve persons whose need is much less than many others not similarly served. Although Title I funds are reserved by commission policy for the disadvantaged, allegedly a resident of a generally affluent area can qualify for CETA assistance on the basis of currently defined income standards, even if from a reasonably well-to-do family if he or she is living apart from them.

As in Title I, planning under Titles II and VI is decentralized, with planning staffs in the various eligible communities again responsible for identifying the categories of public service employment for which unemployed persons are to be recruited. It appears that, for virtually all important purposes, Titles II and VI have been administered similarly. In fiscal 1976, there were 11 program agents (10 cities and the county) that qualified for Title II and/or Title VI funds on the basis of the prescribed legislative formulas. Some cities subcontract with eligible public or nonprofit program operators within their jurisdictions.

Local observers differ in their perceptions of the role of the Manpower Advisory Committee in planning, although there is general agreement that its function is solely advisory. MAC can influence broad program priorities, such as the relative emphasis on vocational education or on-the-job training (OJT), but not the dollar allocation, because that planning is decentralized and carried on by a combination of local and commission staff. Through subcommittees it can have some impact on the development of requests for proposals and evaluation of proposals submitted. To a degree, it can also assist staff in monitoring programs, but its major contribution probably relates to the design of programs and to proposal review under Title I. Most of its recommendations have been accepted by the commission, but these generally have been ones on which staff and MAC agree, and it is not clear that the commission would accept a MAC recommendation on a substantive issue if it were opposed by OCMC staff or the local planners.

Some describe the MAC role as meaningful, while others consider it superficial and largely ceremonial. Resentment was sometimes expressed over what was identified as an inconsistency: program operators are not allowed to vote in the advisory committee, but the cities that run programs have voting representation on the commission. The response of one city representative was that the commissioners have full legal and fiscal responsibility for the decisions made and the funds allocated but that the advisory committee has no such status. Perhaps more serious is an admitted conflict of interest in those instances where the planner is also a program operator for his community.

Effective planning is limited by the lack of current data. Although the Employment Development Department (employment service) and a few other sources can provide some information on labor market trends in the county, much of the vital demographic and economic material used in planning can be derived only from the decennial census. Some of the Orange County communities, such as Santa Ana, are changing rapidly in several respects, but plans are still developed on the basis of 1970 data. This, of course, is a problem that plagues planners everywhere.

Politics apparently does not influence manpower planning unduly, although most of the commissioners are named by political bodies and almost certainly the creation of the north county "miniconsortium" was influenced by broad political considerations reflecting the need to design direct commission representation for some of the smaller cities. Interviews suggest that some city councils demonstrate great interest in CETA while others treat it routinely, but there is also evidence that even the latter are increasing their concern and awareness in the light of the size of CETA appropriations. Although the fair share agreement protects against undue political influence in the suballocation of funds, local legislators sometimes affect the selection of groups to be served and organizations to operate the programs.

THE SERVICE DELIVERY SYSTEM

Like the planning process, the service delivery system is largely decentralized. Since the employment service cannot effectively serve large sections of the county through its few offices, five recruitment centers have been established. Three are run by the cities of Anaheim, Santa Ana, and Huntington Beach, one by the northwest county "miniconsortium," and one by the county, with networks of satellite offices.[3] The centers perform all recruiting for institutional training, place clients directly into unsubsidized jobs or training, serve as outreach points for Title I and Title III programs and develop job opportunities.[4] These decentralized centers, staffed largely by indigenous personnel, can also function as advocates for the poor and help insure geographic fair share entry to CETA programs. In addition, there are special recruitment programs for Asians and American Indians and a special program for women. Other Title I programs, such as SER and OIC, also have recruitment and job development staffs.

One of the major functions of the centers has been direct placement of applicants in jobs or in non-CETA programs. About one-fourth of the applicants served under Title I receive direct placements, at a relatively low cost per person. Employment Development Department (EDD) personnel are stationed in some of the centers, with access to the job bank; in return for the use of EDD's staff, the OCMC allocates some public service employment slots to the employment service.

Although the concept of the centers has not been challenged, a few questions have recently been raised about specific aspects of their operation. Direct placements normally are considered a responsibility of the employment service, and the regional office of the Department of Labor is currently examining the placement role of the centers. In principle, all those served by the centers fall in the disadvantaged category, but the relatively large numbers who appear to be job ready and employable may suggest that, in practice, some are not severely handicapped in this sense.

The profusion of job development services throughout the county also has engendered some problems. Traditionally, job development has been centralized in the employment service, but this function now is performed by several CETA-funded agencies in addition to the EDD. Complaints have been made that multiple visits to employers provoke ill will, and EDD staff feel that there should be better coordination less the multiplicity of programs impair their relations with Orange County firms. The OCMC is wrestling with this issue, hoping for a settlement that will obviate duplication and overlap among the various job development services.

In general, the tendency within the OCMC has been to continue funding

[3]The Santa Ana Recruitment Center was discontinued in fiscal 1977 and replaced by a CETA Assessment Center, which is primarily focusing on placement of clients into CETA employment and training programs.

[4]Title IV refers to national programs contracted with prime sponsors or with other organizations.

for those program operators of classroom training that functioned before CETA. Two of the prime sponsor funded programs—SER and OIC — continue to offer not only the usual training in such subjects as electronics and clerical skills but also some basic education classes and English as a second language. Operation SER still serves a clientele that is predominantly Mexican American. However, blacks now constitute only a minority of those enrolled in OIC classes, with Asians and Samoans predominating. The many Vietnamese refugees in Orange County have affected the ethnic composition of several programs. The major operations of both SER and OIC are in Santa Ana, distant from many of the populous outlying sections of the county, and this, coupled with the requirement to serve all communities on a fair share basis, has created problems.

Public vocational education funded partially by CETA is concentrated in five school districts and two regional occupational programs. These districts receive average-daily-attendance payments from the state for enrollees in regular classes, and the OCMC allocates Orange County's share of the 5 percent state CETA vocational education fund (approximately $400,000 in fiscal 1976) to cover added instructional or material costs for CETA trainees. Title I funds are used to pay training allowances for CETA enrollees, but in fiscal 1975 and fiscal 1976 no other county funding was directed to the support of vocational education. In fiscal 1977, some Title I funds will be used for vocational training costs. Some educators complain that more OCMC funding should be allocated to institutional training and comment that vocational education fared better proportionately under MDTA; unquestionably, MDTA funds had been directed in greater degree to public education. Others interviewed felt that the educational institutions already received substantial assistance from the state and that CETA is not obligated to underwrite more of their costs than the state's vocational education allowance covers.

The main OJT program is administered by EDD. (SER also runs a small OJT program.) The EDD contract, funded at approximately $600,000 in fiscal 1976 and covering 400-450 OJT slots is the major CETA activity of the EDD. Ideally (but not always in practice), graduates of the CETA institutional training programs have had first priority for selection in the EDD-OJT program; the recruitment centers make many referrals to OJT, but if referrals to an open slot are not made within 2 days, the opening is turned over to the job bank and listed in the open order book. As in all other Title I programs, OJT enrollees must be "economically disadvantaged" and be distributed among communities in accordance with the fair share formula.

Seven cities and the county operated the Title I work experience program in fiscal 1976, which accounted for the largest single component of Title I funding in both fiscal 1975 and fiscal 1976. Work experience projects are largely directed to young people and to other groups that expect to enter or re-enter the labor market in the near future. Permanent job placements are not the immediate purpose of this program, but the size of funding in comparison with the low level of placement reflects the fact that those served—youth in and out of school, during the school season and in the summer, and the handicapped, exoffenders, and senior citizens—are not readily employable.

COMMUNITY DEVELOPMENT COUNCIL

The Community Development Council (CDC), Orange County's community action agency, operates several CETA programs, serves as an umbrella for a number of community-based operators, and performs certian fiscal functions such as the payment of training allowances. Among the programs operated under CDC in fiscal 1976 were the Pacific Asian American Center (now independent), NYC Vocational Work Experience Program, the NYC Summer Program, Home Start (home-based child care services for bilingual families), and the Chicano Pintos exoffender program. CDC also shares in the county's revenue-sharing funds and obtains added support from the Community Services Administration and from individual communities. The CDC sometimes has performed as a catalyst and technical aide in the development of community-based programs and organizations that operate under its aegis, while they receive the logistical support needed.

PROGRAM ELEMENTS

The basic program mix did not change significantly between fiscal 1975 and fiscal 1976 because OCMC, by policy, tends to stick with the established program operators; and the fiscal 1975 and fiscal 1976 plans were prepared in a recession, which limited the potential for OJT and for institutional training directed to the private sector. With some improvement in the local economy, the fiscal 1977 plan projected an increased percentage of funding for classroom training, but work experience remained the largest component, with approximately 40 percent of Title I funding in the new plan.

However, some new pilot programs were developed under Title I in fiscal 1976: Operation Comeback (exoffenders), the Indian and Asian Pacific Centers, Chicano Pintos, and a program to train welfare mothers to operate child care facilities, among others. Campesinos Unidos is a new Title III program directed to farm workers. According to the OCMC director, the Commission's aim is to stimulate some new community-based organizations that do not function primarily through cities, the county, or the state. Development of effective programs for traditionally disfavored groups such as exoffenders is made more difficult by the reluctance or unavailability of umbrella organizations to take fiscal and oversight responsibility. OCMC generally would not fund such a program directly, but would fund an umbrella agency with a record of good performance; such an agency normally is concerned with protecting that record.

The biggest proportion of Title I funding, after work experience, goes to classroom training—30 percent in fiscal 1976 and 34 percent in fiscal 1977. The greatest planned increase was allocated to vocational training— from $1.2 million in fiscal 1976 to $1.5 million in fiscal 1977. Vocational education is relatively inexpensive from an administrative standpoint, since the county funds only the training allowances, and it produces a high ratio of placements and "other positive" terminations.[5] Some observers suspect that the training institutions attempt to select the most promising candidates within the eligible population, but it is impossible to test this view objectively.

The largest operators of prime sponsor classroom training in Orange County are SER and OIC. They are completely funded by the OCMC for both the training costs and the participant allowances. According to the OCMC staff, "these programs have produced the highest percentage of total participants entering employment of any of the training or work experience programs. The cost per participant entering employment is also the lowest."

The largest operator is SER, which has functioned in the county for several years. Originally designed to serve the Spanish-speaking population, it now encompasses all groups but remains primarily focused on the Orange County Chicano population. With its own building, containing classrooms, offices, and counseling and testing facilities, SER offers training in clerical and electronics assembly skills, as well as classes in job preparation (e.g., writing letters and filling out resumes), English as a second language, high scool equivalency (GED), adult basic education, and related fields. SER traditionally has served Mexican Americans with language or educational difficulties or other problems that handicap them in finding and holding jobs.

[5]Such as full-time enrollment in school or entry into the Armed Forces.

SER and OIC placement efforts are directed predominantly to the private sector, with special emphasis on aerospace firms or other large enterprises that often are government contractors or otherwise subject to affirmative action pressure. Orange County has significant concentrations of industrial and commercial activity, but one of the major growth centers is in the Irvine area, which is not easy to reach from the communities of greatest economic need.

SER operates one Title III program: manpower English as a second language. This class has a new approach that focuses on language and related skills needed on the job. Instructors in SER classes are drawn from the faculty of Santa Ana College, the local community college.

SER administrators prefer pre-CETA arrangements under which they contracted directly with the national SER as part of a categorical Department of Labor program. The feeling expressed in interviews was that the categorical programs better served the disadvantaged minorities in Orange County. Program operators also find the rigid fair-share allocation system onerous and administratively cumbersome.

On-the-job training took 9.8 percent of Title I funding in fiscal 1976 and was projected at 8.4 percent in the fiscal 1977 first-round planning. Much of the second round of funding, however, was to be used for OJT, which will significantly increase the percentage. The employment service will only agree to OJT contracts that set pay at three dollars per hour or more. Two types of contracts are written: high support and low support. The latter are primarily for those persons who are basically job ready, while the former carry provisions for special counseling and other supportive services. In fiscal 1976, EDD concentrated on short-term contracts of 3 to 6 months in order to spread the available money. This is in line with the priorities of OCMC.

Title I funding also has a public service employment component, initiated primarily because two communities faced the prospect of some layoffs of employees hired under Titles II and VI unless supplemental funds could be developed. This is a vulnerable program because of its high cost per placement into unsubsidized employment, and it was cut from 8.2 percent in fiscal 1976 to 5.8 percent in the fiscal 1977 plan.

Another category in current Title I funding is "Services to Participants." It primarily encompasses the activities of the recruitment centers. For reasons suggested previously, the direct placement aspect of these operations will be smaller in fiscal 1977 th[illegible]al 1976, and although the percentage of funding will rise from [illegible]nt to 9.7 percent, the number and proportion of participants ser[illegible]l decline substantially.

A new program planned for fiscal 1977, "Other Activities," offers special services for groups such as exoffenders and women in nontraditional occupations; to continue what were initially funded as pilot programs. It will require less than 2 percent of Title I funding.

PROGRAM GOALS AND EVALUATION

Placement and other goals are determined by the Commission, based on recommendations by the staff and by the MAC program design committee, on what the OCMC director describes as a "middle of the road" basis: not so high as to require a program operator to "cream" and ignore the most disadvantaged, but not so low that the operator can slough off and make less than maximum effort. In the fiscal 1975 plan, the placement goal for SER was placed at an unrealistic 80 percent; the rate achieved was 64 percent. The commission agreed that in the face of recession this was a reasonable accomplishment, and no contract violation was declared. For fiscal 1976, the goal was set at 70 percent.

The Title I institutional training programs, which are primarily in the local growth health care, machine-operating, and clerical fields, carry an 80 percent placement goal. Contracts also require that 70 or 80 percent (depending on program) of those accepted must complete the course. Actual placement in fiscal 1976 did not reach that level. The OCMC director states that better client assessment would probably improve the percentage, and assigns a high priority to that goal in fiscal 1977.

Since the on-the-job trainee has actually been hired by the employer, the effectiveness of this program must be evaluated in terms of "retentions" rather than "placements." The goal of the EDD-OJT program is 50 percent "positive terminations." EDD follows up at intervals of 30, 90, and 180 days after contract expirations to ascertain degrees of retention and progress. In Orange County most employers have not retained OJT workers after the CETA contracts expire; therefore, in fiscal 1976 job coaches and counselors were added to work with trainees to improve the retention rate. The rate was increased from approximately 29 percent to 43 percent between fiscal 1975 and fiscal 1976, and, based on the record for the first 6 months of 1976, OCMC staff hoped that retentions would approximate 55 percent in fiscal 1977. Ironically, the classroom training programs carry higher placement goals than does OJT, but a placement is credited if the person placed stays on the job for only a short time; in the case of OJT, the employer normally has had several months in which to evaluate the workers and identify those whom he wishes to terminate at the end of his contract.

In some instances, pilot programs under Title I have made more placements than had been anticipated. In the new exoffenders program in fiscal 1976, considering the average national placement rate of about

TABLE 1 Title I Performance Indicators, Fiscal 1976 through June 30, 1976; Orange County Consortium

				Enrollees Entering Employment			Enrollees Entering Employment and Other Positive Terminations	
Program Activity	Number of Enrollees	Total Expenditure (dollars)[a]	Cost per Enrollee (dollars)	Number	Cost per Enrollee (dollars)	Other Positive Terminations	Number	Cost per Enrollee (dollars)
Classroom training, prime sponsor	1,488	1,406,536	945	709	1,984	173	882	1,595
Classroom training, vocational education	1,039	1,190,773	1,146	441	2,700	105	546	2,181
Classroom training, total	2,527	2,597,309	1,028	1,150	2,259	278	1,428	1,819
On-the-job training	635	857,561	1,350	265	3,236	38	303	2,830
Public service employment	122	717,142	5,878	26	27,582	6	32	22,410
Work experience	2,44[illegible]	3,935,117	1,607	363	10,841	1,023	1,386	2,839
Services to participants	1,985	670,620	338	1,985	338	0	1,985	338
TOTAL	7,717	8,777,749	1,137	3,789	2,317	1,345	5,134	1,710

SOURCE: Orange County Manpower Commission.

[a]OCMC funds only; state vocational education funds excluded.

16 percent in similar programs, staff fixed the Orange County rate at 50 percent. However, in mid-1976 the rate was about 60 percent.

Some operators consider the placement goals unrealistically high and excessively rigid, especially since Title I enrollees normally are disadvantaged. The OCMC director sees them as reasonable, and somewhat more flexible, but expresses some concern that quantitative goals may sometimes compel operators to serve the least rather than the most disadvantaged.

Classroom training appears to be more cost effective than other Title I activities (except for services to participants), according to Table 1. However, this is only because expenditures from the state vocational education fund are not included. When this adjustment is made, the unit cost per classroom training participant entering employment rises to $3,617, and on-the-job training, at $3,236, is somewhat less costly. Work experience and public service employment are more costly in terms of placements, but this criterion may not be the most valid indicator of program success.

At present, it is not possible to evaluate with any confidence the results and relative values of alternative programs. The OCMC is committed to follow up, for at least 90 days, all placements in unsubsidized employment, but more sophisticated analysis of CETA results must await implementation of the computer tracking system. Thus, we do not know in detail the characteristics of those who are negatively terminated or fail to complete programs in comparison with those who are successfully placed in jobs. We don't know the longer-term work history of past enrollees and the relationship of "work experience" to subsequent labor market participation. Nor do we know the effect of training and/or public service employment on the overall unemployment rate, the chronically unemployed, or the incidence of welfare and crime.

CLIENT CHARACTERISTICS

By OCMC decision, Titles I and III money has been directed overwhelmingly to the disadvantaged, defined as those whose incomes fall below poverty levels or who are recipients of public assistance, and to the long-term unemployed. This goes beyond the legislative requirements, which allow Title I services to those who are "unemployed" or "underemployed" as well as to the "poor."

Titles II and VI are not similarly structured in the county, and the vast majority of public service employment (PSE) enrollees cannot be classified as economically disadvantaged. While Title I programs enroll many more persons than do the Titles II and VI programs, about two-

TABLE 2 Status of Enrollees after Termination and Expenditures, Titles I, II, and VI, Fiscal 1976: Orange County Consortium

	Fiscal 1976 (through June 30)		
	Title I	Title II	Title VI
Individuals served	7,717	724	2,155
Terminations	6,515	291	1,197
Entered employment	3,789	72	400
Other positive[a]	1,345	108	371
Nonpositive	1,381	111	426
Expenditures (dollars)	8,778	2,723	14,308

SOURCE: Employment and Training Administration, U.S. Department of Labor.
[a]Includes persons who transferred to other CETA programs or entered non-CETA training.

thirds of total CETA funding goes into the latter (see Table 2). As might be expected, Title I enrolls higher percentages of minorities, the poorly educated, those with limited English-speaking ability, and the young. Income and education data show that about a third of PSE participants are disadvantaged and about a quarter are members of a minority. By contrast, in the second quarter of fiscal 1976 more than 90 percent of Title I enrollees were disadvantaged, more than 50 percent had less than a high school education, and nearly 60 percent had minority backgrounds.

As noted earlier, the Spanish surname group comprises the largest minority population in Orange County, and it appears that a slightly higher proportion of pre-CETA funds went to this group than is now the case under CETA. Of course, vastly increased levels of funding mean that more dollars now go to Chicanos. Obviously, if categorical programs had been continued, their funding levels also would be higher today, but it is not known whether the Chicano population would have benefited more had the pre-CETA type of programming prevailed. CETA administrators suggest that, in any case, the Spanish surname group obtains CETA services in far higher proportion than its percentage of the total population.

One effect of the fair-share planning system is to increase services to some areas of the county that have small minority populations, most notably the south county region. Thus the percentage of Chicanos served under Title I declined between fiscal 1975 and fiscal 1976, while the proportion of better educated persons rose, and at least a part of the explanation is that the county has expanded its efforts in the southern area. It also appears that because of aerospace layoffs and other factors, more college-educated residents can qualify as economically disadvantaged.

In accordance with legislative and administrative guidelines, OCMC has identified the following groups as falling in the category of significant segments in particular need of manpower services:

- Youth
- Persons with limited English
- Vietnam-era and other veterans
- Minorities
- Exoffenders
- Mature workers (ages 45-65)
- Handicapped
- Women
- Migrant farm workers

These groups are served in some measure by ongoing Title I, II, III, and VI programs, but from time to time new pilot or specialized projects are directed to an identified "significant segment." Some of these are work experience programs, the limitations of which are discussed later.

PUBLIC SERVICE EMPLOYMENT

Probably to an even greater degree than for Title I, Titles II and VI planning is done by the cities and the county, which hire PSE employees. Local planners and legislative bodies make the key decisions concerning the types of job offered, client groups served, personnel policies, and so on, within the limits established by the legislation, by the Department of Labor and by the commission. The Manpower Advisory Committee has some responsibility in relation to these titles, but its major focus is on Title I.

Title VI is much the larger program and it is favored by the jurisdictions involved, since unsubsidized placement is identified only as a goal, not a requirement. The funds for Title VI have come at a time when many parts of the county are suffering budget restrictions and slower population growth, which make Title VI valuable as a means of maintaining public services without additional local tax funds. It does, however, severely complicate the issue of "maintenance of effort." A DOL representative notes that questions of maintaining effort have multiplied over the past fiscal year.

Although Title II provisions emphasize services to the long-term unemployed in areas of substantial unemployment and Title VI to the cyclically unemployed, there have been few dramatic differences in their administration or in client characteristics. Educational levels of Title VI participants are slightly higher than those of Title II, but other differences are insignificant (in fact, contrary to what might be expected, blacks are enrolled in higher proportion under Title VI than under Title II). There is little evidence that program agents have observed the intended legislative distinctions between the two titles. In 1976, large numbers of PSE workers were transferred from Title VI to Title II for fiscal reasons, and this completely obscured the distinctions between the two titles.

Employing agencies generally do not create new, permanent job classifications under Titles II or VI; PSE workers normally are placed in existing classifications, special "CETA slots," or projects of limited duration. Such employees typically receive the same wages and fringe benefits as non-CETA workers in comparable jobs, but are classed as temporary and do not accumulate seniority. In one community, 35 CETA workers are in public services (street and park maintenance, etc.), 14 in human services (drug diversion program, senior citizens program, etc.), and 19 in clerical slots. If "transitioned" (moved to unsubsidized employment), they are placed in the same occupational or departmental series in which they were initially hired.

Roughly 15 percent of PSE enrollees are placed in "projects,"[6] according to the estimate of the OCMC director. These tend to be in special senior citizens or youth programs, city beautification or facilities maintenance, bilingual projects, and community services such as libraries. Most PSE workers are placed in parks and recreation, highways and public works, utilities, and education (see Table 3).

As of June 30, 1976, 10 percent of the 724 Title II enrollees and 19 percent of the 2,155 Title VI enrollees had entered unsubsidized employment. Perhaps more significant is the proportion of all terminees in that period who obtained work: of the 291 Title II and 1,197 Title VI terminees, about one-fourth under Title II and one-third under Title VI were placed in either public or private jobs. "Other positive terminations" accounted for about 37 percent of Title II and 30 percent of Title VI separations, but it is difficult to know to what extent this represents a long-term labor market benefit attributable to CETA. This category encompasses those who are transferred to other CETA programs, as well as those who enter non-CETA training or educational slots, and the degree

[6]Short-term nonrecurring activities not normally handled by regular personnel.

TABLE 3 Title II and Title VI Participants by Public Service Activities, December 1976: Orange County Consortium

	Regular Employees October 1, 1974[a]		Title VI Participants December, 1976		Title II Participants December, 1976	
Function	Number	Percent	Number	Percent	Number	Percent
Education	30,460	59	105	8	39	14
Highways and public works	1,202	2	238	18	25	9
Health and hospitals	3,082	6	18	1	2	1
Police protection	3,503	7	57	4	13	5
Fire protection	1,538	3	13	1	14	5
Sewage and sanitation	618	1	24	2	0	0
Parks and recreation	1,435	3	357	27	101	36
Housing and urban renewal	71	b	36	3	3	1
Libraries	926	2	18	1	8	3
Local utilities	1,142	2	184	14	28	10
Financial administration and general control	2,970	6	62	5	8	3
All other (public welfare, corrections, and other)	4,809	9	207[c]	16	37[c]	13
TOTAL	51,756	100	1,319	100	278	100

SOURCE: Bureau of the Census, Local Government Employment in Selected Metropolitan Areas and Large Counties: 1974 (Bulletin GE 74, No. 3); Orange County Manpower Commission.

[a]Full-time equivalents.

[b]Less than 0.5 percent.

[c]Includes job development and placement, planning/zoning, and miscellaneous.

of their eventual success in obtaining unsubsidized employment cannot be ascertained from available statistics. On the other hand, CETA administrators observe that some terminees who cannot be tracked may be listed as "nonpositive terminations," although they have jobs.

The chief value of Title VI, according to one interviewee, is that it gives his city a pool of trained people who can step into regular positions when normal attrition occurs. While CETA positions are entry-level jobs, it appears that many are actually regarded as training and work experience slots for unemployed and/or disadvantaged persons who are not yet fully qualified for employment. The opinion of some of those interviewed is that program agents continue consciously to select applicants within the eligible population who are most likely to become qualified within the shortest period of time and at the lowest expenditure in terms of training and counseling.

In parts of the county, the skill levels of the unemployed are such that eligible applicants can be employed in professional and skilled work, with many in the $8,000-$10,000 salary range and even higher in some communities that are prepared to supplement CETA funds with local revenues. The OCMC progress report of March 1976 states that "in Orange County currently only 15 percent of the Title VI and 10 percent of the Title II public service job holders make less than $7,000." Southern California, of course, is characterized by relatively high living costs.

PROBLEMS

Local fiscal problems inhibit the transfer of PSE workers to unsubsidized public employment and maintenance of effort constitutes one of the most critical problems in the county. The recent stabilization of population and high unemployment exacerbate the problem. In communities that have agreements with unions and other employee organizations, complex seniority and "bumping" provisions in case of layoffs greatly affect the maintenance of effort issue. Two large cities laid off regular employees in fiscal 1976. With this issue coming to the fore, the commission staff developed guidelines that state that where regular employees are laid off, CETA employees in comparable occupations must be laid off, to avoid a charge that federal funds are being substituted for local.

In the older northwestern section, as well as in some others, the need for certain public services connected with growth (e.g., building inspections) has diminished; by and large, jurisdictions are holding the line on employment. Many of those terminated from PSE jobs re-enter private employment, return to school, or enter other training.

Adding to the complexity of these issues are a recently enacted state ceiling on local property taxes, reluctance of city councils to raise taxes (indeed, strong pressure on them to lower taxes), and the belief that city payrolls may already have an excessive number of workers relative to potential demand. Although refunding for public service employment at current levels has been authorized, some cities are already looking ahead and deciding which of the CETA positions (which are usually over and above normal effort) are essential and should continue in the absence of CETA funding and which should be phased out. There is also some evidence of local thinking that the strings attached to CETA hiring and the annual uncertainty of funding with its effect on planning may make it less desirable for some of the cities to extend CETA at existing levels. City councils are worried that their communities are becoming too dependent on CETA, and issues are being framed in terms of services versus costs, tax rates versus taxpayer resistance, and similar questions. Yet, as long as the funds remain available, it seems likely that communities will find ways to use them.

CONCLUSIONS

The Orange County Consortium has been reasonably successful. It appears stable, and manpower funding within the county has multiplied in an environment that often has been unfriendly to governmental programs directed to the poor. Unquestionably, the decentralization and decategorization aspects of CETA have encouraged communities to participate more actively in employment and training programs. Approximately $30 million annually is spent under CETA, far outstripping the spending under earlier programs. The commission staff recognize the pressing need for better data on both the short- and long-term effects of CETA, and a management information system soon will make possible more comprehensive program evaluation.

PLANNING

In Orange County the CETA planning process is somewhat fragmented. In a sense, the consortium is a confederation of planning units, each with identifiable goals and interests within the overall framework set by the county-wide commission. This may be an unusual method of operating a consortium, although it may appear to be a logical extension of the philosophy of decentralization of authority underlying CETA. However the thrust of CETA is also toward the consolidation and integration of program. In consortiums, the question arises as to whether planning should be centralized when authority is decentralized. Orange County has chosen decentralized planning.

The Orange County fair-share allocation formula has multiple effects: obviously, it helps to spread the available funds widely and with minimum political influence, but it creates administrative problems for program operators and, more important, it may dilute the benefits of Title I programs meant for the more severely disadvantaged and for minorities. To be sure, the commission has gone beyond the legislative requirements in reserving most Title I funds for those defined as poor, but there are degrees of handicap in the labor market and the formula almost certainly benefits some communities in which there is no genuine poverty. However, adherence to the accepted formula seems essential to the preservation and stability of the consortium.

Thus fundamental issues of manpower planning and administration in Orange County stem from the political and social views of the residents. Title II and Title VI public service employment programs mainly serve the somewhat better-educated and higher-skilled applicants. One local administrator comments that, in his community, CETA tends primarily to serve the lower middle class rather than the severely disadvantaged poverty group. In the light of inflation and other pervasive problems, it may be more important, he thinks, to prevent the middle class from slipping farther down the economic ladder than to raise the levels of the very poor.

In a sense, large-scale manpower programming itself represents basic innovation in Orange County, where there was little such activity before CETA. The recruitment centers, as supplements to the employment service, extend the service delivery system geographically and functionally, and other Title I programs serve disadvantaged groups that had been served poorly or not at all, e.g., exoffenders, the physically handicapped, women, and Asian Americans. Local jurisdictions participate in public service employment programs more than before.

In another sense, however, there has been little genuine innovation. In the public service employment programs, which take almost two-thirds of total OCMC funds, few departments or institutions have changed their permanent employment or service delivery systems as a result of CETA. Only a handful of new entry-level jobs have been developed within the civil service or merit system structure, partly reflecting the prevailing budgetary caution and the slowing population growth. Accentuating the usual institutional resistance to innovation in the public sector, are the current antigovernment attitudes of many voters and the reluctance to expand human services, especially when they are directed primarily to the poor and to minorities.

New public service employment in the long run must be associated with recognition of the need for new or expanded public services, and these circumstances do not now exist in Orange County. It is possible, of course, that prime sponsors will become more daring in exploring new program areas (a case in point is the CETA-funded arts programming in San Francisco) with added experience.

Nor do the basic legislation or its present interpretation reward risk taking and innovation. Definitions of priorities and groups in need of services are so broad that jurisdictions have wide latitude in identifying those who will be served, and rarely will program operators choose the harder-to-serve in preference to those who are more "adaptable" to the training or employment offered.[7] The continuing application of purely quantitative performance standards—numbers enrolled and placed, low administrative costs, etc.—further inhibits experimentation and working with the chronically unemployed or underemployed. Although one of the presumed virtues of CETA is that it gives local communities the chance to innovate and experiment without rigid federal control, staff members note with irony that the Labor Department continues to apply the traditional evaluation criteria.

Paradoxically, local jurisdictions have clung strongly to some of the categorical programs that seem to have had the least impact on unemployment, poverty, and labor market participation generally. Work experience, for example, remains one of the largest programs, and while its purposes are unassailable, there is little evidence that it helps people get jobs. Directed to groups such as teenagers, young adults, and the elderly, theoretically it provides useful work exposure and training in appropriate work habits and attitudes. If improperly designed or lacking in substantive content, however, it can simply be wasteful or even counterproductive. Many of the programs directed to youth, including the summertime youth program, are considered both by administrators and by participants mainly as income maintenance, and few have useful links to careers. OCMC staff are aware of these problems, and the new evaluation system may provide some helpful insights.

Official statistics can be misleading: participation of youth in the CETA program appears to be large, but these figures reflect summertime programs and work experience projects that frequently are low-level and make-work in nature. One problem is that youth and minorities in areas such as Orange County lack a solid local political base from which to influence changes in designing and delivering manpower services. It may be necessary to recategorize some programs at the federal level, at least to the extent that the federal government identifies certain target populations and offers funding on a modified grant-in-aid basis. Local governments could retain substantial latitude in determining the program mix and the specifics of planning, but there are some segments of the labor market that will be served adequately only if such service is both mandated and rewarded.

If work experience can be made more meaningful, both for youngsters and for adults, the next step might be to involve the private sector to a

[7] In Orange County Titles I, II, and VI do serve proportionately more disadvantaged persons than the national average (66.4 percent nationally compared with 72.7 percent in Orange County).

far greater degree than now exists (currently, Title I work experience cannot be implemented in the private for-profit sector). This might mean new employment tax credits for internships and work exposure in business and industry, as well as in other areas, in the context of a national full-employment policy.

4 Kansas City-Wyandotte County Consortium, Kansas

JOSEPH A. PICHLER

This study analyzes the changes that have occurred in the Comprehensive Employment and Training Act (CETA) Title I manpower system since February 1975 and presents a first analysis of Titles II and VI operations in the Kansas City-Wyandotte County Consortium. The consortium is stable in terms of geographic coverage and membership of local governmental units. However, there have been substantial changes in the roles of the Manpower Planning Council (MPC), the regional office (RO) of the U.S. Department of Labor, and elected officials. These have been accompanied by significant modifications in the planning process, administrative structure, and delivery system of Title I. The implementation of Titles II and VI has raised a new set of issues regarding public service employment (PSE) and its relationship to other manpower programs.

The initial impact of the Comprehensive Employment and Training Act on the manpower system in the Kansas City, Kansas, area was analyzed in "Kansas City-Wyandotte County Consortium."[1] That study

Joseph A. Pichler is affiliated with the School of Business, University of Kansas.

[1]Joseph A. Pichler, in *Transition to Decentralized Manpower Programs: Eight Area Studies, An Interim Report*, ed. William Mirengoff (Washington D.C.: National Academy of Sciences, 1976), pp. 104-130.

concentrated upon the transition from special purpose U.S. Department of Labor (DOL) programs to decategorized services under local control. It considered the factors that brought about the development of the Kansas City-Wyandotte County Consortium, described the unit's demographic characteristics, and explored CETA's effect upon the planning, administration, delivery, and composition of manpower services.

TITLE I PLANNING SYSTEM: POWER TO THE COUNCIL

The original Manpower Planning Council consisted of 13 members.[2] Six represented organizations that were potential sponsors of Title I programs, and the MPC attempted to avoid conflicts of interest by limiting these agencies to nonvoting status. One year's experience indicated that this system was not workable because the nonvoting members monopolized discussions and exerted a powerful influence on manpower plans. In January 1976, the MPC was restructured, and program operators are now excluded from direct membership. The council has been increased to 14 members and its composition broadened to include a labor leader, an attorney, four representatives from business, three from the client group, and two from community-based organizations (CBO's) that do not have a manpower service capability. As before, the council continues to include representatives of Wyandotte County but not Kansas City, Kansas.

All actual and potential manpower delivery agencies were offered membership on the newly created Technical Advisory Council, which advises the MPC on program design and subcontractor selection. The Manpower Planning Council is free to accept or reject the technical council's advice. This innovative structure assures the community-based organizations, the employment service (ES), and other education/training agencies a voice in planning (as mandated by Title I, section 104) but prevents conflicts of interest.

The manpower council's power and independence have increased substantially with these membership changes. The council advises the Kansas City Office of Manpower Planning and Coordination (OMPC), which reports directly to the Kansas City Commission. The MPC has a high degree of public credibility because none of its members has a direct stake in manpower programs. All serve on their own time, without pay, and several represent powerful political constituencies. Council members may criticize elected officials or resign without fear of

[2] Ibid., pp. 109-110. Pichler describes the council's membership selection process and discusses the respective roles of the Kansas City, Kansas, and Wyandotte County officials within the consortium.

retaliation. Indeed, such actions would receive widespread publicity that could jeopardize the political future of city commissioners. These factors have shifted the power balance for Title I planning toward the council and away from elected officials and program operators.

This shift was evident even before the changes in council membership. In July 1975, the city commissioners voted to overrule a number of council recommendations. This triggered a strong communication from the MPC, requesting that city commissioners provide a written explanation of any future decision to reject a council recommendation. Several prominent members made it clear that they would resign if many proposals were overruled. The city commission acceded to the demand, and the council's bylaws now include a binding clause on this procedure. No significant MPC recommendation has been rejected since that time.

Discussions with members of the MPC, DOL representatives, and program operators confirmed the council's strength. All agree that the city commission would overrule a recommendation only if the MPC itself were divided on an issue. The city commission still retains some capability to influence MPC decisions because the Office of Manpower Planning and Coordination serves as staff to the council, as well as program administrator. Nevertheless, it seems very clear that the staff role does not give the city's manpower administrator dominant strength on the council. In the words of one MPC member: "The council calls the shots on the plan. We have made all the final decisions." A later section will present evidence to verify this statement.

THE PLANNING PROCESS

The council's planning process has become much more sophisticated since January 1976. Earlier plans included only general estimates of the size of the need and of the incidence of "significant segments."[3] In drafting the fiscal 1977 plan, however, the new council created a matrix of the target population divided by race, sex, education, and age. The number of unemployed and the unemployment rate in each demographic cell were estimated. An attempt was made to evaluate the feasibility and cost of training persons in each cell for one or more jobs on a list of high-demand occupations. After reviewing the figures, the council decided to emphasize help for persons between the ages of 20-44 and to allocate a flat 5 percent of Title I funds for those under the age of 20.

[3] A term in the regulations that refers to "... those groups of people, to be characterized if appropriate by racial or ethnic, sex, age, occupation or veteran status, which causes them to generally experience unusual difficulty in obtaining employment and who are most in need of the service provided by the act."

Within these constraints, manpower resources were allocated to each cell in approximate proportion to its relative unemployment rate. Consistent with past practice, no formula was used to allocate funds between the city and the balance of the county. Intraconsortium political boundaries continue to be ignored in all manpower decisions.

The state does not play a significant role in planning. The State Manpower Services Council (SMSC) receives a copy of each year's plan, but has never furnished formal comments on them. However, one SMSC staff member did offer written comments on Titles I and III plans.

THE ADMINISTRATIVE FRAMEWORK

Administrative responsibilities were clarified and brought into conformity with federal regulations during 1976. The manpower administrator, appointed by and responsible to the city commission, is the chief of the Office of Manpower Planning and Coordination and has administrative responsibility for consortium programs. However, the organizational location of the OMPC has been changed. Before February 1975, it was located in the city's planning division, a unit which plans a variety of civic services including streets, sewers, and parks. CETA funds were used to pay the full salaries of two planners whose duties included programs unrelated to manpower. The regional office found this arrangement inconsistent with CETA regulations and threatened to charge the city for CETA-funded staff time spent on other programs. The city commission accepted the regional office's recommendation that the OMPC be moved to the city's manpower division where CETA-funded staff would devote all of their time to manpower issues. This shift has improved the manpower administrator's control over OMPC staff and increased the managerial resources available to CETA.

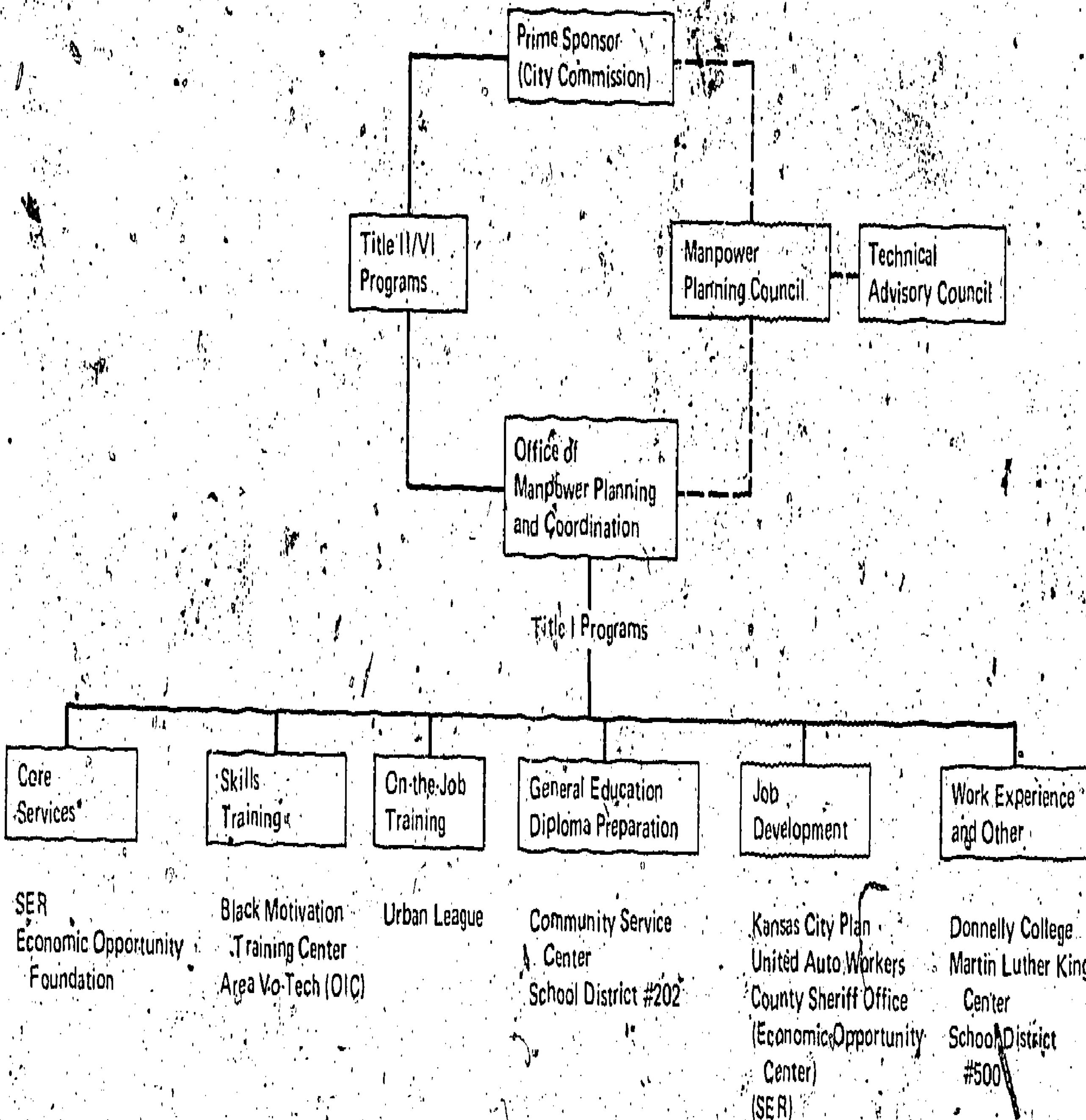
Major improvements have been made in the program monitoring and evaluation functions. In partnership with the council, the OMPC has developed a comprehensive management information system that records the services received by each client from first admission through training and termination. The labor force status of every participant is reviewed at 30- and 180-day intervals after termination. These data are also aggregated by service component. Monthly reports summarize total enrollment in each service component, client characteristics, and accumulated costs for each subcontractor.

This information is central to the monitoring system and to the MPC's continual program review. The chairman said that the council reviews monitoring reports every month for evidence of inadequate placements, excessive costs, or inconsistent statistics. If such are identified, the MPC requests OMPC staff to hold a hearing with the program operator and, when necessary, to undertake a special monitoring visit. The data system has been used effectively to motivate program operators toward better performance. Each subcontractor regularly receives statistical data on all programs and can compare its own placement/cost performance with that of others. The OMPC indicated that this "fish-bowl system" generates group pressure among subcontractors to match the performance of the more effective programs.

On-site monitoring by OMPC staff has been notably less adequate. One community-based organization indicated that site visits were infrequent and seldom produced helpful suggestions for improvement. He attributed this to a lack of expertise of the OMPC staff. The regional office had also been dissatisfied with field monitoring and prodded the prime sponsor to increase the number of visits. These criticisms brought action. Early in 1976, OMPC began to make more systematic and frequent program visits. The regional office has agreed that monitoring performance has improved substantially since that time.

THE DELIVERY SYSTEM: SIMPLIFICATION AND INTEGRATION

Figure 1 shows the consortium planning, administration, and delivery systems as of January 1976. The prime sponsor itself does not provide any manpower services under Title I; all are supplied by agents who subcontract with the city. Initial plans for fiscal 1975 had called for the prime sponsor to enter 8 such agreements, but 14 operators were actually funded during that year and fiscal 1976. This expansion in the number of agents generated managerial and operating problems that drew severe criticism from the regional office. First, the administrative cost component of Title I expenditures reached 26 percent, well above the proportion permitted by DOL regulations. Administrative economies of scale were impossible to achieve because each agent had a separate organizational structure and the fixed cost components were relatively high. Second, coordination of services was poor. Intake and core services were divided between 2 community-based organizations, which might then refer clients to any of 13 agencies for education and training. The fragmentation of responsibilities made it difficult to insure that trainees would move among agencies without delays or misunderstandings. Third, there was costly duplication of services, particularly for job development, which was offered by five subcontractors. No single agency was responsible for client progress through the system or for the crucial transition from manpower services to employment.



*Core services include outreach, intake, orientation, assessment, counseling, job development, and placement.

SOURCE: Office of Manpower Planning and Coordination.

FIGURE 1 Kansas City-Wyandotte County manpower planning and delivery system, January 1976.

The regional office urged the Manpower Planning Council to develop a plan that would reduce duplication and bring administrative costs into line with regulations. Both were aware that a reduction in the number of subcontractors could pose serious political problems. Several program operators represented powerful political constituencies and might seek to retain their contracts by direct pressure on the city commission. The necessary streamlining of the delivery system might be jeopardized unless elected officials could be insulated from such forces.

The buffer was provided jointly by the newly independent MPC and the regional office. The MPC arranged a meeting with the city commissioners where regional office representatives reviewed the problems in detail. This was followed by a strong letter from the regional office, informing the city commission that administrative costs must be reduced and duplicate services eliminated. These exchanges enabled the city commission, if necessary, to identify the Department of Labor as the catalyst for change. In the words of one prime sponsor staff member, the regional office played a very effective "fall guy" role that protected the city commission from initial criticism.

The planning council now had a mandate to simplify the delivery system by reducing the number of contractors. It initiated the process by a unanimous decision to have only one operator provide core services. Political problems mentioned earlier loomed because two CBO's had been under contract for these services. The Spanish-speaking community was represented by Jobs for Progress (SER), and the Economic Opportunity Foundation represented the black community. The exclusion of either was likely to generate acrimony. Consistent with its policies, the MPC turned to its Technical Advisory Council for advice. Upon review of SER and Economic Opportunity Foundation performance, these program operators unanimously recommended that the Economic Opportunity Foundation be awarded the contract.[4] The MPC adopted this recommendation by unanimous vote and forwarded it through OMPC to the city commission.

As expected, SER lodged a strong protest when the city commission met to consider the planning council's recommendation. The mayor

[4] Ironically, the SER representative on the Technical Advisory Council had resigned before this meeting. SER charged that the manpower administrator had failed to notify SER that its representative was no longer on the council. SER officials stated that the Technical Advisory Council would not have awarded the core services to the Economic Opportunity Foundation had SER's representative been present. However, independent observers who were familiar with the performance of both SER and the Economic Opportunity Foundation indicated that the latter agency was much more cost effective in service and placement. Moreover, SER was widely criticized for having excessive direct placements rather than concentrating on manpower services to the disadvantaged.

responded that rejection or reconsideration might have been possible if the Technical Advisory Council and the MPC votes had been split, but "given a unanimous vote by both councils, the city commission would find it almost impossible to overrule the recommendations."[9] The commission did agree to hold an informal hearing for SER, but this appeared to be largely cosmetic. After the meeting was held, the city commission accepted the MPC's recommendation that the Economic Opportunity Foundation be named the sole core service agency in the consortium.

The mayor's response and the subsequent selection of the Economic Opportunity Foundation clearly validate the MPC's power to determine manpower policy in the consortium. Paradoxically, this very power protected elected officials in this case and enabled them to implement necessary program revisions.

Plans for fiscal 1977 call for additional consolidation. The MPC has recommended that the total number of subcontractors be reduced from 14 to 7 as part of the overall effort to remove duplication, reduce administrative costs, and enhance the prime sponsor's ability to coordinate services. This change has also been prompted by the expectation that Title I funds would decline. The reduction in program agencies will generate some friction, which is not expected to be severe. Unification of core services under the Economic Opportunity Foundation has already set the principle; the Technical Advisory Council, the Manpower Planning Council, and the Department of Labor will continue to buffer elected officials from political pressure.

The council's historical policy of relying on competitive bids also serves as a lightning rod for dissent. A regional office representative indicated that the bid system had worked quite well in providing the Manpower Planning Council and the Technical Advisory Council with facts necessary to reach intelligent decisions and to defend recommendations before elected officials as well as unsuccessful bidders.

In summary, the Kansas City-Wyandotte County Consortium is moving toward a unified, comprehensive system. In previous years, the prime sponsor contracted with about 14 agencies, many of which provided duplicate intake, assessment, and skill development services. This resulted in excessive administrative costs and lack of coordination. Clients were assessed differently and had different program options available, depending on which agency they applied to. There was no coordination in job development. The two core service agencies were unable to provide effective follow-up and coordination of clients over their entire employability development programs. These problems generated severe criticism by the regional office, which resulted in a plan to streamline the manpower delivery system. As of fiscal 1977, there will be one core service agency and only seven subcontractors. A single core agency will be responsible for coordinating each client's program and will have sole responsibility for job development.

THE FUTURE

Although the prime sponsor does not directly provide services now, one member of the MPC has stated that the entire Title I program might soon come under the direct supervision of the city, with the manpower administrator providing all services. At least one city commissioner is strongly in favor of the move because he is "getting weary of the annual hassle of social services . . . of agencies complaining about what they're getting and not getting." In his view, it would be better to have "one big hassle" among the social service agencies, get it over once and for all, and have the city be the sole service provider. He has made a public motion to effectuate this change.

There would be strong resistence to such a move. One council member stated: "Centralization under the city would lead to government bureaucracy and the program would become like the employment service." He added that such a change would reduce outreach to significant segments of the population in need of manpower services, limit diversity, and remove competition among the organizations: "There have been some real advantages in having a variety of agencies. It has made us more sensitive to the needs of certain parts of the community and the competition has been healthy. It has forced us to speak to both the Mexican-American and the black communities."

The other two city commissioners have remained silent on their colleague's recommendation to bring all Title I services under city sponsorship. His public motion may have been a trial balloon. One thing is clear: Elected officials are very sensitive to public opinion regarding CETA programs. A strong negative vote by the MPC should be sufficient to block the proposal.

PROGRAM CHANGES: PERFORMANCE PROBLEMS

Table 1 presents consortium expenditures by program activity for fiscal 1974-1976. Changes in the combination of Title I programs may be summarized as follows:

1. Classroom training has declined in dollar terms and in relative importance.

TABLE 1 Title I Expenditures by Program Activity: Kansas City-Wyandotte Consortium, Fiscal 1974-1976 (amounts in thousands of dollars)

Activity	Fiscal 1974[a] Amount	Fiscal 1974[a] Percent	Fiscal 1975 Amount	Fiscal 1975 Percent	Fiscal 1976 Amount	Fiscal 1976 Percent
Classroom training	821.1	76.7	1,012.0	62.2	808.8	49.1
On-the-job training	5.1	0.4	28.9	1.8	89.1	5.4
Work experience	244.2[b]	22.8	320.2	19.7	197.8	12.0
Services and other	—	—	266.4	16.4	551.6	33.5
Total Title I	[illegible]	100.0	1,627.5	100.0	1,647.2	100.0
Summer program for youth	[illegible]	—	424.6	—	465.3	—
TOTAL	[illegible]	—	2,052.1	—	2,112.5	—

SOURCE: Employment and Training Administration, U.S. Department of Labor.
[a] Fiscal 1974 figures for programs corresponding with Title I.
[b] Excludes $209.0 in summer youth funds.

2. On-the-job training and core services are the fastest growing components.

3. Summer programs are excluded entirely from Title I funding under CETA.

4. Work experience has expanded and contracted in rapid succession.

Three factors explain most of these redistributions: changes in labor market conditions, the inception of Title VI, and the gradual articulation of a conscious manpower service policy by the Manpower Planning Council. The rapid expansion of work experience expenditures was partly a response to the high unemployment rate in the Kansas City-Wyandotte County area during fiscal 1975. Placement opportunities for those who had completed core services and/or classroom training were sparse. The problem was exacerbated by the inadequate job development system within the consortium. Although unemployment remained high in fiscal 1976, the allocation of funds to work experience was drastically reduced because Titles II and VI had become operative and were expanding rapidly. The MPC and the OMPC considered these public service employment activities to be work experience opportunities that reduced the need for Title I to fund such services. Moreover, the consortium's work experience programs had not been successful in terms of placement. Few enrollees made the transition to full-time employment. Work experience was viewed as a dead end, income maintenance activity that did not increase employability. These factors caused the council to reduce sharply all Title I adult work experience in fiscal 1976.

Among other benefits, the exclusion of program operators from the council enabled it to reach a solid consensus on program goals free from conflicting interests. The group adopted as the first priority "placement in private employment for clients in target groups." This placement strategy produced definite effects upon the program mix that will continue into the foreseeable future.

First, new work experience programs for adults are not likely to be funded unless there is a drastic rise in unemployment and Title VI is terminated.

Second, an ever-increasing proportion of skill-training funds will be devoted to individual curricula rather than classroom courses. This trend began in fiscal 1976 with sharply increased expenditures for grants, scholarships, and individual vocational education courses. In previous years, skill centers had been under contract to provide training in nine occupations. This was reduced to two courses in fiscal 1976. The shift was partly a response to high-dropout and low-placement rates. More important, it reflected the MPC's desire to tailor opportunities in a way that would meet individual client needs. Individualized programs have made manpower training much more flexible, broadened the array of training alternatives, and allowed clients to enter programs at any time rather than wait for a class-sized group to form. Considerable emphasis is now placed upon training for high-demand jobs such as the health occupations—nurse's aide, laboratory technician, and inhalation therapist. The reduction in classroom training has serious funding implications for the vocational education system. The skills center had to be brought within the area vocational-technical school system when CETA funding declined.

Finally, steps will be taken to improve job development, a particularly weak link in the manpower system. The regional office has been severely critical of duplication in job development services, the lack of clear responsibility for this function, and unacceptably low placement rates. The fiscal 1976 plan called for a 70 percent placement rate for Title I, but the only service that met this goal was on-the-job training. The average placement rate for Title I operators was 43 percent and fully one-third of the placements were for clients who had not received any manpower service other than referral. The SER core services center came under particularly heavy fire in this regard. Some critics alleged that SER was selecting only the best-qualified applicants in order to build its placement rate. SER responded that its direct placement activities were appropriate because it was the only manpower agency with outreach centers in the Mexican-American area.

There is a touch of irony in the job development problem. The employment service, an agency charged with job development under the Wagner-Peyser Act, has never played a role in the consortium's CETA program. The employment service submitted a proposal for providing core services in fiscal 1975. When this was rejected, the agency left the field and has not submitted contracts since. The consortium will attempt to improve the quality of job development during fiscal 1977 by assigning primary responsibility for this function to the Economic Opportunity Foundation, the core service agency. Meanwhile, the employment service will continue to operate a parallel job development system within the same labor market.

THE CHANGING ROLE OF FEDERAL OFFICIALS

The influence of the regional office has increased steadily since the consortium was formed. Interviews with the staff left a clear impression that early consortium plans were approved without critical review in an effort to speed the implementation of CETA. The Department of Labor followed a hands off policy whereby the RO's activities were limited to technical assistance and interpretation of regulations. All of this has changed in the past 2 years. As indicated earlier, the regional office has played a major role in pressuring the prime sponsor to revise its CETA administrative structure, streamline the delivery system, and increase the frequency of on-site monitoring. This increased activity apparently resulted from a conscious policy shift. Until fiscal 1976, regional offices were told to support prime sponsors and provide technical assistance, but not to influence programs at the local level. In the following year, the Department of Labor advised them to assume a more active program manager role.

The trend toward increased federal involvement is likely to continue. Regional office staff have indicated that new plans will be reviewed much more carefully than in the past, before they are approved by DOL. Particular attention will be paid to an analysis of significant segments and expected placement rates. Once approved, the plan will become a primary monitoring instrument during the contract year. That is, the regional office will compare actual with expected performance and hold the prime sponsor accountable for any gap. Few contract modifications will be allowed. National performance standards are being developed to assist regional staff in evaluating the comparative performance of prime sponsors.

It is not clear whether these developments signal a return to federal domination of the manpower system. At present, regional office activities appear to strike an appropriate balance that allows ample local flexibility and decision making within a broad framework of regulations to protect CETA's legislative intent. Nevertheless, the development of national standards poses a distinct possibility that programs will be homogenized and that local options will be reduced substantially.

PUBLIC SERVICE EMPLOYMENT

Public service employment was a relatively small component of manpower programs during the consortium's first year. The PSE allocation in 1974 was only $89,000 out of a total manpower budget of about $1.8 million, and Title VI had not yet been implemented. The situation then changed dramatically. The combined allocation for Titles II and VI was $601,000 in fiscal 1975 and $2.7 million in fiscal 1976. The 1976 allocation exceeded that for Title I by about $600,000.

In the following analysis of PSE in the Kansas City-Wyandotte County Consortium, all comments, unless otherwise indicated, refer equally to Titles II and VI. Two facets of Kansas City's municipal governance system are of key importance. First, the city's governing body consists of three commissioners whose responsibilities are divided along functional lines. One member serves as mayor and has general responsibility for the police, fire, and administration departments plus general personnel. A second commissioner's authority spans streets and parks, sewers, and engineering. The third oversees finance and public safety. The Office of Manpower Planning and Coordination reports to the last of these, under finance. Second, there is no civil service or merit system, no central personnel office, and no public sector union in Kansas City, Kansas. City commissioners have maximum discretion in hiring, firing, and transferring all municipal employees.

PLANNING AND ADMINISTRATION

The chief characteristic of public service employment in the Kansas City-Wyandotte County Consortium is its complete independence from Title I programs. The manpower planning council provides no advice on planning for Titles II and VI. On only one occasion did the city commission ask the council if it had recommendations, and then no effective response was expected. In the words of one MPC member: "We had no background on Titles II and VI and could not make recommendations except to say that the programs should serve those who were in need. The city commission let us know through its manpower administrator that the MPC's job was limited to Title I." This member indicated that the council receives no reports on public service employment and has no idea of its operation. The only point of contact is the city commission's administrator of all CETA programs, the Office of Manpower Planning and Coordination.

The OMPC and the city commission did not agree completely on the purposes of public service employment. The former believed that the program should have the dual function of reducing unemployment and of funding municipal services that could not otherwise be provided. Under this view, considerable emphasis would be placed upon the programs as a way to provide temporary employment, a sound work history, and training that would enable clients to obtain permanent employment. The city commission, on the other hand, believed that the first priority of PSE was to provide the city with temporary payroll funds and to secure services that could not be obtained through the regular budget. Manpower training was only an incidental goal.

The city commission's "municipal services" priority was adopted, and it has had broad-ranging effects upon PSE's operation. First, as observed earlier, the commission reserves all planning to itself—just as it does for other city services. Second, there is little demand planning because the city has such obvious needs for improved maintenance, street repair, traffic control, etc. It does not take a sophisticated demand survey to identify municipal needs that can be met, at least in part, by PSE employees. Third, elected officials do not view labor supply planning as a valuable exercise because they perceive Title VI as a temporary program that the federal government can retract at any time. Given this uncertainty, it would be futile to develop plans for improving participant employability. Consequently, there is minimal emphasis upon providing PSE clients with skill options to enhance their chances of permanent employment.

The regional office has argued that the Manpower Planning Council should be involved in planning, but it has not been persuasive. Elected officials feel they have every right to make all program operations and hiring decisions because they will bear the brunt of criticism when the program is ended and participants are dismissed.

The only significant planning issue was the formula for division of funds between Kansas City, Kansas, and Wyandotte County. City and county commissioners reached an accommodation whereby the latter received about 5 percent of combined Title II and Title VI funds, about the same proportion as the county's share of the consortium's population. This formula allocation is a specific departure from the Title I practice of ignoring city/county geographical lines.

After 5 percent of the Title II and Title VI funds had been set aside for Wyandotte County, the remainder was divided equally among the three city commissioners for use in their respective areas of authority. For example, the mayor received one third of the available funds for the police, fire, and administration departments.

DELIVERY SYSTEM

The city's PSE jobs were advertised in newspapers and listed with the employment service. In addition, 250 letters were sent to community-based organizations, inviting them to request public service employment positions from the city. Twenty responded, and they were allocated 95 positions. Five positions were assigned to the employment service, and the city retained about 250.

Because Kansas City does not have a centralized personnel department, OMPC staff initially screen all applicants to determine whether they meet eligibility requirements regarding length of unemployment and residence.[5] Qualified applicants are then referred to a community-based organization, a city commissioner, or municipal department head for final selection.

Occupations Titles II and VI positions in the employment service and the CBO's are all net additions to the labor force beyond the budgeted payroll. It is unlikely that they will continue to exist if federal funds are withdr[illegible]sitions within city government also tend to be short term[illegible]out 30 percent of the participants are classified as labo[illegible]rgely in the highway and parks divisions; another 50 perce[illegible]n clerical or semiskilled positions in parking control and security[illegible] teacher's aides and day care assistants. All PSE employees start in entry-level positions and are treated thereafter as normal employees for purposes of promotion and pay increases.

FEDERAL REQUIREMENTS: OPERATING PROBLEMS

Elected officials complain that program constraints and regional office advice have caused operating difficulties. Federal regulations forbade the city to use Titles II and VI funds for the purchase or rent of equipment, space, and supplies to administer the program. Some Title I funds were spent on equipment, rent, and other administrative costs associated with PSE. However, the regional office informed the city that fiscal 1977

[5]Title VI is open to residents of Wyandotte County who have been unemployed more than 30 days. Title II has the same unemployment provision but is available only to those who live within a contiguous set of county census tracts that have been declared an area of substantial unemployment. All other operating provisions of the two titles are identical.

regulations forbid this practice. On a related point, city officials complain that PSE funds cannot be used to buy the supplies and equipment that are needed for PSE employees to work effectively. For example, shovels, trucks, and related equipment could not be purchased for PSE employees added to street repair crews. Such expenditure restrictions have prevented the most effective use of PSE participants in some types of occupations.

Elected officials also criticized RO advice regarding the appropriate expenditure rate for Title VI funds. The city commission preferred to hire PSE enrollees at a gradual pace and stretch program expenditures over a long period of time. Apparently, the regional office strongly advised the prime sponsor to spend funds more rapidly. As a result, PSE enrollment quickly accelerated to 330 participants as of July 1976—the date that Title VI was scheduled to expire. Legislation to extend the program had been proposed, but its passage was uncertain as the deadline date approached.[6] The city commission claims that the regional office then advised them to begin layoffs. There were not sufficient Title VI funds remaining to permit an orderly work force reduction. In their words: "Had the funds been spent at a slower pace, 330 people would not have to be laid off. If we had fewer employees, they could be phased out in a more orderly way."

Conversely, the regional office found serious problems in PSE administration. Only one OMPC staff member had responsibility for the interviewing, referral, and fiscal operations of Titles II and VI. In effect, approximately $2 million in program operations were being handled by one individual. This created an administrative overload that reduced program efficiency.

During the latter half of fiscal 1976, the prime sponsor took significant actions to improve program administration. The OMPC was shifted to the city's manpower division, and a full-time bookkeeper was assigned to work on the fiscal records and reporting for Titles II and VI. In January, a PSE-funded research assistant was hired to assist in updating participant records and to conduct the 30-day and 6-month follow-ups. At the same time, a clerk typist was hired on PSE funds to take applications, check them for completeness prior to interview, record necessary demographic data, and establish files for persons hired. Finally, in the summer of 1976, PSE participants' records were computerized to eliminate manual reporting of participant characteris-

[6]The legislation extending Title VI through fiscal 1977 was enacted on October 1, 1976 (Emergency Jobs Programs Extension Act of 1976).

tics and turnover. These changes significantly strengthened the adminis-trative capability of public service employment in the consortium.

Employment Transition: Maintenance of Effort. The most glaring weakness of PSE in the Kansas City-Wyandotte County Consortium has been the total failure to emphasize the transition of enrollees to full-time employment in either the public or private sectors. Although the city commission and participating CBO's were advised that they must provide for transition of at least 50 percent of their PSE participants to full-time regular employment, no active steps were taken to protect long-term job security of enrollees. As of July 1976, city officials estimated that less than 5 percent of PSE enrollees had moved to regular unsubsidized employment. This state of affairs reflected the city commission's orientation toward Title VI as a program to provide extra municipal services rather than improve participants' employability. It was also a direct consequence of their view that future funding of Title VI was uncertain at best and that long-term planning was a waste of time because funds were likely to disappear without warning.

On the other hand, the Kansas City-Wyandotte County Consortium appears to have made a reasonable attempt to meet the federal requirements with respect to maintenance of effort.[7] There have been no reductions in the city's budget since CETA was implemented. The regional office had apparently explained federal provisions very carefully and OMPC was fully aware of the issue. Although violations of maintenance of effort are extremely difficult to prove, the regional office staff was unaware of any flagrant attempts to substitute federal funds for city resources.

Political Favoritism? As noted earlier, Kansas City, Kansas, does not have a merit system, civil service system, or public sector union. Thus, the situation is ripe for nepotism and political favoritism in the PSE program. Yet no formal charges have ever been raised on either count, even by disgruntled program operators who had lost Title I subcontracts. Knowledgeable sources stated that political considerations and personal friendships might have played a part in the participant selection process, but hastened to add that even these appointees met the strict qualification requirements of Titles II and VI. RO monitoring of participant eligibility has not produced any cases of inappropriate appointments. A spokesman for the city commission indicated he would

[7]The prime sponsor must maintain the level of services that it would have done without CETA funds.

be quite willing to open the books to an eligibility audit and feels certain that all clients would be found to meet the requirements.

In summary, it appears that personal/political considerations have not been important factors in selecting participants or that they operated only in a marginal way within the pool of eligible applicants. This finding is somewhat surprising in view of the absence of formal selection constraints, e.g., civil service. There are at least three possible explanations. First, the city commissioners may be scrupulously honest individuals. Second, the very absence of formal constraints may make outright political favoritism a dangerous practice because the local press keeps a careful eye on municipal appointments. This may be particularly true of the PSE program, which has received adverse publicity regarding favoritism in other cities. Finally, the uncertain future of Title VI may make the program a relatively risky and unattractive means of rewarding friends. In the words of one knowledgeable source: "On the question of politics, any city commissioner who would try to build a political base on Title VI would be crazy because the program is short term and the persons you hire will have to be fired very soon."

REGIONAL OFFICE PERFORMANCE

The regional office oversight and advisory role with respect to public service employment appears to have been lax as compared to its performance on Title I. Monitoring activities have been limited largely to client eligibility, maintenance of effort, and expenditure review. To date there has been little serious attempt to require the consortium to meet its planned 50 percent transition rate. RO representatives were fully aware that actual transitions were running at only 10 percent of the expected figure, but they seemed to have made no concerted effort to exert pressures for improvement. In the words of one knowledgeable commentator: "Why should the commission ask for a waiver of transition goals? Nothing happens when you don't meet the goal. There is no penalty."

More seriously, the regional office acquiesced in the city commissioners' decision to isolate PSE operations from those in Title I. Federal representatives apparently made only a half-hearted attempt to encourage the city commission to bring Titles II and VI within the manpower council's range of activities. Joint planning and administration of all three titles would have made it possible to coordinate activities and expand the range of program alternatives available. Finally, such integration would have improved possibilities for transition of PSE participants into long-term unsubsidized employment.

CONCLUSIONS

TITLE I

- Kansas City-Wyandotte County is a stable consortium in terms of geographic coverage and operation. Kansas City continues as the administrative authority on behalf of itself and Wyandotte County. Intraconsortium geographical boundaries are entirely ignored with respect to Title I programs.
- The Manpower Planning Council's power and independence have increased substantially during the past year. An MPC recommendation will not be overruled by the city commission unless the MPC is closely divided on the issue. This increased power springs from the council's broadened membership, which includes independent representatives of powerful political constituencies. Actual and potential CETA program operators are now excluded from the council, but they are members of the Technical Advisory Council, which advises the MPC on program design and subcontractor selection. The MPC is free to accept or reject the Technical Advisory Commission's advice.
- Manpower planning has become much more sophisticated since January 1976. The MPC created an age/education matrix of the target population and allocates funds in approximate proportion to the unemployment rate of each cell. Skill-training emphasis is placed upon occupations in high demand.
- The consortium has developed a comprehensive manpower information system that tracks clients from first admission through training, termination, and follow-up. Monthly reports enable the MPC and the prime sponsor to identify trouble spots that require investigation. At the insistence of the regional office, the frequency of on-site monitoring has been increased.
- Problems with excessive administrative costs, duplication of services, and inadequate coordination of services have caused the MPC and the prime sponsor to streamline the manpower delivery system. Only one core service agency was to be funded in 1977, and the number of manpower subcontractors was to be reduced from 14 to 7. The MPC and the regional office played key roles in insulating the city commission from the possible political consequences of this reduction of program operators.
- At present, the city does not provide direct services. However, one commissioner has made a public motion that the city be made the sole service provider. The move will meet strong opposition from the planning council and is not likely to be successful.

• Since 1974, on-the-job training and core services have expanded; greater emphasis is placed upon individualized employability training rather than classroom instruction.

• The employment service continues to be excluded from Title I programs. The resulting lack of coordination between the ES and CETA programs is most unfortunate because job development has been a particularly weak aspect of the consortium's programs.

• The influence of the regional office has increased steadily during the past 2 years. It played a major role in pressing the prime sponsor to change the CETA administrative structure, streamline the delivery system, and increase the frequency of on-site monitoring. It appears that there has been a conscious Department of Labor policy shift toward a more active program manager role.

TITLES II AND VI

• Public service employment is completely independent of Title I programs. The manpower council provides no planning on Titles II and VI. The city commission has assumed full responsibility for administration of these titles.

• The primary emphasis of public service employment is on the provision of additional municipal services rather than manpower training. There has been little active planning by the city commission because needed services are so obvious and the city commission views Title VI as a short-run program with an uncertain future.

• About 30 percent of PSE positions are filled by unskilled labor, and 50 percent are clerical or semiskilled positions. Most of the jobs were allocated to the city. The OMPC performs the initial screening, and city commissioners or department heads make the final selection.

• The most glaring weakness of PSE in the Kansas City-Wyandotte County Consortium is the absence of emphasis on transition to unsubsidized employment. Fewer than 5 percent of PSE enrollees have been placed in full-time employment after completion of the program. The regional office appears to have made only a weak attempt to enforce transition requirements. However, the consortium appears to have made a reasonable attempt to meet federal requirements with respect to maintenance of effort and client eligibility.

• Despite the absence of a civil service system or public sector union in Kansas City, there have been no formal charges of political favoritism. RO monitoring has not revealed any serious problems in this regard.

5 The Topeka-Shawnee County Consortium, Kansas

CHARLES E. KRIDER

By the end of fiscal 1976, the Topeka-Shawnee County Consortium of Kansas had established a fully comprehensive manpower system for the delivery of all services funded through the Comprehensive Employment and Training Act (CETA) and had also assumed responsibility for the operation of all programs.[1] Categorical programs previously subcontracted to the employment service (ES), the vocational education agency, and community-based organizations (CBO's) had been ended. With the end of categorical programs, Topeka's new Department of Labor Services has established effective control of all CETA manpower programs. Categorical manpower programs have been replaced by one fully comprehensive program operated by the city of Topeka. One result has been an increase in efficiency, since approximately twice as many persons are being served with only modest increases in expenditures.

Aspects of the Topeka-Shawnee manpower system considered here

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[illegible] affiliated with the School of Business, University of Kansas.

[illegible] Topeka, Kansas," in *Transition to Decentralized Manpower Programs: [illegible] Interim Report*, ed. William Mirengoff (Washington, D.C.: National [illegible]s, 1976), pp. 1-18, for a discussion of the earlier effects of CETA [illegible] are: (1) the planning process, (2) the delivery system, (3) the program mix, (4) the clientele served, and (5) program effectiveness.

THE PLANNING PROCESS

GEOGRAPHIC COVERAGE

A consortium was established between Topeka and Shawnee County at the beginning of fiscal 1976. The planning area for the consortium is virtually the same as the labor market in the Topeka area, since the Topeka-Shawnee Consortium covers approximately 90 percent of the three-county standard metropolitan statistical area. Moreover, the Department of Labor Services, the city agency that administers CETA, has treated the entire county as a unit for planning and administrative purposes, except for the Title II program, which is limited to the city of Topeka. No funds have been specifically designated for specific areas or groups within the consortium; Shawnee County, in particular, has not requested or been guaranteed that a minimum percentage of CETA funds be set aside and spent in the balance of the county outside Topeka.

Establishment of the consortium has had several beneficial consequences. First, all residents of the county are eligible for participation in all prime sponsor programs funded by Titles I and VI. There are no geographical barriers to program participation, and county residents have full access to all manpower programs in the city. This is a major benefit of the consortium for county residents, who otherwise would have very limited access to CETA programs through the balance of state prime sponsor. Second, the consortium has allowed funds attributable to the balance of the county to be spent on city residents. Since most of the balance of county is rural, with few disadvantaged residents, more funds can be channelled by the consortium to disadvantaged and low income residents in Topeka. Approximately $97,500 of the consortium's CETA allocation for fiscal 1976 was attributable to the balance of the county; an additional $97,500 in incentive funds accrued because of the consortium's formation, and some of these funds were undoubtedly spent on city residents. The Shawnee County commissioners have accepted the allocation of CETA funds to the city, since they recognize that employment problems are most serious in the city and because their constituencies are comprised of the city as well as the rest of the county residents. Approximately 85 percent of the county residents live in the city, and all commissioners are elected at large.

At the end of fiscal 1976, the consortium was stable and was considered to be successful by both the city and county. The primary reason for the consortium's initial success was the acceptance by the county of a dominant role by the city. All employees who plan and administer CETA are city employees and the mayor of Topeka exercises more influence on CETA programs and spending than do the county commissioners. The county's role in the consortium has been limited to 30 percent representation on the Manpower Planning Council (MPC) and to formal approval of the annual plan. The chairman of the MPC is a county representative. There have been no requests by the county concerning either the allocation of funds to county residents or the financing of specific programs. But the county has asked for public service employment support on various county projects, and for the most part this has been forthcoming. The county has, in effect, been willing to delegate most responsibility for CETA to Topeka. The main advantages of the consortium for the city are authority to plan for the entire labor market and control over additional funds.

THE PLANNING SYSTEM

Manpower planning under CETA has become almost the exclusive responsibility of the city. Decentralization has been achieved, and the city has been able to set its own goals. More important, Topeka was able to plan and implement a fully comprehensive manpower program by the beginning of fiscal 1977. The Kansas City regional office of the Employment and Training Administration (ETA) of the U.S. Department of Labor has continued to have a role in the planning process, but other traditional manpower agencies—the employment service, the vocational education agency, and community-based organizations—seem to have a sharply diminished role. The Manpower Planning Council has not had a significant role in planning. Overall, the city has allowed the professional staff to do most planning under CETA, and political influence has been minimal. Program evaluations, based on effectiveness and costs, have become important in the planning process.

The Department of Labor Services Planning for the consortium is done by Topeka's Department of Labor Services. Its executive director has department head status in the city government and reports to the mayor. The Department of Labor Services is responsible for all planning under CETA, including Titles I, II, and VI. The same staff members do the planning for all programs, which permits the design of an integrated total program. The Department of Labor Services also is responsible for program operation and evaluation.

The Department of Labor Services emerged by fiscal 1977 as the dominant factor in planning, subject only to influence by the Kansas City regional office of the Employment and Training Administration and the guidance of the mayor. The mayor and other elected officials have limited their participation to setting overall goals (e.g., improving job opportunities for the disadvantaged) and have supported all major decisions of the department. Partisan politics have not been a factor in planning. The Department of Labor Services professional staff is viewed as competent and nonpolitical and partly for that reason has been allowed great discretion in planning. The staff clearly has effective control of the decision-making process.

Manpower Planning Council The Manpower Planning Council has only a small role in planning, and its influence diminished during fiscal 1976. The congressional purpose of promoting meaningful community contributions to manpower planning has not been achieved in Topeka, primarily because the council is advisory and can have only the degree of influence permitted by the Department of Labor Services. In Topeka this means that council members are informed of Department of Labor Services decisions and program developments but they do not have a material influence on any important aspect of the consortium's manpower system.

None of the council members interviewed for this study felt that he or she had an effect on planning. In some instances, decisions have been made by the Department of Labor Services staff without prior consultation; on other occasions the council has been asked to comment on issues without having received adequate information in advance of its regular monthly meeting. The council has no staff of its own.

The council's role can be illustrated by its lack of involvement in the major decision of the Department of Labor Services to establish its own central intake, assessment, and counseling center on July 1, 1976. The MPC was not informed of this change until after the decision had been made and, therefore, had no chance to consider the advantages or costs. No formal report was prepared by the staff, and, hence, no recommendation was ever made by the MPC. Topeka has adopted a minimal role for its manpower planning council, as CETA legislation allows it to do.

Nevertheless, the manpower planning council has several functions. First, it reviews and approves the annual Title I plan. Some of its recommendations for the fiscal 1976 plan were accepted, particularly on the priorities for clientele, but they were all minor and did not substantially alter the plan prepared by the Department of Labor Services. Second, the MPC is a forum for the dissemination of information concerning CETA. The Department of Labor Services staff does keep the MPC members informed of its actions and policies, and this information can be useful to agencies that want to bid for CETA contracts or to advise their clients concerning what services are available through CETA and how to enter a program.

The council's minor role in planning means that there is no effective avenue for manpower agencies such as the employment service, vocational education or community-based organizations to participate in planning. Despite their representation on the MPC, they do not have any meaningful influence. Consequently, there has been a separation of CETA planning from planning for other manpower programs. Of greatest importance is that the employment service and the vocational education agency do not have an effective role in CETA planning. The city wants to do its own planning and implementation of programs and has not used the MPC to coordinate its efforts with other manpower programs.

Employment and Training Administration. The regional office of the Employment and Training Administration is the only agency that has independent influence on the Department of Labor Services planning. This influence is derived from (1) the regional office's mandate to review the annual plans for Titles I, II, and VI, (2) its annual evaluation of the program of the Topeka consortium, and (3) its responsibility for interpreting the CETA regulations. The regional office, however, has been supportive of the consortium's move to decentralization and has not sought to dominate or intervene excessively in the decisions of local officials. Regional office influence has been exerted primarily to encourage the establishment of a more comprehensive delivery system, a goal also sought by the consortium. Overall, the regional office's role has been important, yet not inconsistent with decentralization objectives. Technical assistance provided by the regional office, particularly with respect to regulation interpretation, has been satisfactory.

The State Manpower Services Council has had no influence on the planning or operation of programs in the Topeka-Shawnee County Consortium. Neither the fiscal 1975 or 1976 plans were reviewed by the council, and no efforts were made to coordinate programs of the consortium with those of other prime sponsors in the state. The State Manpower Service Council has been ineffective in Kansas. In part this is because the council's staff is attached to the balance-of-state-CETA staff and its role with respect to prime sponsors other than that for the balance of the state has not been sufficiently clarified.

PLANNING IN FISCAL 1976 AND 1977

Title I, II, and VI plans for fiscal 1976 and 1977 were prepared by the Department of Labor Services with only minor contributions by the Manpower Planning Council. The major aims were to develop a more comprehensive delivery system in order to reduce duplication and to produce a series of evaluations on the performance of each program operator. A decision was made to end categorical programs in order to improve services and to reduce costs. Before CETA, each major program in Topeka—Opportunities Industrialization Center (OIC), Jobs for Progress (SER), and the skill center—had its own building and its own staff; annual salaries of program directors were $15,000-$22,000. Common sense indicated to the Department of Labor Services staff that substantial savings could be realized by consolidation. In fiscal 1975, for example, all manpower programs, including the Department of Labor Services staff, were housed in the building formerly occupied only by OIC. In fiscal 1976, one additional office was rented for the central intake center.

Program evaluations were important in the planning process in both years. Department of Labor Services staff did an on-site monitoring of each program such as OIC and SER in fiscal 1975, examining the type of services provided, staff qualifications, and adequacy of facilities. In addition, detailed evaluations were made on each program, primarily in terms of placements and costs. For example, completion and placement ratios were calculated for each program and comparisons were made among all programs. Evaluations were done conscientiously and they had an effect on resource allocation. Indeed, one of the major beneficial changes of CETA is that program evaluations are for the first time important in deciding how manpower funds are spent.

Once evaluations were complete, the department decided which subcontractors it would fund again and which programs it would operate directly. If a particular program or service was to be subcontracted, an invitation to bid was sent to all interested agencies and notice was put in the local newspaper. After the submission bid each contractor was evaluated on the basis of costs and likely performance. The final decision on subcontracts was made by the Department of Labor Services, subject to the approval of the Topeka City Commission.

The planning process has been based on objective factors, and political considerations have been deemphasized. The mayor exercises formal control over manpower policy, but for the most part, he has effectively delegated responsibility to the Department of Labor Services staff; the mayor has provided strong support for the staff's major decisions. Partisan political considerations do not seem to be a factor in manpower planning. For example, when the department decided not to fund OIC or SER in fiscal 1976, this decision was supported by the mayor and city commission even though OIC did attempt to use political pressure from the black community to retain funding. Similarly, the Department of Labor Services decision in fiscal 1977 not to continue funding the Topeka Hometown Plan (for placing minorities in the construction trades) was supported by the mayor over the opposition of the building trade unions and employer groups. The Department of Labor Services was able to document the poor performance of this program, since very few minority group members had been placed in construction jobs.

THE DELIVERY SYSTEM

The delivery system for manpower programs in the Topeka-Shawnee County Consortium has changed substantially during the first 3 years of CETA. By the beginning of fiscal 1977 all categorical programs had been ended and a fully comprehensive program established. This was accomplished in three steps. In fiscal 1975, almost all categorical programs were continued, since there was not time to plan major change or to evaluate effectively existing programs. In fiscal 1976, a central intake, assessment, and counseling center was established and several categorical programs were ended. Finally, in fiscal 1977, the Department of Labor Services assumed direct responsibility for operating all programs, and the remaining categorical programs were ended.

CENTRAL INTAKE

The central intake center was the major innovation in the establishment of a comprehensive delivery system. In fiscal 1976 the intake, counseling, and assessment responsibilities of all programs, including those of Titles II and IV, were consolidated in one center operated by the employment service. All persons, including youth in school, who wanted to enter a program had to apply at the intake center rather than through individual program operators. Not only did this eliminate obvious duplications in staff, but it also insured that consistent standards would be applied in determining CETA eligibility. Criteria for the "unemployed" and "disadvantaged" could be applied uniformly to all applicants; this had not been done under the categorical programs.

One main advantage of the central intake center was that applicants had access to a full range of programs and did not have to make application at more than one location. After assessment and counseling, an applicant, depending on his or her needs, could be referred to (1) institutional skill training, (2) on-the-job training, (3) work experience, (4) public service employment, or (5) direct placement. All services, therefore, became available to all eligible applicants. For each available position in a specific program the intake center referred several eligible applicants, but the program operator selected the one to enter the program. Upon acceptance of a participant, the program operator became responsible for monitoring performance and also for placement.

No major problems were caused by using the central intake office. Its central location on a major street in Topeka made it accessible to all parts of the community. The community-based organizations such as OIC and SER had no complaints that outreach to their communities was adversely affected by consolidating all intake responsibilities. In part, this was because the CBO's continued to be a useful link through their outreach activities and referral of persons to the intake center. One problem with the intake center was that the Department of Labor Services was not always able to provide for applicants not accepted by a program operator. Such persons were asked to return to the intake center to wait for another referral. There was no control over how many times a person could be rejected.

In fiscal 1977 the Department of Labor Services opened its own intake center. The employment service had provided space for the intake center in its Topeka office and had also provided ES staff. This facilitated considerable cooperation between the employment service and CETA staff, since ES registrants could easily be referred to CETA and all services of the ES office—veterans information, apprenticeship information, testing, and current job openings—were available to CETA applicants. The performance of the ES-operated center was satisfactory, but the Department of Labor Services decided not to renew the contract after a year, partly because of problems of coordination between the employment service and CETA officials. Even though coordination was good with local ES officials, problems did occur in relations with state officials.

Beginning in fiscal 1977, the Department of Labor Services was to have direct control over all intake and referrals through its own intake center. This means, of course, that the Department of Labor Services has full control over who receives CETA services and which services they receive. There are now no effective checks on the Department of Labor Services with respect to who enters a CETA program. A further loss is that the employment service will no longer serve as a buffer between the Department of Labor Services and political pressures. Also, there is now a higher potential of CETA's being used for patronage or other political purposes than when the employment service was responsible for all intake and referral.

OPERATION OF PROGRAMS

The other major change in the delivery system is the assumption of responsibility for program operations by the Department of Labor Services and the consequent phasing out of subcontractors. Before CETA the categorical programs had included (1) a skill center operated by the Topeka school board and the employment service; (2) skill training by the Topeka OIC; (3) the Jobs Optional Program operated by the employment service; (4) the Public Service Careers program operated by the Kansas Neurological Institute; (5) the Neighborhood Youth Corps (NYC), an in-school program operated by the Topeka school board; (6) an NYC out-of-school program operated by the Shawnee County Community Assistance Action Agency; (7) the Topeka SER; and (8) the Topeka Hometown Plan.

All of these programs have either been ended or transferred to the Department of Labor Services. In fiscal 1975, the city began to operate all youth programs. In fiscal 1976 OIC, SER, and vocational education lost their contracts, since classroom training was transferred primarily to the Kansas Neurological Institute and two private training schools. The Department of Labor Services became responsible for on-the-job training (OJT). In fiscal 1977 there were no major subcontractors, the Department of Labor Services operated all programs, including the intake center, directly. Outside manpower agencies are now used only for individual referrals, which means that Department of Labor Services will pay tuition and related costs of training by independent agencies in Topeka.

Disagreements over the types of services to provide and how to provide services were factors in the decision not to use subcontractors. More generally, program evaluations indicated that the categorical program operators were not successful in placing persons in unsubsidized positions. Placement rates were low or costs were excessively high in virtually all programs. Another factor, whose importance is difficult to determine, was the Department of Labor's own desire to expand its control of CETA and increase its role in the manpower area.

The Employment Service Under CETA the employment service has had a sharply diminished role in furnishing manpower services. The skill center, for which the employment service selected and placed participants, has been discontinued and on-the-job training contracts are now negotiated by the Department of Labor Services. Even the central intake center, operated by ES in fiscal 1976, is now the responsibility of the Department of Labor Services. Consequently, beginning with fiscal 1977, the employment service has no subcontracts under CETA; its participation is limited to representation on the planning council and to providing free placement services to CETA participants. One employment service employee, however, is stationed in the Department of Labor Services intake center to facilitate coordination on placements. The ES makes its microfiche on job orders available and there is cooperation between ES and CETA on placements, in part because the ES is able to claim credit in its own reports for all recorded placements of CETA participants.

A consequence of the separation of the employment service from CETA is that dual manpower systems now exist in Topeka, with little formal cooperation between the two agencies that operate them. A memorandum of agreement has been drawn up by the two agencies, and service jurisdictions have been delineated. This has led to a division of responsibilities, with the employment service serving those who are ready for jobs and CETA serving the disadvantaged and those who need special services to prepare them for employment.

The decreased role of the employment service is apparently not due to poor program performance, particularly in the operation of the intake center. Rather, problems of coordination and institutional rivalry seem to be the main factors. The employment service in Kansas has a well-established decision-making process, which has not always been capable of responding quickly to the needs of the Department of Labor Services. Major decisions must be discussed with local ES officials in Topeka and also with state officials. Consequently, commitments are sometimes difficult to achieve or are possible only after long delays. For example, the Department of Labor Services was unable to obtain a final commitment on the amount or location of the space that would be available to the central intake office in a new ES office in Topeka until well into the planning cycle for fiscal 1977. This was a major factor in the decision not to subcontract the employment service. In addition, the ES role has probably diminished because of the Department of Labor Services desire to enhance its own position in the Topeka manpower system by increased visibility in the city.

The Vocational Education System The Kaw Area Vocational Technical School operated a skill center in fiscal 1975 but did not have any subcontracts in fiscal 1976 or 1977. Consequently, the public vocational education system no longer provides any skill training under contract with CETA. There has been such a complete severing of relationships that vocational education is no longer interested in a major cooperative effort with CETA and did not even submit a bid for skill training in fiscal 1977. CETA clients are welcome in regular vocational education programs, but they receive no priority in entering and receive no special consideration once enrolled. The only cooperation between the two agencies at the beginning of fiscal 1977 was the agreement by vocational education to reserve five training positions for CETA clients in its regular programs. These positions are filled on an individual referral basis, with CETA paying the costs. In effect, there is no meaningful cooperation or coordination between vocational education and CETA in Topeka. Neither the facilities nor the staff of the vocational education agency are being used in the CETA program, except that a small number of CETA participants are receiving training in regular vocational education programs.

The reasons for the break between vocational education and CETA are not entirely clear but seem to center on rivalry between the two. From the Department of Labor Services perspective, vocational education wants excessive autonomy and charges too much for its services. For example, the vocational education agency wanted Department of Labor Services to pay the whole cost of renting the skill center and also wanted to determine the entire contents of the training program. From the perspective of the vocational education agency, the earlier relationship with CETA had been unsuccessful and not worth the effort. The most specific grievance was interference by the Department of Labor Services staff in the training by its professional staff. There was also controversy over standards for acceptance of clients at the skill center who might be difficult to train and over Department of Labor Services requirements for attendance and financial records.

The Community-Based Organizations Two community-based organizations, OIC and SER, received contracts under CETA during fiscal 1975, while the community action agency in Shawnee County did not. However, OIC and SER were not funded in fiscal 1976 or 1977, and they no longer have a role in the consortium's manpower system. Both agencies have stopped offering manpower programs.

Why has no community-based organization continued to have an important role in the operation of manpower programs? First, program evaluations, particularly for OIC, had indicated that the community-based organizations were not meeting program objectives and that their costs were excessive. Second, once a comprehensive program was established, there was no need to subcontract parts of the operational responsibilities to CBO's. The use of CBO subcontractors would have fragmented the delivery system and increased coordination problems. Third, the basic rationale for CBO's operation of manpower programs—that they would serve specific minority communities better than established agencies—was less valid once the consortium established one comprehensive program that would be equally available to all parts of the community. Also, the Department of Labor Services hired a number of staff from minority groups, including most of the SER staff, which facilitated good relations with minority communities. Overall, then, the desire to end duplication through the estabishment of a single comprehensive manpower program has led to a substantially smaller role in the manpower area for CBO's. Their remaining functions are to serve on the Manpower Planning Council and to refer persons from their communities to the central intake center.

TITLE I PROGRAMS

The only substantial shift in the Title I program under CETA has been away from classroom training and toward work experience and other services (see Table 1). In fiscal 1974, 64 percent of Title I funds went to classroom training in comparison to 35 and 28 percent for the following 2 years. There was also a decrease in the relative share of Title I funds allocated for on-the-job training. Part of the shift away from classroom training was due to Department of Labor Services decision to stop funding the vocational agency's education skill center and the OIC program.

The consortium's main problem with classroom training is that it no longer has access to the facilities and equipment of the vocational education agency, which had been used to provide training in such occupations as welding, air conditioning repair, and auto body repair. No adequate substitute has been found. In fiscal 1976, classroom training was primarily provided by the Kansas Neurological Institute, in occupations related to health care (mainly nursing), and two private training firms, which provided classroom training in the clerical-secretarial field, including keypunching. These programs were not very successful, and they were not continued in fiscal 1977. The Department of Labor Services has also decided that it does not have the facilities or equipment to provide skill training in most occupations, and it is unwilling to make the necessary investments for fear of being locked into particular training programs in the future. Consequently, skill training will be provided in clerical occupations, where capital investment is low, and skill training for industrial occupations will be deemphasized.

There has been a decided shift toward the individual referral of

(PSE) was that only residents of Topeka were eligible for Title II; county residents had to enroll in Title VI.

Within the Department of Labor Services there are separate program managers for Title II and Title VI. Each manager is responsible for soliciting position applications from eligible agencies and also for assigning PSE participants to a specific job. All applicants are referred initially through the intake center in the same way as a Title I applicant.

The major criterion in the allocation of available public service employment positions is whether there is likelihood of the participant's transition to a permanent, unsubsidized job. This objective has been implemented in several ways. First, all PSE jobs, with only one or two minor exceptions, are in regular employment rather than in one-time special projects. The latter have little promise of providing a conduit to an unsubsidized job. Second, PSE positions are allocated by the Department of Labor Services to applying agencies that can promise transition and particularly to those that in the past have provided permanent jobs for PSE participants. Agencies that accept a PSE position and then do not provide a permanent job are not refunded. The Shawnee County sheriff, for example, has been denied additional PSE positions for this reason. Third, nonprofit, private agencies are given priority over city or county agencies if they can promise transition. Of the 225 participants enrolled under Title VI during the month of June 1976, 47 percent were employed in either Topeka or Shawnee County, 18 percent were employed by the state, and 27 percent were in private agencies. Similarly, a fourth of Title II participants were employed in private or state agencies. As these data indicate, elected officials in Topeka do not have automatic access to PSE jobs.

The two PSE programs seem to have resulted in a net increase in public employment. There is no indication of any kind that Topeka has not been maintaining its employment effort or that CETA participants are replacing regular city employees. There is some direct evidence to support this conclusion in that from October 1974 to October 1975 city employment increased by more than the average percentage increase during the previous 4 years. Moreover, the city in fiscal 1975 and fiscal 1976 was not under great financial pressure and has not laid off any public employees in recent years. There has been less need to substitute CETA employees for regular employees than in some other cities where layoffs of city employees have occurred. The extensive placement of CETA employees in nonprofit agencies also suggests some net job creation. Typically, such agencies are under severe budget restriction and could not add new positions without CETA funding.

The overall conclusions are that PSE has been implemented in Topeka with the intent of providing additional job opportunities for the unemployed and that there has probably been some net creation of public service jobs. There are several reasons for this. First, the unemployment rate in Topeka has been relatively low, generally less than 5 percent, in comparison to other major cities. Second, the city has not had a fiscal crisis. The tax base continues to grow, and regular city employment continued to increase during 1975-1976. Third, city elections are conducted on a nonpartisan basis, and there is no tradition of patronage in the city government. Fourth, the Department of Labor Services professional staff has been able to establish and maintain considerable autonomy in the operation of PSE programs.

The major problem of the PSE program in the Topeka-Shawnee County Consortium has been in securing public service jobs that can provide transition to permanent employment. The emphasis on low skill entry positions has compounded this problem, as have civil service requirements that have effectively excluded CETA employees from the police and fire departments.

CLIENTELE

The client groups served in Topeka manpower programs now are substantially the same ones served before CETA. The major priority has continued to be the economically disadvantaged person and the minority group member. Minor changes in the groups being served have occurred, but there have been no major shifts in stated priorities or in types of participants. This stability is due to the nature of labor market problems in Topeka and to the commitment of the Department of Labor Services staff to assist minorities and the disadvantaged.

Perhaps the most significant conclusion is that the decentralization of manpower programs has not led to a deemphasis on serving disadvantaged and minority clientele. Similarly, the phasing out of community-based organizations as significant providers of manpower services has not led to a noticeable change in the types of participants served.

There were only a few changes in Title I client characteristics from fiscal 1975 to fiscal 1976 (second quarter). First, the percentage of women decreased from 51 perent to 41 percent. Second, persons with a high school education increased from 43 percent to 48 percent. Third, the percentage of participants who were unemployed increased from 67 to 77 percent. These changes suggest that Title I participants in the first half of fiscal 1976 were more likely than fiscal 1975 participants to be men, high school graduates, and unemployed. Such changes seem to reflect the increase in unemployment of white men during this period rather than a basic change in priorities.

Under Titles II and VI the unemployed have had the highest priority, as required. There has been less emphasis on minorities and the disadvantaged than there was under Title I because the Department of Labor Services wanted to insure that those placed in public service employment are ready for jobs. In fiscal 1976 (through the third quarter) the unemployed constituted 87 percent of Title II participants and 98 percent of Title VI participants. The disadvantaged represented 22.1 and 52.4 percent, respectively. Forty-two percent of the Title II participants were black, as were 36.2 percent of those in Title VI jobs. The lower emphasis on disadvantaged clientele would seem to be consistent with the purposes of Titles II and IV and also with the need to convince employers to hire public service participants.

There is no indication that political influences affected the choice of CETA participants. The mayor continues to have great concern with youth programs, but such concerns are only expressed in general and there is every indication that elected officials support the priorities established by the Department of Labor Services. Specifically, CETA does not appear to be used to political purposes and even the public service employment program is not used for partisan political purposes.

PROGRAM EFFECTIVENESS

Substantial changes in the Topeka manpower system, such as the development of a comprehensive delivery system, have not yet been accompanied by comparable successes in program results (see Table 2).

There has been a substantial increase in the number of persons served in the Topeka-Shawnee County Consortium. Increases in funding account for some but not all of the enrollment increases. Under Title I from fiscal 1975 to fiscal 1976 there was an increase in enrollment of 77 percent, with an increase in expenditures of 35 percent. The consortium is able to provide services to more persons at a lower cost per person, which indicates an increase in efficiency due to program consolidation.

However, data on terminations suggest that improvements in the delivery system have not yet been accompanied by improved employment opportunities for CETA participants. In fiscal 1975 and fiscal 1976 only about 50 percent of those terminated entered employment. In fiscal 1976, for example, there were 1,105 terminations from Title I programs. Of the

TABLE 2 Status of CETA Enrollees After Termination, Titles I, II, and VI, Fiscal 1975 and 1976: Topeka-Shawnee County Consortium

	Fiscal 1975				Fiscal 1976			
Items	Total	Title I	Title II	Title VI	Total	Title I	Title II	Title VI
Individuals served	907	712	103	92	1,669	1,262	94	313
Total terminations	372	315	33	24	1,324	1,105	66	153
Entered employment	188	168	12	8	720	609	37	74
Direct placements[a]	39	39	–	–	264	262	2	0
Indirect placements[b]	121	117	3	1	223	155	27	41
Self-employment[c]	28	12	9	7	233	192	8	33
Other positive terminations	35	30	5	–	101	96	1	4
Nonpositive terminations	149	117	16	16	504	401	28	75
Placement ratio	.50	.53	.36	.33	.54	.55	.56	.48
Direct placement ratio[a]	.10	.12	–	–	.20	.24	.03	–
Indirect placement ratio	.32	.37	.09	.04	.17	.14	.04	.27
Obtained employment ratio	.08	.04	.27	.29	.18	.17	.12	.22
Expenditures (thousands of dollars)	1,285	865	229	191	2,132	1,170	193	77

SOURCES: U.S. Department of Labor quarterly progress reports for fiscal 1975 and fiscal 1976.

[a]Enrollees provided only outreach, intake and referral services.

[b]Enrollees received training, employment, or manpower services.

[c]Enrollees obtained employment other than through the prime sponsor.

609 who entered employment, 262 were direct placements who received no training or other additional services. In Titles II and VI, placement success was even less for both years.[2] There is consequently no indication that the effectiveness of CETA programs has improved during the transition from categorical programs to a comprehensive system.

	Fiscal 1975	Fiscal 1976
Title I	0.32	0.31
Title II	0.23	0.17
Title IV	0.29	0.27

CONCLUSIONS

In the area of the Topeka-Shawnee County Consortium, CETA has had the following effects:

[2]Placement rates for Topeka, while low, were above the national averages, which were

• The decentralization of manpower programs under CETA has been successful in transferring effective control of Title I, Title II, and Title VI programs to the Topeka-Shawnee County Consortium. A new city department—the Department of Labor Services—has been established to administer manpower programs, which are now an accepted responsibility of the city government.

• The geographic coverage of manpower programs is virtually the same as the relevant labor market since the formation of a consortium between the city of Topeka and Shawnee County in fiscal 1976. There is no fragmentation of the labor market in the Topeka area, since all programs, with the single exception of Title II, are open to all-county residents.

• The categorical manpower programs that existed before CETA have been replaced by a comprehensive program operated by the city. Uniform eligibility criteria for acceptance into a program have been established and are being administered by a central intake center. An eligible CETA applicant, after assessment and counseling, can be referred to a full range of service, including OJT, skill training, and public service employment.

• The city of Topeka has assumed responsibility for the administration and operation of all manpower programs funded by CETA. Traditional subcontractors have lost their role in the delivery system. The employment service and the vocational education agency have no direct operating responsibilities for CETA programs, and such community-based organizations as SER and OIC are no longer active in manpower services.

• CETA is evolving into a separate manpower program and there is little formal or informal cooperation with other governmental manpower programs, particularly the employment service and vocational education.

• The effectiveness of the Manpower Advisory Planning Council decreased during fiscal 1976. It has not had a material effect on consortium planning and is not perceived as an influential body by its members. Nevertheless, it is more active than similar councils before CETA.

• The main change in the mix of services during CETA's first 3 years has been a shift away from institutional classroom training, as had been provided by the vocational education skill center and OIC, to more individual services, especially individual referrals to a wide range of training institutions. Class-size training programs have been deemphasized.

• There has been no major shift in the compositon of clientele served.

Disadvantaged and minority persons have maintained their representation in manpower programs.

• The substantial changes in the delivery systems and administration of programs have improved the efficiency of the CETA program by allowing substantially more persons to be served; however, there is no evidence that the effectiveness of programs in improving employment opportunities has changed.

6 Phoenix-Maricopa County Consortium, Arizona

EDMUND V. MECH

The Phoenix-Maricopa County Consortium was characterized from the start by internal conflict and an uneasy partnership between city and county forces. It foundered after continued difficulties and was dissolved 18 months after its inception. The following report is an overview of the Comprehensive Employment and Training Act (CETA) program of the consortium. It highlights pre-CETA experience, the structure of the consortium and its dissolution, and alternatives to the consortium.

The site of the consortium, sprawling Maricopa County, has one of the fastest growing populations in the United States. In-migration adds to a swelling local work force. There is increasing evidence that more and more job seekers are moving to Arizona and to the Phoenix area. Competition for most jobs is very keen in Maricopa County. The estimated overall unemployment rate for the consortium area in 1974 exceeded 8.5 percent. For persons with Spanish surnames the unemployment level was approximately 12 percent and for blacks approximately 16 percent.

Clustered in central Maricopa County and within a 15-mile radius are Phoenix, Scottsdale, Mesa, Glendale, Tempe and Chandler. These

Edmund V. Mech is affiliated with the School of Social Work, Arizona State University.

contain 90 percent of the county population and account for half the state population. Phoenix alone, with a 1975 population of about 670,000, represents almost 60 percent of the Maricopa population.

PRE-CETA EXPERIENCE

Before CETA, emphasis on manpower programs centered on urban employment problems in the Phoenix inner city, since census data indicated a higher concentration of persons within the inner city who required manpower services. Accordingly, there had been no significant pre-CETA joint city-county activities in manpower. Maricopa County programs were operated under the county Community Services Department. Some Phoenix programs were under the community action agency called Leadership and Education for the Advancement of Phoenix (LEAP), and the city operated a Concentrated Employment Program (CEP). The city's experience with CEP, plus its significant population of Mexican Americans, blacks, and Indians indicated a commitment to programs with potential for employability development.

CETA planning was preceded by the Cooperative Area Manpower Planning System (CAMPS). There was an overlap between CAMPS and the Manpower Area Planning Council through June 1974. The Manpower Area Planning Council reported to the mayor and to the state CAMPS. About a year prior to CETA, an *ad hoc* committee was formed to make funding recommendations to the Manpower Area Planning Council's comprehensive planning committee. The task involved allocating $5.2 million in fiscal 1974 manpower revenue-sharing funds to programs funded under the Economic Opportunity Act of 1964 and the Manpower Development and Training Act of 1962.

The pre-CETA planning staff numbered five persons under the aegis of the city of Phoenix with accountability in the mayor's office. The pre-CETA planning council included 42 members, but despite its size it exerted little impact and its recommendations were largely ignored by the U.S. Department of Labor. When important issues arose, the community-based organizations (CBO's) commonly were aligned in one camp in opposition to the Arizona State Employment Service.

THE CONSORTIUM

CONSORTIUM STRUCTURE

In 1974 Phoenix and Maricopa County agreed to join in a consortium that would serve as the prime sponsor for manpower programs in their jurisdictions. The following factors were significant in this decision: (1) encouragement from the U.S. Department of Labor, which emphasized the advantages of a consortium; (2) increased efficiency and consolidation of resources; (3) the legislative inducement of the incentive money for jurisdictions that set up consortiums; (4) the advantages of planning for a labor market as a whole; and (5) the trend toward metropolitan coordination. Despite the surface rationality of the reasons cited, and although relations between Maricopa County and the city of Phoenix have generally been good, both parties to the agreement were reported as reluctant to form the consortium, and each seemed concerned over protecting its vested interest. Phoenix had more at stake by virtue of having operated CEP and having supported it with considerable city funds. Maricopa County was viewed as lagging behind the city in its commitment to manpower services and somewhat inexperienced in the delivery of manpower services. The county had not been significantly involved in pre-CETA manpower efforts, since CEP was a program designed specificlly for inner city areas.

It was decided early that, primarily on the basis of population, Phoenix would be allocated 60 percent of the funds, and the county 40 percent. Administrative jurisdiction for CETA was given to Phoenix, specifically to the city manager's office. This resulted in a counterbalance appointment of a county employee as the CETA administrator. The machinery for decision making proved cumbersome, and the dilemma was readily apparent. Final approval of all recommendations on CETA was necessary from the Phoenix city council and from the Maricopa County board of supervisors. What would happen when the Phoenix city council and the Maricopa County board of supervisors disagreed? And what would happen when rapid action was required, i.e., how would elected officials view CETA against other priorities for action? These and other issues were chronic irritations throughout the consortium effort.

ADMINISTRATION

Several problems emerged under the new structure. Removing the operation of city manpower programs from LEAP and placing CETA directly under the city manager meant that CETA had to compete with a multitude of other priorities seeking attention from elected officials. Administration and decision making became more complex because final action required approval from two elected-official groups—the Phoenix city council and the Maricopa County board of supervisors. Administrative responsibility, although technically assigned to the city manager, was delegated to an executive assistant who was to be responsible to the consortium for CETA and was the person to whom the CETA administrator reported. This was an obstacle course of bureaucratic machinery that materially reduced the chances for creative planning and smooth operation. Finally, there were additional bureaucratic obstacles in personnel matters and in timely provision of equipment, material, and supplies.

PLANNING

No loss of planning expertise was noted as a result of CETA; however, "turf" problems between planning staff and the administrator were manifested early. The planning staff consisted mostly of persons who had worked for the city of Phoenix prior to the consortium. The administrator, however, was a former Maricopa County employee. There were indications early of friction between Phoenix city employees and the county-oriented CETA administrator, suggesting a pessimistic forecast for a productive consortium.

Under the consortium, the Manpower Planning Council (MPC) consisted of 27 members. Community-based program operators, specifically the Urban League, the Phoenix Opportunities Industrialization Center (OIC), and Jobs for Progress (SER) were virtually eliminated from voting membership. Manpower experts who were deemed not to have conflicts of interest were seated on the council, specifically a representative from the Arizona Department of Vocational Education and representation from the Arizona Department of Economic Security. The community-based organizations were exceptionally vocal in their complaints that a "rubber yardstick" was being used in excluding them from council representation. This was in response to a request of the manpower planning council that the CBO's submit five names from which the council would choose one to sit on the council. The CBO's complied after official protest. However, community-based organizations did sit on a special program operators' committee that advised the planning council. Moreover, CBO's developed and organized their relationships with the community by having supportive residents voice their opinions, by contacts with business and industry, and by making appearances before the city council and the county board of supervisors. These officials were approached by the CBO's on three issues, (1) stipend payments, (2) affirmative action ratios, and (3) refunding for special programs.

The CETA administrator, the planning staff, and the Manpower Planning Council exerted considerable influence regarding Title I decisions. The CETA planning staff was effective in providing decision making information to the manpower planning council. The manpower planning council formed two active committees; one on planning, the other on evaluation. The city council and the county board were very much influenced by recommendations offered to them by the Manpower Planning Council. In fact, the Phoenix city council was not prone to entertain recommendations other than those offered by the Manpower Planning Council and it was credited with approving 90 percent of the planning council's recommendations. In contrast to the Manpower Planning Council's effective role in Title I planning, planning for Titles II and VI was handled primarily within the personnel departments of the city and the county and was not dealt with by CETA planners and/or the planning council.

PROGRAM CHARACTERISTICS

Program Delivery CETA program deliverers were essentially the same as those before CETA; no important program deliverers were eliminated. Before CETA there were two CEP centers; one operated by the Urban League and the employment service, the other by SER and the employment service. The Phoenix OIC was another major service deliverer. In addition, the Neighborhood Youth Corps (NYC) operated on a county basis, with programs for city and county; the Migrant Opportunities Program (MOP) was for county residents. Before CETA, SER manpower activities served primarily western Maricopa County. Under CETA a manpower center was established in eastern Maricopa County.

Basically, the consortium relied on a series of subcontracting agencies to deliver services, with CETA administrative units responsible for planning, monitoring, and fiscal services. The emphasis on subcontractors increased the number of program operators in the consortium. Duplication of services was avoided by judicious use of subcontractors and by eliminating territorial overlaps among agencies selected.

The main difficulty in service delivery was that services, which were concentrated in Phoenix, were inaccessible to many Maricopa County residents. The system was viewed as comprehensive in the sense that a variety of services were offered and that they were available to all participants.

In comparison, the pre-CETA system was fragmented. Each deliverer negotiated its funding; each had a federal representative for its respective program. SER, OIC, and the Urban League received their funding directly from their national sources. Each had somewhat different policies and regulations to abide by and each had its special target groups. Moreover, CEP was restricted by geographic target boundaries. Accordingly, CETA seems to have produced a definite improvement. For example, transportation has consistently been a primary problem. Under CETA more funds were allocated to the transportation budget in order to maximize the capability for bringing program participants to the centers from outlying areas.

Program Mix The program mix did not change markedly under CETA. It was geared to serve economically disadvantaged people, particularly the Title I program. Classroom training and work experience were emphasized. Classroom-training activities increased from 27 percent in fiscal 1975 to 37 percent of Title I funds in fiscal 1976. Work experience, mostly for youth, consumed 40 percent of the training resources in both years.

Program Results The placement ratio for Title I was approximately 45 percent, which indicates that CETA enabled many participants to obtain employment opportunities (see Table 1). It should be recognized that this rate refers to an aggregate of programs and includes programs such as NYC and other work experience programs that are not placement-oriented. The placement record of programs that were primarily oriented to job placement was higher.

There is a conviction that Title I programs improved in quality under CETA, primarily because of the extensive monitoring and the wide local constituency involved in the determination of accountability. However, any evidence of increased quality is primarily indirect and derived largely from monitoring, evaluation, and assessment reports prepared by the CETA administration. These reports contained information relative to daily activities within each program, with suggestions and recommendations for correcting deficiencies identified during on-site reviews.

Evaluation of Title I. The consortium deserves high marks for its evaluation of the Title I program. Designed to assess short-term impact, a weighted multifactor system of rating performance was applied to 18 subcontractors. Program results were derived by the CETA planning and evaluation unit with input from the manpower planning council and program operators. The main measure of outcome was that of placements into unsubsidized jobs. Five factors entered into the formula: (1) The target group index indicated the proportion of the disadvantaged placed and was given a maximum weight of 40 points on a scale of 100. (2) The retention rate, with a maximum weight of 20 points, was an indicator of longevity in unsubsidized employment. Rentention was measured at 30, 60, and 90 days on the job. (3) Wage level was based on

TABLE 1 CETA Expenditures and Clients Served and Placed, Fiscal 1975 and 1976; Phoenix-Maricopa County Consortium

CETA Title	Expenditures (thousands of dollars)	Time Period	Persons Served	Persons Terminated	Entered Employment	Entered Employment Ratio
I	13,457.7	August 1974-June 1976	10,910	9,018	4,096	0.45
II	4,111.3	August 1974-June 1976	940	651	129	0.20
VI	14,895.9	January 1975-June 1976	3,449	1,576	453	0.29

SOURCE: Prime Sponsor Records.

the highest hourly wage within 90 days of placement in unsubsidized employment. This was taken as an indicator of the quality of employment. The higher the wage the greater the weight, from 0 to 20 points. (4) Positive termination rate received a maximum of 20 points. Positive terminations were defined as (a) entry into unsubsidized employment, (b) enlistment in the military services, (c) return to school, or (d) enrollment in other manpower programs. (5) The fifth factor was cost.

Program outcome was measured for 18 operators for 6 months. Each was ranked according to its index based on the factors cited. The results were presented to the manpower planning council for review and then distributed to program operators. An example of the information contained in the assessment report is as follows:

> This program has a very low cost per placement for (fiscal) 1976 ($1,519); representative placement rate of 70 percent and is presently above planned figures for number of placements. This contractor was addressing a needy segment of the population. An increase in agency funding level should be considered for (fiscal) 1977.

An example of a review of a program ranked seventeenth in the roster of 18 operators is as follows:

> This program has a 59 percent negative termination rate and a $27,582 cost per placement. It is far behind in its performance standards and has received a very unfavorable monitoring report from the operations section. This program should be terminated.

Evaluation of Titles II and VI Placement ratios for Titles II and VI were 20 percent and 29 percent, respectively (see Table 1). In contrast to Title I, placement or transition to unsubsidized employment was not used as a basic index of program outcome for Titles II and VI. The emphasis of the public service employment administrators was on two immediate objectives: (1) First was distribution of public service employment slots. The question was, "To what extent do Titles II and VI slots reflect services considered to be in the category of essential and/or important?" Effectiveness was judged by a subcommittee of elected officials who determined the validity of each job slot approved. If job slots were in a priority category, then "effectiveness" was assumed. (2) The second objective was adherence to program plans in terms of numbers of individuals enrolled, accrued expenditures, and enrollment of significant segments of the population in need of services in the program.

PARTICIPANT CHARACTERISTICS

Most participants during and preceding CETA were disadvantaged. Prior to CETA, 85-90 percent of the clients of most programs were disadvantaged. During the 1974-1975 recession, many Title I programs reported increased demands for service from individuals who were not disadvantaged but had lost their jobs. Title I programs tended to serve younger persons, with nearly 60 percent in the age 22 and under category. Titles II and VI primarily served individuals in the 22-44 age bracket. Because of emphasis on work experience programs for school age youths, Title I served participants who possessed less formal education, whereas Titles II and VI served participants who had at least a high school education. Title I also tended to serve a higher percentage of minorities than did Titles II and VI. Why did Title I participants differ from those placed in public service employment jobs? The standard response was that since Title I participants were younger and less educated, they were more in need of Title I manpower educational training programs to ready themselves for jobs. In contrast, public service employment participants were more likely to be better educated and to possess job experience and therefore were better prepared for work. One explanation is that the consortium, by design, was attempting to subsidize many of the city and county departments.

DISSOLUTION OF THE CONSORTIUM

In October 1974, the Phoenix-Maricopa County Consortium became an operating entity; in April 1976, it agreed to dissolve. The split had been developing for many months. Several considerations seemed to account for it. Originally, it was expected that the consortium would offer at least two benefits: (1) a unified area-wide delivery of comprehensive manpower services and (2) an incentive bonus that the law allocates to jurisdictions forming a consortium. Apparently these potentials failed to pay off. The background was as follows.

INCENTIVE BONUS

The incentive bonus was to be between 5 and 10 percent of the Title I allocation. Some observers charge that Phoenix did not benefit from the bonus. As an example, they cite the $745,146 bonus received by the consortium during its first year. Concurrent with the receipt of the bonus, the consortium was considering a staff proposal to establish a CETA center in eastern Maricopa County. The CETA manpower advisory council and the Phoenix city council voted approval for the center to be operated by TROIKA, a coalition of the Phoenix OIC, the Urban League, and SER. The county board of supervisors, however, insisted that the center be operated by the Maricopa County community services agency of county government. Because the funding and the question of who was going to operate the new center were part of an overall revision in budget request of $1.6 million that had an immediate deadline, the county was able to win on this issue. The overall modification had several items, but they were all considered one proposal. In the way that the consortium was structured, there was no mediation process, and unless both parties (city and county) agreed on everything, nothing went forward. The county would not agree unless it could run the new center.

Despite the view that an eastern Maricopa County center has always had top priority, the cost for operating the center was $750,000, and many CETA staffers believed that without the $746,146 bonus the center might not have been funded. As an added note, this new center was scheduled to open in mid-May 1975; it did not begin operating until December 1975. In January 1976 the Maricopa County community services unit submitted a request to have its contract goals for the new center reduced by 25 percent. This request was not accompanied by a proportional reduction in funding. CETA staff indicated that some reduction in funding, though not 25 percent, would be necessary.

One effect of the $750,000 funding for CETA Center 3 in eastern Maricopa County was that the city of Phoenix claimed that it received absolutely no benefit from the first-year bonus of $745,146. The bonus for the second year was $699,142. No program funding occurred that could be directly attributed to receipt of the bonus. Some persons on the CETA staff indicated, however, that any calculations of the second-year bonus should also include the amount of $150,000 that was available for a program for persons of limited English speaking ability (LESA). Key CETA staff members believed that the $150,000 was lost because the county failed to support implementation of the LESA program, a program viewed as necessary by the city of Phoenix.

FINANCIAL CONSIDERATIONS

In the spring of 1975, looking toward dissolution, the consortium obtained estimates of financial impact. They were as follows: if manpower funds were to be allocated directly and separately to the city and county rather than to the consortium, the city of Phoenix, on the basis of population and unemployment data, would probably receive $342,767 more than its current allocation, and the county $342,767 less.

EFFECT ON DELIVERY OF SERVICES

In addition to the bonus, consortium supporters identified unification of manpower services as a major benefit. In practice, although there was a single CETA staff for the consortium, two separate bodies, the Phoenix city council and the Maricopa County board of supervisors, had to make final decisions. A Department of Labor audit conducted in June 1975 deemed this system unworkable. Instead of the hoped for unified manpower services a series of heated issues arose over CETA operations. The Phoenix city council and the Maricopa County board of supervisiors had five major conflicts: (1) who was to run CETA Center 3, (2) the LESA grant application, (3) use of Title I money for prime sponsor public service employment positions, (4) indirect charges to Title I operations, and (5) nonstipend payments by Phoenix OIC.

Individuals knowledgeable about CEP and the county programs prior to October 1974 insist that it was the city's demonstrated ability with CEP that was responsible for the consortium's being one of the first in the nation to receive approval to implement its program. The city no longer directly operates any manpower programs, whereas the county has expanded the number that it operates. By virtue of the city of Phoenix's previous performance in manpower programs, the county was able, through the consortium, to expand its manpower capability, although some observers believe that the county has demonstrated far less capability than the city of Phoenix.

LACK OF OVERALL ADMINISTRATIVE CONTROLS

One issue that plagued the consortium throughout was the allegation that adequate control could not emerge from the CETA administration, inasmuch as the administrator was a former county employee whose loyalties were thought to reside with the county. Moreover, the relationship of the administrator to the staff was the subject of considerable controversy. Various members of the staff charged that recommendations emanating from CETA as 'staff recommendations" had in fact no staff contribution and came solely from the administrator. Furthermore, it was charged that unreasonable sanctions were carried out against former city employees working for CETA.

ALTERNATIVES TO THE CONSORTIUM

Following the action to dissolve the Phoenix-Maricopa County Consortium, a review was conducted of the staffing and organizational alternatives available to the city and the county. The following patterns emerged.

PHOENIX

The budget and research unit, at the request of the Phoenix city manager's office, reviewed the experience of other cities, the current status of CETA operations, and the operation of the city's manpower programs prior to CETA. It found that the majority of larger cities surveyed decided to combine manpower programs with other social services programs, which included activities such as community development, housing programs, economic development, community action agencies, and model cities. Several alternatives were studied, and as of October 1976 the one selected for Phoenix was to consolidate CETA programs within the city's Economic Security Department. With this alternative, the administration of CETA programs would be merged with the city's public service employment program. An employment and training division would be added to Economic Security. The planning supervisor and operations supervisor positions would be eliminated. A position of assistant employment and training administrator was to be created, the incumbent was to be directly responsible for CETA operations and was to assist the administrator with the overall program. Fiscal and clerical positions were also to be realigned and placed directly under the Economic Security director. These positions were viewed as serving the entire Economic Security Department.

The rationale for consolidation of CETA within Economic Security was to bring together all CETA programs and to provide needed links between manpower and economic development activities. Because Economic Security, which already administered the public service employment program, was familiar with overall CETA programs and had some administrative staff capacity to absorb new programs, it was reasonable to consolidate CETA within Economic Security. Placement of all CETA programs within that office would provide the city manager's office with improved administrative control by having an experienced department head deal with the daily operating problems that hindered efficient operation of the consortium. However, in January 1977, by action of the Phoenix city council, some city departments were reorganized. The Economic Security Department was abolished and replaced by a new unit called the Human Resources Department. This department handles employment and training and public employment programs under CETA. LEAP will be included as a separate division in the Human Resources Department. The Human Relations Department will also be merged into the new department. The economic development program is now a separate staff function within a newly titled Office of Community Services.

Critics of the reorganization argue that placement of CETA deeper within the city's organizational structure will create additional bureaucratic barriers between the operating staff and top management. Some believe that program delivery and CETA planning and administration should be separate. According to this view, administrative units tend to make a biased evaluation of their own operation. The city has, however, indicated its intention to assure fair evaluations, through careful study of the Department of Labor mandatory outside audits and, if necessary, by assigning an objective third party to assist in evaluation.

The city review concluded that a basic net reduction of personnel could be made in the CETA administration staff regardless of the organizational arrangement selected. It recommended that nine positions be deleted as follows:

Administration	1	Affirmative action officer (contractual position)
Planning	1	Manpower planner III (Maricopa County employee)
	1	Manpower planner II
	1	Manpower planner I
Operations	1	Assistant operations supervisor
	1	Manpower planner I.
	1	Account clerk (vacant)
Secretarial pool	1	Administrative secretary (vacant)
	1	Secretary III (Maricopa County employee)

In summary, consolidation of CETA administration within the Human Resources Department was approved on the basis of the view that placement of CETA within this unit would provide the best fiscal controls and organizational efficiency. The public service employment program would be united with Title I programs, combining all CETA efforts, and the line would be held on administrative costs by using existing administrative structures.

MARICOPA COUNTY

In the county, the selection of types of activities and levels of services to be provided was based on the experience of the consortium. County government would, for the first time, have complete control over its employment and training delivery system. The county's priorities are (1) the development of program performance with maximum impact on those most in need, (2) the elimination of duplication so that resources are effectively made available to local communities, and (3) close links with the private sector of the economy. To accomplish these goals, the county intends to operate as much of its own program as possible and to avoid costs of monitoring, evaluation, coordination, and negotiation with outside entities as much as possible. It is not clear, however, how Maricopa County specifically plans to meet monitoring and evaluation requirements. The Arizona departments of Economic Security and Vocational Education will continue to deliver in their areas of expertise. The following services and programs are envisioned within the new county CETA program: (1) classroom training, (2) on-the-job training, and (3) work experience. Supportive services in the form of transportation, legal aid, family health care, and related services available in the community will be used to advance participant employability. With the exception of skill training, the county CETA will directly operate all of these activities, relying on the Arizona Department of Economic Security for assistance.

The main objective is for the county, under its newly established Maricopa Employment and Training Administration (META) to operate its own delivery mechanism wherever feasible. Two programs now operating under county CETA jurisdiction are Eastern Maricopa County Training Center (a comprehensive center), and Manpower Operations (formerly Neighborhood Youth Corps and Operation Mainstream). The Eastern Maricopa County Training Center will expand to operate a Western Maricopa County Training Center.

The county's CETA advisory council will be responsible for advising and recommending basic goals and objectives, policies, program plans, and procedures to monitor and provide for objective evaluation of programs. The prime sponsor, however, will retain the power to make final decisions. There will be 16 voting members on this council. Standing committees will include an executive committee and a planning and evaluation committee.

META has been designed and organized to function within the county organizational structure (see Figure 1). Specifically, META will be directly under the county personnel director, where general administrative planning and fiscal and program coordination functions will take place. However, much of the program will be operated by the Community Services Department. This department was selected for delivery of manpower services because it has some 14 community service centers spread throughout the county. Further, the Community Services Department gained experience in the operation of a comprehensive manpower center under the consortium. Use of already existing service centers, coupled with specific CETA manpower experience made the

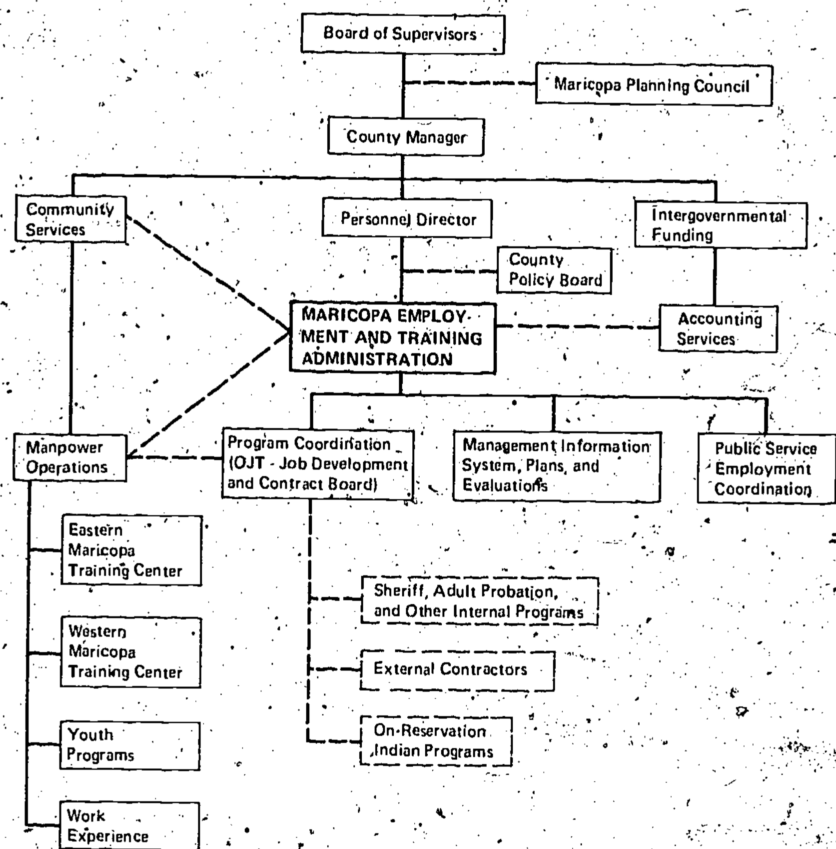

FIGURE 1 Organization of CETA administration in Maricopa County.

Community Services Department the preferred choice for delivering the bulk of manpower services under the CETA Title I program.

TOWARD A NATIONAL EVALUATION POLICY

This concluding section focuses on steps to increase the likelihood of productive evaluations in manpower service delivery. Major decisions about manpower policy are being made with limited empirical evidence. The decision in any budget year to continue programs that are presently operating is itself a significant judgment. Moreover, it is likely that decisions to change programs or to introduce new programs will be made in the absence of convincing evidence. Hence the cycle of operating on insufficient knowledge continues unless federal policy is changed.

Present local application of evaluation techniques focuses on short-term issues and contributes little to the cumulative knowledge of long-term results for the participants. By not mandating proper and vigorous evaluations, federal policy makers face the dilemma of either wasting funds on mediocre and perhaps invalid evaluations or of increasing other risks, such as continuing ineffective programs or sponsoring new programs of unproved value. What is needed is an unequivocal commitment to standards for demonstrating CETA program effect on participants. The evaluation system now in use in Phoenix gives productive administrative and operating information for issuing new contracts, but there is a dearth of information regarding the capability of the Phoenix-Maricopa CETA to make a difference in the economic potential of participants.

Program evaluators typically take observations or measurements of program participants only after the latter have been through the program under review. This probably is the most common evaluative research design, and it is the weakest. There exists no baseline measurement of the participants with which to compare post-program observations. There exists no control group that has not been exposed to the CETA program to lend credence to the assertion that the observed effect was due to the program.

Frequently, the evaluative design that uses observations of participants after exposure to a program generates much testimonial evidence in favor of a program. This means that individuals who participate in a public service program such as CETA will testify as to its effectiveness on the basis of personal experience. While this "one-shot" design can reassure program administrators that certain activities are being positively received by participants, it provides little evidence of actual program impact. It should be declared as a hazard to proper evaluation. It does not provide policy makers with decisive information on program impact.

One standard that can be implemented at local program levels is to require that evaluations use a base measure for participants before the program is to be put into effect, to be followed by "after" measures as participants progress in the program. This rudimentary before and after design would at best permit an estimate of the degree of change experienced by program participants. It does not necessarily permit one to attribute this change to the CETA program being evaluated; change may be due to factors outside of the program or to the possibility that some people change regardless of exposure.

In order to evaluate properly a program such as CETA, one must collect evidence of its effectiveness. This means evaluating the effect on participants, rather than counting how many were served. The evidence should persuade policy makers to continue, modify, or eliminate particular programs. It is suggested that a large-scale intervention program such as CETA and the idea of "social experimentation," which builds in this type of evaluation, are not inconsistent and that the experimental option can and should be built into national manpower efforts.

The techniques for productive evaluation of manpower programs are at hand. One method, controlled experimentation, can be of value at any stage of program development, with particular benefits during the early phases of a program. Use of the experimental alternative would materially improve the quality of manpower programs such as CETA. In its absence, questions of program quality, impact, and effectiveness are unlikely to be decided and will remain in the realm of speculation.

7 Lansing Tri-County Regional Consortium, Michigan

STEVEN M. DIRECTOR

In the 3 years since its establishment, the structure of the Lansing Tri-County Regional Consortium has undergone no major change.[1] While the consortium board of elected officials retains final responsibility for all policy decisions, there have been only a few occasions in which the board has not followed the recommendations of its administrative staff, the Lansing Tri-County Regional Manpower Administration. The staff sees itself basically as a management group rather than as an operating agency and thus prefers to subcontract all Comprehensive Employment and Training (CETA) programs rather than to operate them directly. The activities of the staff appear to be influenced strongly by the director's contention that if manpower programs are to be successful they must be operated by professional managers rather than by social activists. This orientation is reflected in the formal written procedures the staff has established for almost every activity, from needs assessment through

[1]For a more complete discussion of the pre-CETA experience and the first 9 months of CETA implementation see Michael E. Borus, "Lansing Tri-County Regional Consortium, Michigan" in *Transition to Decentralized Manpower Programs: Eight Areas Studies, An Interim Report*, ed. William Mirengoff (Washington, D.C.: National Academy of Sciences, 1976), pp. 59-84.

Steven M. Director is affiliated with the School of Labor and Industrial Relations, Michigan State University.

TABLE 1 Composition of Manpower Planning Council: Lansing Tri-County Regional Manpower Consortium

Agency, Organization, or Group	Members of Manpower Planning Council 1974	1975	Early 1976[1]	Late 1976
Employment service	1	1	1	1
Vocational education or other public education agency	16	18	4	3
Elected officials	0	1	1	0
Business or industry	45	23	4	2
Labor	30	4	4	2
Community-based organizations	17	8	9	6
Client-group representatives	15	10	13	5
Other members	0	4	4	0
TOTAL	124	69	40	19

SOURCE: Lansing Tri-County Regional Manpower Administration.

program evaluation. Many of these are now being copied by other prime sponsors.

The only significant organizational change to occur has been a reduction in the size of the Planning Council. When first established, the council included 124 members, in an attempt to represent all segments of the community. It was reduced to 69 members in 1975, to 40, and then to 19 in 1976 (Table 1). Since almost all of this reduction was accomplished by dropping inactive members, it did not become controversial. Even with 40 members, it had been difficult to obtain a quorum at most council meetings. The exceptions were the meetings called to formulate Title I funding recommendations, when attendance was always high.

In early 1976, 30 percent of the 40 council members (and an even larger percentage of those who regularly attended meetings) represented organizations or agencies that operated programs or had contracts to provide services under CETA. Reducing the council to 19 members left only 6 members representing organizations without CETA contracts. Discussions of the appropriateness of this situation have not resulted in any major controversies but did lead to insertion into the council charter of the following:

> Planning council members who represent organizations which contract manpower services with the consortium shall abstain from voting on matters which directly affect the agency which they represent. Council members shall also conduct themselves in a manner to avoid conflict of interest.

A prohibition on voting on matters which directly affect one's own agency, of course, does not prevent the considerable potential for logrolling. Thus the council's actions appear to be increasingly dominated by the program operators. Labor and client group representatives have had only moderate influence, and elected officials and business representatives have played almost no role in council decision making.

CHOICE OF SERVICE DELIVERERS

In its first year of operation the consortium board allocated funds so as to continue all pre-CETA categorical programs and operators at the same dollar amount per month as in 1974.[2] The remaining funds were set aside for the funding of new programs. Service deliverers for fiscal 1976 were chosen much the same way. One difference was the increased role played by the Planning Council. In April 1975 the council submitted the following resolution to the Administrative Board: "That the Administrative Board does not approve any on-going programs or renewal of programs until such a time that the Advisory Council has had a chance to evaluate the programs (pertaining to all titles)." The Administrative Board concurred in the resolution. On the same occasion, however, the board did reject several other council resolutions, such as the one introduced by the council's labor members suggesting that laid off union members be given priority for inclusion in programs. While some members of the Planning Council still feel that they do not play a significant role in planning, the staff tend to disagree and point to the following example. In late 1975 the staff surveyed the members of the Planning Council as well as members of the Administrative Board, to ascertain their perception of training needs and target group priorities. This survey indicated that council members considered female heads of households a high priority group. Largely on the basis of this survey, the consortium has developed programs specifically for such women.

When the board met in August 1975 to allocate fiscal 1976 funds, it had before it the original proposals, a set of recommendations from the administrative staff, and a set of recommendations from the Planning Council. This same procedure was followed in fiscal 1977. In most though not all cases, the consortium board has chosen to follow the funding recommendations of the staff. In allocating the fiscal 1975 contracts, the staff suggested that the out-of-school youth program be transferred from the Capital Area Economic Opportunity Committee to

[2]Ibid., pp. 59-84.

the Lansing School District or the Urban League. The consortium board rejected the suggestion at the time, but in May 1976, after the Capital Area Economic Opportunity Committee had continued to experience administrative, operational, and financial problems, the board was forced to authorize an abrupt mid-year termination of its contract. The consortium staff assumed operation of the program for the remainder of the contract period to prevent disruption of activities. Some observers feel that the only reason the Capital Area Economic Opportunity Committee was funded initially is that a number of board members had strong political ties to this former Office of Equal Opportunity community action agency.

During the fiscal 1976 funding cycle, the staff recommended against funding a work experience program proposed by the Youth Development Corporation. Although the Lansing School District already had such a program that was functioning well under CETA funds, the board overrode the staff's suggestion and gave a contract to the Youth Development Corporation. The charge was made by some Planning Council members that the board went along with this duplication only to keep the Youth Development Corporation from going out of existence. The Youth Development Corporation, on the other hand, asserts that it is better able to reach the most disadvantaged youth.

Again for fiscal 1977, the staff recommended against funding a local program operator that had an unsatisfactory management record. Contrary to the staff's advice, the consortium board funded United Migrants for Opportunity to provide services to the local migrant community. If the categorical programs had still existed and funding decisions had been made in the regional office of the Labor Department in Chicago on the basis of professional staff recommendations, programs such as the Capital Area Economic Opportunity, Youth Development Corporation, and United Migrants for Opportunity, might not have been funded. If local officials do tend to fund different program operators than those funded by the Department of Labor, the question still remains as to whether this is due to greater sensitivity to local politics or to greater insight into the needs of the local community.

As a result of the board's reluctance to completely drop any program operators, all of the agencies that operated Title I programs in fiscal 1975 were to receive consortium support in fiscal 1977. There were, however, changes in funding levels and program mix. The Urban League's small ($4,000) fiscal 1975 migrant farm worker program was discontinued and is now operated on a larger scale by United Migrants for Opportunity. The League, however, continues to be by far the consortium's largest

Title I operator. Perhaps because it is the only organization without a strong local constituency, the employment service is the only organization to have suffered a significant cut in funding. With the abolition of an unsuccessful coordinated job development program, the service lost three and one-half positions. The only Title I funds now received are for payment of training allowances and for bookkeeping services. The employment service provides eligibility certification and referral services for Titles II and VI under a nonfinancial agreement. Though this service is provided at no cost to CETA, the employment service is compensated by counting referrals to public service jobs as employment service placements.

Prior to CETA, seven Department of Labor categorical programs operated within the Lansing area. The six funded through direct contracts between the regional office of the Manpower Administration and the operating agencies had a combined fiscal 1974 budget of $1.8 million. The seventh, the Public Employment Program, was funded by grants to local governmental units. By CETA's second year this program mix had expanded considerably.

PROGRAM MIX

During fiscal 1976 the consortium funded 18 agencies under Title I and Title III (summer youth program) to deliver services under 25 projects. These agencies include the following:

Greater Lansing Urban League	Adult work experience, complete services center, on-the-job training, work experience for senior citizens, clerical component, and allied health services
Lansing School District	Summer program for economically disadvantaged youths and in-school youth work experience
Sol de Aztlan	Manpower services for resident Chicano population
Michigan Indian Benefit Association	Manpower services for Indian population
Capital Area Economic Opportunity	Out-of-school work experience
New Way In, Inc.	Work experience program for ex-offenders and on-the-job training

Friend of the Court	Placement services for ex-offenders, probational and on-the-job training programs
Community Design Center	Formal classroom training of minorities
United Migrants for Opportunity, Inc.	Work experience for Chicano and/or migrant workers
Lansing Community College	Less-than-class training in data processing, clerical training and bookkeeping, and auto mechanics
Michigan Employment Security Commission	Placement and payment allowance programs
Michigan Department of Education	Vocational rehabilitation
Youth Development Corporation	Work experience
Capital Area Career Center Vocational Evaluation	Ingham intermediate school district
Lansing Business University	Less-than-class skill training
Craig's College of Beauty	Cosmetology program

The city of Lansing and the counties of Clinton, Eaton, and Ingham also contracted with the consortium to operate Titles II and VI public service employment programs.

Title I programs operated by the agencies listed accounted for less than 25 percent of all fiscal 1976 expenditures (Table 2) but for 75 percent of all persons served. As can be seen in Table 3, only a small percentage of those served received skill training. Fifty-seven percent of all clients participated in the "services" program, which includes outreach, assessment, general counseling, referrals, transportation, day care, and legal services. In spite of the large numbers served by such programs, they represent less than 4 percent of total expenditures. The average cost for "services" was $56 per person, compared to $8,948 for classroom training, $1,558 for on-the-job training (OJT), and $683 for work experience. An average cost of $56 would seem to suggest that the services provided to many of these individuals is minimal. Many of these services are aimed at special target groups. Fourteen percent of the individuals served by these programs are handicapped, and 33 percent are exoffenders.

The next largest number of individuals were in work experience programs. These programs served 22 percent of all enrollees at a cost equal to 19 percent of total expenditures. Enrollees earned $2.30 per hour and worked a maximum 30 hours per week for an average of 13

TABLE 2 Expenditures by Title, Fiscal 1975 and Fiscal 1976: Lansing Tri-County Regional Manpower Consortium (thousands of dollars)

Title	Fiscal 1975	Fiscal 1976[a]
I	1,248	2,538
II	2,468	2,256
III	530	693
VI	234	5,499
TOTAL	3,716	10,986

SOURCE: Lansing Tri-County Regional Manpower Administration.
[a]Through September 1976.

weeks. About 90 percent of the work experience participants were economically disadvantaged youth; and 70 percent were full-time students. The program also served 198 adults, aged 22-54, and 76 persons over the age of 54. While some of the participants were employed as trainees in skilled trades, the majority of the work experience positions did not seem to provide any real training.

During fiscal 1976, classroom training and on-the-job training programs combined served less than one-third the number participating in work experience. Classroom training accounted for 4 percent of all persons served and 5 percent of all expenditures. While there has been no major change in size of the classroom training component, there has been a shift away from class-sized projects in specific subjects (e.g., clerical work, data processing, painting, and auto mechanics) to individual referrals on a voucher basis. The CETA administrator feels that such a voucher system is not only more efficient but also allows the

TABLE 3 People Served, by Program Activity, Titles I, II, and VI, Fiscal 1975 and 1976: Lansing Tri-County Regional Manpower Consortium

Activities	Fiscal 1975	Fiscal 1976[a]
Classroom training	184	498
On-the-job training	95	186
Work experience	1,775	2,600
Public service employment	819	1,806
Other services	2,875	6,693
TOTAL	5,748	11,783

SOURCE: Lansing Tri-County Regional Manpower Administration.
[a]Through September 1976.

student broader choices and replaces the stigma of being in a manpower program with the prestige of being a community college student. The training is provided at no cost to enrollees, who receive an "incentive allowance" of $2.30 per hour while they are being trained, for up to 40 hours per week. Of those enrolled, over 70 percent had previously completed 12 or more years of formal schooling (see Table 4). The average pretraining wage ($3.33) was higher than that received by any other group of Title I clients (Table 5). The relatively high pretraining wage suggests that the group receiving the most intensive training is also the group that in the past had experienced the greatest labor market success.

During fiscal 1976, only 1.6 percent of enrollees participated in on-the-job training programs, at a cost equal to 2 percent of total expenditures. Individuals participating in these programs, which last 7 to 44 weeks, appear to be relatively well educated. Seventy-five percent are high school graduates, and 28 percent possess some post-high school education. The Michigan economic situation appears to be the major constraint upon increasing the number of such training slots.

THE DELIVERY STRUCTURE

In fiscal 1976 each program continued to perform all activities from intake through placement. An unsuccessful attempt was made during fiscal 1975 to have the local employment service office operate a common job development program for all consortium programs. Some observers attribute the failure to the reluctance of program operators to share information on job leads, while others feel it was primarily a result of inadequate staffing by the employment service. It may be wrong, however, to interpret the absence of a single client intake or placement mechanism as indicating the absence of a comprehensive integrated manpower system. The consortium staff assert that the local system is integrated in that the program mix has been designed as a comprehensive package tailored to meet community needs.

There were plans to initiate in fiscal 1977 three client intake offices located in the more remote area of the consortium. These offices were to provide information about and make referrals to any of the programs operated by the consortium. It is too early to estimate what percentage of all intake will actually occur at them.

The best example of other ways in which CETA has linked local agencies is the consortium's female-head-of-household program. Under a nonfinancial agreement with the consortium, the local office of the

Michigan Department of Social Services refers female Aid to Families with Dependent Children recipients to the Capital Area Career Center operated by the Ingham Intermediate School District. The center provides these women with up to 5 weeks of vocational evaluation and pre-employment counseling. On the basis of this evaluation, clients are referred directly to job placement services, to the Urban League OJT program, or to classroom training under a voucher system.

Beginning in fiscal 1977 those women referred to the Urban League will be able to participate in a novel aspect of on-the-job training. Each client will be given a voucher to present to employers as they attempt to develop their own jobs. The client will also present the employer with a packet containing an introduction to the client, an explanation of OJT, a statement of the monetary value of the voucher, a sample contract, and a request that the employer consider hiring this person. Goals of this program are reduced administrative costs through the need for fewer job developers and an increased opportunity for self-sufficiency and free choice upon the part of the client.

The mechanism for handling referrals to classroom training is also innovative. To handle many of the coordination problems that accompany training under a voucher system, the consortium established and funds an office at Lansing Community College. This Classroom Training Coordination Unit is responsible for all classroom-related activities, including determining of the appropriate training program, scheduling the program, assisting the individual with application and enrollment procedures, and obtaining books and supplies. It provides services not only to those who attend the community college, but also to those who have used their voucher to enroll in one of the local proprietary schools. The CETA director feels that this coordination unit has been a key factor in the success of the voucher program. Not the least important function of the coordination unit is to perform the large amount of paper work required under CETA, thus removing one of the major reasons community colleges and others have been reluctant to become involved.

In addition, the unit is responsible for coordination between the Department of Social Services and the consortium in training welfare recipients. Social Services furnishes supportive services (e.g., child care and transportation costs) and welfare payments, while the consortium pays for training, books, and supplies. In addition, the consortium provides clients with an incentive allowance (which is disregarded as income by the Department of Social Services) up to a maximum of $30 per week per student. Thus the female-head-of-household program is a good example not only of how CETA can itself work with other agencies

TABLE 4 Participant Characteristics, Fiscal 1976[a]: Lansing Tri-County Regional Manpower Consortium

Characteristics	Classroom Training		On-the-Job Training		Work Experience		Services		Public Service Employment	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Place of Residence										
Clinton County	34	7	11	6	296	11	541	8	144	8
Eaton County	48	10	25	14	302	12	676	10	209	12
Ingham County	77	15	19	10	542	21	725	11	290	16
East Lansing	37	7	8	4	140	5	423	6	255	14
Lansing	302	61	123	66	1,320	51	4,328	65	908	50
Sex										
Male	168	34	118	60	1,484	57	4,455	67	1,244	69
Female	330	66	63	40	1,116	43	2,238	33	562	31
Age										
18 and under	56	11	18	10	2,047	79	686	10	32	2
19-21	120	24	54	29	279	11	1,610	24	298	17
22-44	305	61	106	57	182	7	4,007	60	1,351	75
45-54	13	3	7	0	16	1	274	4	95	5
55-64	3	1	1	0	43	1	83	1	29	1
65 and over	1	0	0	0	33	1	33	1	1	0
Education										
8 and under	39	6	8	4	323	12	516	8	26	1
9-11	113	23	39	21	1,836	71	2,093	31	175	10
High school graduate	273	55	87	47	378	15	2,538	38	841	47
Post high school	83	16	52	28	63	2	1,546	23	746	42
Family income										
AFDC	192	39	27	15	867	32	1,072	16	109	6
Public assistance, other	40	8	20	11	490	18	1,006	15	70	4

Economically disadvantaged	285	57	120	65	2,452	94	4,421	66	646	36
Ethnic group										
White	357	72	130	70	1,511	58	4,228	63	1,582	88
Black	113	22	39	21	812	31	1,653	25	184	10
American Indian	9	2	1	1	21	1	220	3	21	1
Other	19	4	16	8	256	10	592	9	19	1
Spanish-American	75	15	21	11	318	12	869	13	69	4
Limited English Speaking	26	5	4	2	54	2	80	1	42	2
Migrant	49	10	2	1	38	2	125	2	7	0
Veterans										
Recently separated	10	2	11	6	23	1	388	6	165	9
Special Vietnam	13	3	21	11	6	0	324	5	276	15
Other	10	2	6	3	4	0	399	6	172	10
Disabled	1	0	0	0	0	0	21	0	0	0
Other Classifications										
Handicapped	24	5	3	2	64	3	969	14	24	1
Full-time students	38	8	5	3	1,818	70	328	5	49	3
Offender	19	4	55	30	178	7	2,238	33	28	2
Labor force status										
Underemployed	59	12	19	10	34	1	545	8	310	17
Unemployed	350	72	156	84	681	26	5,799	87	1,422	79
Other	79	16	11	6	1,885	73	349	5	74	4
Receiving Unemployment Insurance	70	14	21	11	68	3	914	14	469	26
Female family head	172	35	30	16	170	7	1,009	15	206	11
Former manpower enrollee	47	9	14	8	769	30	807	12	166	9
School drop-out	116	23	55	30	444	17	2,628	39	193	11
Long-term unemployed	74	15	50	26	185	7	1,323	20	208	12

SOURCE: Lansing Tri-County Regional Manpower Administration.

[a]Through September 1976.

TABLE 5 Mean Wage Before and After Enrollment in Title I by Sex, Race, Education, and Activity, June 1976: Tri-County Regional Manpower Consortium

	Hourly Wage, dollars			Number of Enrollment		Placement
Category	Before	After	Change	Persons	Percent	Percent
Total Title I	2.94	3.36	0.42	286	100	100
Sex						
Male	3.38	3.48	0.10	149	63	52
Female	2.51	3.22	0.71	137	37	48
Ethnic group						
White	2.97	3.24	0.27	182	60	64
Black	2.82	3.34	0.52	50	25	18
Spanish American	3.00	3.70	0.70	54	15	18
Education						
8 years and under	3.34	3.34	0	13	8	5
9-11 years	2.91	3.39	0.48	52	38	18
12 years and over	2.85	3.33	0.48	221	54	77
Classroom training	3.33	3.70	0.47	40	—	—
On-the-job training	2.67	3.07	0.40	54	—	—
Work experience	2.35	2.98	0.63	54	—	—
Services	3.21	3.53	0.32	138	—	—

SOURCE: Lansing Tri-County Regional Manpower Administration.

but also of the role a prime sponsor can play in fostering links among such agencies. In this case the CETA program has clearly strengthened relationships between the State Department of Social Services and local vocational education programs.

Originally operated under Title I funding, an expanded female-head-of-household program has now been funded under the Title III National Program for Selected Population Segments. The Title I funds thus released were to be used in part to support another new program for women. In conjunction with the International Brotherhood of Electrical Workers and the Human Resource Development Institute the consortium planned to support in fiscal 1977 a preapprenticeship training program for women wishing to become electricians. This project guarantees that women who complete the training and pass an apprenticeship test will go into the apprenticeship program. Those who complete the program but do not pass the test will receive job assistance through the Human Resource Development Institute and the International Brotherhood of Electrical Workers.

PUBLIC SERVICE EMPLOYMENT

Public Service Employment (PSE) under Titles II and VI accounted for about 70 percent of the funding received by the consortium in fiscal 1975 and for close to 100 percent of the publicity CETA received in the local media. Though none of the governmental units in the consortium area have been forced to lay off workers, most are under considerable fiscal pressure and have welcomed CETA funding. Most PSE employees have been placed in local governmental or quasi-governmental (e.g., school district and Capital Area Transit Authority) units. Less than 5 percent have been placed in private nonprofit or state agencies. Though the staff believe that a special projects approach to creating PSE jobs could have been more widely used, the local elected officials have usually chosen to emphasize regular public sector jobs. The range of occupations held by PSE-funded employees is considerable and employees include laborers and clerk typists up through mid-level administrators.

Not surprisingly, the characteristics of individuals participating in Titles II and VI programs differ from those of individuals in Title I programs. As can be seen in Table 4, the PSE clients are more often white, older, better educated, and receiving unemployment insurance (recently employed). They are less likely to be students, exoffenders or economically disadvantaged. This difference has lead some local officials to charge that the Lansing PSE program has never really served the hard-core unemployed "because the money was used to hire the people who would have gotten the jobs anyway."[3] The explanation may be that Title I operators focus outreach and programs on those least ready for jobs, while the personnel departments of the various governmental units seek to hire the best-qualified individuals who meet the CETA eligibility requirements.

That very few of the individuals completing Title I training have been successfully placed in Titles II or VI PSE slots reinforces the differences between the two client groups. It is not clear whether this is due to bureaucratic barriers to the coordination of the parties involved (the prime sponsor, Title I operators, the Michigan Employment Security Commission, which certifies eligibility for PSE, and the government agency doing the hiring) or because local governmental employers may not perceive Title I graduates as highly qualified applicants. In either case, the local Urban League, which is the consortium's largest Title I operator, has decided that it is easier to place its clients in non-PSE jobs.

[3] "CETA Helps City Hall," *Lansing State Journal*, June 13, 1976, p. E-1.

Predominately rural Clinton County has developed a different mechanism for using PSE funding. In the past, Clinton commissioners had accepted requests from individual municipalities, set priorities, and then allocated CETA dollars to local units that did their own hiring. The problem was that the less populous rural communities had not been able to take advantage of the federal funds because they had no salaried personnel to supervise workers. The solution agreed upon by all 16 of Clinton County's townships was to form the nonprofit Clinton Development Corporation.

The Clinton Development Corporation uses CETA funds to pay a supervisor and 16 workers, divided into 4 work crews that are rotated among the townships. The crews have been used primarily to debrush local roads and repair and paint township buildings. The Clinton Development Corporation became so popular that Clinton now requires individuals receiving general assistance from the county to work off the benefits they receive. There has even been some talk of asking judges to let offenders work off their sentences with the Clinton Development Corporation rather than spend time in jail.

NET JOB CREATION EFFECT OF PSE

Determining the percentage of PSE slots that represent jobs that would not have existed in the absence of CETA is difficult. There is, however, anecdotal evidence that at least some CETA funds are supporting jobs that would otherwise have been financed by expanded local budgets. Lansing's manpower director is quoted as saying that "CETA employment has reduced, if not stopped altogether, the expansion of the budget."[4] An Eaton county commissioner explained that when the county thought PSE funding would end, the county planned to lay off only half of the approximately 35 PSE employees. When instead the CETA funding was extended, all 35 employees continued to be charged to CETA. Thus this extension of CETA funds paid for 35 slots but actually only expanded employment by half that number.

A similar example in Delhi township in Ingham County is described in the *Lansing State Journal*.[5] The township revised its 1977 budget upon learning that a continuation of CETA funds would be available to pay the salaries of seven employees. The township had planned to pick up the salaries of these seven CETA-paid workers (two fire dispatchers, three policemen, and two office workers) but instead planned to use the release

[4]Ibid.

[5]"Delhi revises budget," *Lansing State Journal*, Nov. 18, 1976, p. B-5.

funds for a new photocopy machine, development plans for the cemetery, and road and street improvements. Even if these positions were all additional jobs when first funded, the net direct job creation ratio for this extension of PSE funding was zero.

Examples such as these technically are not violations of CETA's maintenance of effort requirement. On the contrary, they can be perceived as compliance with the request that CETA employees be transitioned into regular positions upon termination of CETA funding. What such examples do suggest is that the net job creation effect of a PSE extension will be less than the net job creation of the initial PSE funding. Once local officials and the local community become used to receiving the services provided by PSE employees, there will be strong political pressures to maintain at least a portion of these services. Thus, in many cases, a short-term PSE program can result in a long-term expansion of employment within state and local government. The local CETA director would favor a 1-year limit on all PSE positions and PSE job holders in order to maximize PSE's job creation effect.

EVALUATION

Most Title I program operators feel that evaluation and monitoring is both more frequent and more rigorous than it had been under pre-CETA programs. The consortium uses what it terms an Overall Performance Rating System (OPRS). An effectiveness score for each program is derived from points assigned to such measures as placement rate, 30 day retention rate, pre-post wage change, and the percentage of target group individuals (e.g., disadvantaged, high school dropouts, etc.) among those served. The effectiveness score is then reduced by 5 percent for each $1,000 in average cost per placement to yield an overall performance rating. The complete list of variables considered and weights assigned to each are shown in the appendix. There are several dangers in such a system. Since there is no control group, at best it would be possible to make comparisons between programs but impossible to distinguish between a situation in which all programs were highly effective and one in which all programs were ineffective. Such a system can also induce creaming, selecting the candidates most likely to be successful. Under the current weighting system, creaming would result in a low target group score, but this could be more than compensated for by higher placement and retention rates and lower costs per placement. One of the larger Title I operators does, in fact, admit enrolling a smaller percentage of minorities in order to achieve an acceptable overall performance rating.

Such a system does have the value of making explicit the weighting applied to each of a series of multiple objectives. It is not clear, however, that all members of either the consortium board or the advisory council fully understand the assumptions underlying the current weighting system, e.g., that eight follow-up phone calls are worth the same number of points as one placement. Nevertheless, the staff believe that reducing evaluations to a single quantifiable measure increases the rationality of the management process. They explain that a consortium board member is less subject to political pressures when decisions can be defended as based on quantifiable measures. In spite of its limitations, this system is apparently more advanced than that used by most prime sponsors in the region, and a number of them have sought to emulate the Lansing model.

PROGRAM OUTCOME

The most obvious effect of CETA has been the infusion of the federal dollars into the local economy. During fiscal 1976, the Lansing Tri-County Regional Consortium spent $11 million to serve 11,800 residents. This expenditure represented 20 percent of the total combined budgets (excluding education) of the five political jurisdictions making up the consortium. The effect these expenditures had upon the future labor market success of participants is difficult to determine.

Of the approximately 9,600 individuals who terminated these programs during fiscal 1976, 21 percent were reported as leaving the program for unsubsidized employment. Another 34 percent represented other positive terminations, i.e., they entered school, the armed forces, or another activity expected to increase employability. This, of course, leaves 45 percent who left the programs for other reasons. Unfortunately, sufficient data are not available to say whether the 21 percent obtaining unsubsidized employment represent a larger number than would have found such employment without assistance from CETA.

The data shown in Tables 5 and 6 are illustrative of the experience of those individuals placed upon completion of local CETA programs. It is not clear why Black and Spanish-American enrollees gained more in terms of wages than did whites. While females experienced much larger wage gains than did males ($0.71 versus $0.10), their posttraining wages are lower even than male pretraining wages ($3.22 versus $3.38). The insignificant 3 percent wage increase experienced by male participants does cause one to seriously question the value of the CETA services and training received by this group. Such data must, however, be interpreted extremely cautiously. In most cases it is probably reasonable to assume

TABLE 6 Job Placement by Program Activity, Title I, June 1976: Lansing Tri-County Regional Manpower Consortium (percent)

Occupation	Classroom Training	On-the-Job Training	Work Experience	Services	Total
Professional, technical, and managerial occupations	15.4	39.6	9.3	10.2	15.7
Clerical and sales occupations	71.8	30.2	25.9	24.1	31.4
Service occupations	7.6	0.0	24.1	20.5	16.0
Farming, fishing, forestry, and related occupations	0.0	1.9	0.0	0.6	0.6
Processing occupations	0.0	0.0	5.6	2.4	2.2
Machines trades occupations	2.6	13.2	7.4	8.4	8.3
Bench work occupations	0.0	5.6	3.7	4.2	3.9
Structural work occupations	0.0	1.9	13.0	18.1	12.2
Miscellaneous occupations	2.6	7.6	11.0	11.5	9.7
TOTAL	100.0	100.0	100.0	100.0	100.0

SOURCE: Lansing Tri-County Regional Manpower Administration.
NOTE: This distribution is based on a sampling of 39 successful placements of classroom trainees, 53 on-the-job training trainees, and 54 work experience and 166 services program participants.

that some wage improvement would have occurred even if the individuals had not participated in a CETA program. On the other hand, the staff point out at least one notable exception to this. The exoffender programs might be considered successful even if they only prevent the decrease that frequently occurs between pre- and postprison earnings.

Individuals participating in classroom training had the highest before and after training wages. Individuals in the work experience program had the lowest before and after program wages, but they enjoyed the largest wage gain. The CETA administrator cites this relatively large wage gain among work experience participants as evidence that such programs may in fact be more beneficial than is generally acknowledged. Another possibility is that the work experience participants, 90 percent of whom are under 21 years of age, simply begin at the minimum legal wage and then experience the normal wage progress that accompanies maturation. In sum, it is simply not possible to determine what proportion of the observed wage change is attributable to participation in the program.

An examination of the quality of placements is of little value unless it is combined with a consideration of both the number placed and the cost per placement. The Lansing consortium appears to perform well in both of these categories. Data supplied by the consortium staff indicate that for fiscal 1976 the consortium accounted for 15 percent of Michigan's

Title I placements though only 5 percent of the state's Title I expenditures. This, of course, implies a low cost per placement. The staff do report an average consortium cost per placement of $1,414, far below the statewide average of $6,017. The explanation for these low costs is partly because the consortium appears to be a tightly managed, efficient organization. A second major factor is the program mix established by the consortium. For example, the consortium balances very expensive programs such as Senior Citizen Work Experience, which in fiscal 1976 placed two persons at a cost of $85,983 per placement, with programs like the Friend of the Court, which in the same quarter placed 533 persons at a cost of $151 per placement. This tremendous range occurs because the first program is not primarily placement oriented while the latter provides services and placement assistance, but not training, to relatively employable individuals imprisoned for defaulting on child support payments. Since prime sponsors do not serve identical client populations within identical labor markets, cost-per-placement figures are a poor device for judging relative effectiveness or efficiency.

The Senior Citizen Work Experience program is itself a good example of how costs per placement can simply be by-products of strategies aimed at other program objectives. Viewing Senior Citizen Work Experience primarily as income maintenance, but also as supporting a popular nutrition program, the consortium board had not objected to its high cost per placement. The board was concerned, however, that many of the senior citizens had been in the program for more than 2 years. In an effort to spread the work experience funds among a larger number of persons, the board placed a 1-year limit upon participation. The results were surprising, in magnitude if not in direction. During the first 5 months following this announcement, 21 individuals were placed in nonsubsidized employment as compared to only 2 such placements in the previous 12 months. This, of course, drastically lowered the program's cost per placement figure.

CONCLUSIONS

The major conclusion derived from the preceding analysis is that overall, the consortium is a well-managed, efficient organization. The transition from categorical programs to CETA proceeded smoothly. In the 3 years since its creation, the consortium has gained a reputation among local and state officials, as well as the regional Department of Labor office, as an example of how well CETA can work.

This success is no doubt due in part to the competence and management orientation of the Lansing Tri-County Manpower Administration. The staff has emphasized its role as consortium managers and management consultants to program operators and avoided becoming an operating agency. Specific management techniques have been copied by other prime sponsors. The DOL regional office in Chicago has requested that the staff run training sessions in subgrant management for other prime sponsors. The CETA director was one of 23 prime sponsor representatives invited to serve on Assistant Labor Secretary William Kolberg's advisory panel. The consortium staff have also been fortunate in having organizations to work with that were experienced in the operation of manpower programs.

No significant interjurisdictional disputes have arisen since its formation and the consortium appears quite stable. In spite of the considerable turnover among the elected officials serving on the consortium board, there has been no change in the high level of cooperation, support, and operating autonomy this group has given the staff. The only real disagreements have concerned the refunding of Title I operators with questionable management records. These disagreements were resolved in a manner that allowed all agencies receiving consortium funding in fiscal 1975 to continue to receive funding in fiscal 1976 and fiscal 1977. Had funding levels dropped significantly during this period, it might have been difficult for the consortium to maintain the harmony it has enjoyed to date.

On the other hand should training funds be greatly expanded in the near future, the consortium might have trouble locating enough high quality classroom training or OJT slots. This could force an increase in the percentage of Title I funds devoted to work experience. Work experience in fiscal 1976 already received almost twice the Title I funds allocated to on-the-job and classroom training combined ($1.7 million versus $0.9 million). Since it is not clear that such work experience always incorporates a strong training component, this may be one of the major weaknesses of Title I programs as delivered by this and other prime sponsors.

While the efficiency with which CETA was implemented in the Lansing Tri-County area was generally acknowledged, some observers faulted the consortium's fiscal 1975 delivery system for its lack of innovation and integration. Progress is being made in both of these; for example, the female-head-of-household program described earlier and the establishment of the three out-county client intake offices. Other attempts, such as the coordinated job development program, were not successful and have been discontinued.

Public service employment under Titles II and VI has been by far the most visible dimension of the local CETA program. While there has been concern among some as to whether PSE was really serving those who needed it most, it is clear that minorities have been overrepresented relative to their percentage in the local population. Since most of the local governments are operating under very tight budgets, the PSE slots have been easily absorbed and there have been no charges of "make work" or "leaf raking." The danger is that the same difficult fiscal situation that insures the effective use of PSE employees, may create a strong incentive to use PSE money to reduce local government expenditures. Unfortunately, the extent to which this occurs, and hence the true net job creation effect of PSE, defy measurement.

In sum, the Lansing Tri-County Regional Consortium appears to be doing an unusually good job of managing and delivering CETA services. While good management is clearly an important determinant of the effectiveness of CETA, any comprehensive evaluation of the lasting results of these programs is beyond the scope of this study.

APPENDIX

Variables and Weights for Performance Rating System °

$OPRS_{ij} = (E_{ij}C_{ij})$

E = Effectiveness Rate = $\dfrac{4P + 0.5F + 0.5R + 2T + W + 2EN}{1{,}000}$

C = Cost Factor = $(1 - \dfrac{\text{Cost Per Placement}}{20{,}000})$

i and j = Individual Agency and Quarter

P = Placement Rate = $\dfrac{\text{Number of Placements}}{\text{Number of Terminations}} \times 100$

F = Follow-up Rate = $\dfrac{\text{Number Contacted in 30 Days}}{\text{Number of Terminations}} \times 100$

R = Retention Rate = $\dfrac{\text{Number of Jobs Retained in 30 Days}}{\text{Number of Placements}} \times 100$

W = Post-Wage Index = $\dfrac{\text{Wage After} - \text{Wage Before}}{\text{Wage Before Participation}} \times 100$

T = Target Group Index = $\dfrac{UTT + BLK + VTRN + EXOF + SPNS + PMH + LTU + FHH + N}{9}$

EN = Actual versus Planned Enrollees = $(\dfrac{\text{Number of Actual Enrollees}}{\text{Number of Planned Enrollees}}) \times 100$

UTT = Under 22 years = $\dfrac{\text{Number Under 22}}{\text{Number Served}} \times 100$

Numbers are predetermined relative weights.

BLK = Blacks = $\dfrac{\text{Number of Blacks}}{\text{Number Served}} \times 100$

$VTRN$ = Veterans = $\dfrac{\text{Number of Veterans}}{\text{Number Served}} \times 100$

$EXOF$ = Exoffenders = $\dfrac{\text{Number of Ex-Offenders}}{\text{Number Served}} \times 100$

$SPNS$ = Spanish Americans = $\dfrac{\text{Number of Spanish-Americans}}{\text{Number Served}} \times 100$

PMH = Physically, Mentally Handicapped = $\dfrac{\text{Number Handicapped}}{\text{Number Served}} \times 100$

LTU = Long-Term Unemployed = $\dfrac{\text{Number of Long-Term Unemployed}}{\text{Number Served}} \times 100$

FHH = Female Head of Household = $\dfrac{\text{Number of Female Head of Household}}{\text{Number Served}} \times 100$

NA = Native Americans = $\dfrac{\text{Number of Native Americans}}{\text{Number Served}} \times 100$

8 St. Paul, Minnesota

JAMES E. JERNBERG

The city of St. Paul, Minnesota, is one prime sponsor of the Comprehensive Employment and Training Act (CETA) in a metropolitan area that includes five other prime sponsors. CETA activities reported here are confined to a geographic area that comprises about 15 percent of the population (310,000) and no more than 2 to 3 percent of the land area in the seven-county metropolitan area. Within that area, St. Paul has developed a comprehensive manpower program with heavy emphasis on counseling and individual programs for participants.

MANPOWER PLANNING BEFORE CETA

Semblances of manpower planning in St. Paul date back to 1967, when a Comprehensive Area Manpower System (CAMPS) committee made up of local representatives of federal departments whose activities impinged upon manpower activities in the entire metropolitan labor market was formed. In addition, the area supervisory of the employment service served as chairman. Later, membership was expanded to include some labor and client representatives. The committee had no resource

James E. Jernberg is affiliated with the School of Public Affairs, University of Minnesota.

allocation influence, and its role was largely limited to information gathering and sharing. Its major accomplishment was the move to establish skills centers in the Twin Cities area.

The CAMPS committee folded when the Nixon administration provided funds to local governments to embark on manpower planning and establish a Manpower Area Planning Council (MAPC). During 1971 and 1972 a director was hired, but no council formed. Late in 1972, a new mayor under a new, strong mayor-council regime in St. Paul hired a new director and staff. Their task was to develop a comprehensive manpower plan for the St. Paul manpower planning area, which included all of Ramsey County (St. Paul plus the suburban remainder of the county).

Early in 1973, the mayor appointed a 30-member manpower council to serve in an advisory capacity in the development of the fiscal 1974 manpower revenue-sharing interim plan. When CETA was enacted in December 1973, the mayor appointed the 30-member (later 29-member) interim council as the CETA Manpower Planning Council, for, as originally constituted, it met CETA requirements.

St. Paul was part of the focus of the CAMPS committee designated to coordinate manpower in the entire seven-county area. This was followed by a vacuum period when the CAMPS committee "evaporated" and St. Paul mayors chose not to form advisory councils to accompany the creation of federally supported manpower staff. An interim manpower council related to the development and submission of a manpower plan for fiscal 1974 for Ramsey County was then created. Finally, CETA was enacted, and the interim council was transformed into the St. Paul Manpower Planning Council.

The representation of the pre-CETA council came from areas and clients within the city of St. Paul. Even while manpower planning allegedly covered all of Ramsey county, it was clear that the focus was on the city of St. Paul. This situation led the Ramsey County Board to seek separate "rest of Ramsey county" designation as a prime sponsor. In May 1974 that designation was granted. Since then the St. Paul prime sponsor responsibility has covered only the city of St. Paul.

CETA PLANNING

The participants in manpower planning under CETA have included the mayor, the manpower planning staff assigned to the office of the mayor and responsible to him, and the manpower planning council. The planning staff also provides assistance to the council.

TABLE 1 Composition of Manpower Council, Fiscal 1975, 1976, 1977: St. Paul, Minnesota

	Representatives on Council		
Agency or Group	Fiscal 1975	Fiscal 1976	Fiscal 1977
Employment service	1	1	1
Vocational education	1	1	1
Other local public agencies	3	1	1
Elected officials	1	1	1
Business and industry	7	6	6
Labor	5	4	4
Community-based organizations	2	0	0
Client-group representatives	9	10	9
TOTAL	29	24	23

COMPOSITION OF THE COUNCIL

Membership of the council dropped from 29 in fiscal 1975, to 24 in 1976, and 23 in 1977. It reflects a broad combination of relevant groups and interests as shown in Table 1.

The principal change has been the removal of two program operators (the Urban League and Jewish Vocational Services), following a local rule that if an organization operates a program, it may not be represented on the council. St. Paul does this to avoid charges of a conflict of interest but is not consistent, since the employment service and the St. Paul Area Vocational and Technical Institute, both program operators, retain membership. Reductions in the business and labor groups result from evaluation of the membership following the first year by the mayor and staff.

Since 1973 the manpower planning staff had been developing a working philosophy that included (1) a psychological foundation that called for the removal of a "parent-child" relationship between government and client, thus separating manpower programs and welfare concepts, and the development of motivation, which called for a policy of no stipends; (2) an efficiency foundation that gave priority to working with those who have the greatest chance of succeeding, which some call "creaming"; (3) a willingness to rely on existing programs provided they conformed to the political foundation of central (prime sponsor) control through coordination and development of a new delivery system. There would be no independence nor autonomy apart from the prime sponsor.

This philosophy led to a staff concept of an integrated comprehensive manpower training system for which the staff got the support of the mayor. The St. Paul staff had a philosophy and a running head start on manpower planning before CETA was passed.

From the staff perspective, the problem was to get concurrence for the organizational design and component responsibilities from the members of the council, many of whom were pre-CETA program deliverers or likely client representatives. Rather than convene the full council to review the plan, the staff devised a system of small group consultation. Settlements on parts of the plan were reached with each small group (usually program deliverers) affected by that part of the plan. Disagreements over particular portions were settled at this level by the mayor.

Where the plan affected existing deliverers of services, e.g., the Urban League on-the-job training (OJT), the manpower staff and the Urban League got together, sometimes with the head of the council, and discussed the proposed plan as it affected the Urban League. They had major differences over the question of whether the Urban League could continue its OJT operation with CETA funds at its existing client-oriented location. They reached a compromise whereby the Urban League would be able to operate at both its existing location and as part of the new integrated coordinated central system, by having some of its primary staff located at the city CETA headquarters.

In the case of the proposal to abandon the St. Paul Skills Center in the St. Paul Area Vocational and Technical Institute, both the employment service and the vocational education staff were opposed. Here the CETA staff insisted on the demise of the skills center and the mayor supported the staff. In the area of stipends, there was opposition, discussion, and then staff insistence, supported by the mayor.

Thus, when the full planning council met to pass on the plan and grant proposal in July 1974, it did just that—in one evening session. This has led to a highly skeptical and cynical view of the use of the council in St. Paul, especially by those who were not direct participants in the program component consultations. To them the 1975 plan was a *fait accompli*. While there was council discussion on the new delivery system, on the matter of eliminating existing programs and adding others, and while there were many opposing views on fundamental matters discussed, nothing was done to meet the criticisms, and the final document remained the one presented to the council.

Planning staff argue that this is an incomplete and therefore inaccurate portrayal. The manpower staff feel that the council, in terms of its separate members, made several contributions to the plan, altering it in many instances, and that the plan reflects the influence of the council. They also stress the advisory nature of the council, with the mayor as the decision maker. The staff had mayoral support on all new directions it wished to pursue, and the mayor backed the staff when those new thrusts met major opposition. He sanctioned the basic philosophy of the plan, and he mediated, then decided, when major differences persisted. Yet those who believe in full "open covenants, openly arrived at" could view the plan as foisting a predetermined plan on a helpless, called-to-order-for-one-meeting body. This was especially the reaction of those on the council who were not part of the need-to-be-involved-to-resolve small groups.

ASSESSMENT OF THE PLANNING PROCESS

The first-year plan, highly innovative in philosophy, organizational design, delivery system, and target populations, remained virtually the same in 1976. Changes have been minimal. Four subcommittees of the planning council have been created:

1. Job development, training, and labor market information.
2. Public relations and agency coordination.
3. Adult and youth public service employment.
4. Affirmative action.

The staff serves these committees and the full council as needed. The staff perceived a need not for redesign of the plan but rather for job development and identification. Staff feels that with the system in place, there are few fundamental questions to discuss and the council should be used where the prime sponsor feels the council can help—currently, in job identification.

The manpower planning council has become even less active and independent. This was almost inevitable, given the basic premise in the first year that CETA was the mayor's program, that the council was advisory only (the council as such, has not participated in the planning for Titles II and VI). As the staff brought fewer and fewer matters before the council for decision or affirmation, members found it more and more attractive to miss meetings. The planning council in St. Paul is not a viable institution as presently constituted, at least from the point of view of its members. The issue revolves around the meaning of "advisory" and the willingness of members to accept the least influential meaning of the term. (There is no doubt that the prime sponsor opposes the notion of a decision-making council—à la Model Cities.)

The principal flaw in the St. Paul system is the role of the planning council. It is a "hair shirt"—for the prime sponsor in having to explain its general disuse and for the council members in having to explain their nonattendance when a rare meeting is scheduled. It is not that members were misled at the outset, for they were told the council would be advisory only—but many members came to the council from an era and experiences that were both participatory and influential. After 2 years of CETA, the original apprehensiveness over the plan is gone. There are no complaints about the results of the process—indeed, there are compliments—but there is the nagging concern about process—that the planning council is not included in the planning decisions.

ADMINISTRATION

PRE-CETA ADMINISTRATIVE SYSTEM

Manpower programs in St. Paul were administered by a variety of governmental and private agencies before CETA. Classroom training was provided through the St. Paul Skills Center in the St. Paul Area Vocational and Technical Institute and by the employment service through individual referrals. On-the-job training programs were administered by the Urban League, the Manpower Development and Training Act (MDTA) Jobs Optional Program (JOP) under the employment service, and the Job Opportunities in the Business Sector/National Alliance of Businessmen (JOBS/NAB) project, also in conjunction with the employment service. Work experience was provided through the St. Paul School district (number 625) and the Neighborhood Youth Corps (NYC) in-school and summer programs, as well as by the Jewish Vocational Service Neighborhood Youth Corps out-of-school program. Finally, public service employment was provided by the city of St. Paul through the Emergency Employment Act. Program management was dispersed among local government, local public education, state manpower, and local and regional private agencies. The principal relationship between the city of St. Paul and these manpower programs was in the preparation and approval of the 1974 St. Paul area manpower plan.

Under CETA, the city of St. Paul has moved dramatically to take over the administration of manpower programs by establishing a coordinating overlayer (the manpower office), an entirely new organizational design for the coordinated delivery of services, budget planning, monitoring, and evaluating of manpower programs.

ADMINISTRATION UNDER CETA

Since the fall of 1972, the Office of Manpower Planning had been the organizational unit for manpower planning. With the arrival of CETA, this office, now called the Manpower Program and Planning Office, became responsible for administration as well as planning. In the first year, the manpower office was functionally part of the office of the mayor. This organizational proximity (though physically located in another building) signalled the mayor's support of staff recommendations and actions. During 1976, at the request of the CETA administrator and at about the time the mayor announced he would not run for re-election, the manpower office became a regular line agency within the Department of Community Services, the head of which reports to the mayor. The move was designed to assure stability to the manpower program.

Most administrative functions have been centralized. The manpower office is organized according to three functions—administrative support, program management (Titles I, II, and VI), and control. Fiscal management is exercised through the city finance department. Overall administrative management is the responsibility of the director, with various functional responsibilities assumed by personnel who are also responsible for planning. In this way, planning and administration roles are blended.

Subcontractors have retained some management responsibilities. The Urban League, for example, still has the authority to contract for all OJT arrangements, but it sends reports to the manpower office, twice monthly in the case of cash projections. Monitoring and evaluation of the Urban League contract is handled by the manpower office. One concludes that adminstrative centralization is the most apt characterization of the St. Paul program, but it is not a stifling centralization.

Another aspect of CETA administration that deserves notice here, but will be described more fully in the section on delivery systems, is the creation of the St. Paul Career Guidance and Training Center. The center, located in the CETA headquarters building, is the one stop intake, counseling, and referral center for CETA. It is the physical sign of the innovative delivery system of this city. The center is managed by the Jewish Vocational Service.

THE DELIVERY SYSTEM

BEFORE CETA

The organization of manpower programs before CETA was fragmented. The employment service was involved in classroom training through its intake, counseling, and referral roles under MDTA. The ES channeled people into individualized training and into the St. Paul Skills Center. The employment service ran the JOP project and was involved in the JOBS program with the National Alliance of Businessmen. In addition, the St. Paul school district operated the NYC in-school and summer programs of work experience. The Jewish Vocational Service, which has performed guidance and placement service for the Jewish community since 1946, had an NYC out-of-school contract. Finally, the St. Paul Urban League operated an OJT program.

The employment service was the primary agent in manpower programs. It coordinated with the area vocational education agency and the National Alliance of Businessmen in some services, but there was little or no coordination with the school district, the Urban League, or the Jewish Vocational Service. In the case of classroom MDTA training, the employment service was the coordinator of service (intake, referral, and, later, placement). OJT programs, however, were run separately—the Urban League attracted its own clients and had a separate process, and the Jewish Vocational Service attracted its own clients and developed its own process. There was considerable duplication, yet no guarantee that those who could best profit from OJT would be appropriately served. St. Paul resembled the classic case of the consequences of uncoordinated categorical programs for special purposes, whether from the perspective of bewildered clients and their needs, or from the standpoint of those concerned about coordinated management.

CETA DELIVERY SERVICE

The system under CETA is dramatically different. Conceptually, it is a comprehensive system. The prime sponsor reviews all programs and deliverers to assess the appropriateness of their participation in the organizational design. The St. Paul system is a two-part, one-system approach. There is the career exploration and employment project for youth and the St. Paul Career Guidance and Training Center for adults. For the youth project, a contract was negotiated with the school district to provide career education; in-school, part-time job development; and placement, career counseling, and summer employment. This replaced the previous summer categorical grants to the school district. Two hundred youth are selected from each sophomore, junior, and senior high school class for participation in this program.

The guidance and training center is organizationally more elaborate. The center was established in a building in downtown St. Paul to provide individual career planning, job development and placement, aptitude and interest assessment, on-the-job and institutional training, personal counseling, and coordination of services. Originally intended only to serve Title I programs, the center has adapted and accommodates all CETA programs.

The center is a cooperative project of the Jewish Vocational Service, the St. Paul Urban League, the school district, the employment service, and the city of St. Paul. The Jewish Vocational Service was selected to administer it and to provide the services for which it is most noted—counseling, testing and assessment, and job development. Rather than have its sucessful OJT program totally folded into the center, the Urban League was able to retain that operation at its headquarters, the only deliverer to do so. An additional staff position was awarded the Urban League so as to allow the assignment of a contract developer to the center while the headquarters operation was maintained intact. This was a major deviation from the concept of centralization. The effect is that the Urban League can continue to perform at its own location the OJT function upon which much of its reputation is based, at the same time that its expertise is brought to bear on the OJT aspect of manpower programs in general. To avoid duplication, the Urban League's project was expanded to cover the entire city, while the other OJT programs were dropped. The Urban League staff coordinates its activities with the National Alliance of Businessmen.

The St. Paul Area Vocational and Technical Institute continues to provide institutional skills training but only by accepting individuals selected by the staff of the center. Thus the entire range of skills training and basic education offered by the institute is available to a CETA enrollee, according to his interests and aptitude. A contract to provide training for 130 enrollees was arranged for the first year. No upper limit restricted the second year. The focus on the individual needs of clients led to the prime sponsor's insistence that the skills center be terminated. In instances where appropriate training is not available at the institute, funds are available for referral of the participant to other private or public training institutions.

The employment service was awarded a contract that provided for the assignment of 10, later 11, employment service staff to the center to perform counseling, clerical work, and job placement duties and to develop a job training bank—a compilation of employers who provide training and the types of occupations they train for. This information is available to the counseling and job development staff to serve as an alternative to CETA-financed training.

St. Paul thus has a single center for all manpower services. At the center, all staff are functionally responsible to the center director, but they are administratively responsible to their parent organization. St. Paul has a new organization but is relying on the services of previous deliverers through subcontracting, on the prime sponsor's terms and under the direction and monitoring of the prime sponsor. The St. Paul design focused on the individual's needs and careful assessment of the relative capabilities of the various deliverers of manpower services. Its creators sought a comprehensive system that avoided duplication and was cost effective. By 1976 the system had become even more comprehensive and integrated, since, originally, skeptical subcontractors identified more easily with the center and since the prime sponsor began to work with groups in the manpower area that had never been CETA subcontractors.

The St. Paul manpower office designed a system that answered the question, "Who could do what best under our leadership?" Programs have been eliminated (JOBS Optional, Skill Center, and New Careers), a new structure has been created (Career Guidance and Training Center), separate processes have been folded into one comprehensive process at the center, and clientele have the opportunity to receive full service at one stop.

The design obviously resulted in winners and losers. The role of the Jewish Vocational Service increased, while the local vocational education institution had to restructure its operation. The function of the employment service has been subsantially reduced in the new schema, having only contracted 11 positions under the functional jurisdiction of the center.

THE EMPLOYMENT SERVICE

The employment service was the major center of manpower planning and programming during the CAMPS period. The area supervisor, as chairman, appointed members to the committee, provided the secretarial staff, was responsible for assembling the plan, and also was instrumental in the establishment of the skills center at the area vocational and technical institute. In the eyes of the chairman, the only problem with the old CAMPS committee system was that it did not work. The plan was but a "recital of individual unit's plans." Nonetheless, the committee had some negative clout, since it tried to prevent overlapping and duplication.

By fiscal 1974, the old CAMPS committee had ceased to exist, and the mayor appointed an interim council with the area supervisor serving as a member. When that council became the CETA council in early 1974, the employment service representative continued as a member. Thus, from a central role in ineffective manpower planning to an ineffective role in major manpower planning has been the fate of the local employment service. The employment service still provides the labor market and demographic data used in planning and to that extent continues to have a role in the process.

Administratively, the pre-CETA employment service was totally responsible for MDTA institutional training, including recruitment and payment of allowances for the skills center, and it also provided all other services in the JOBS/NAB OJT program. It was not involved in the Jewish Vocational Service, the Urban League, or the St. Paul school district's programs.

Since CETA, the employment service has had no responsibility for operating programs. Two programs close to the service, the skills center and the JOP optional project, were discontinued. Its relationship with NAB has been severed and transferred to the center under the direction of the Jewish Vocational Service. Its role now is limited to the interviewing, counseling, and placement activities of its 11 staff members located at the center. The employment service also has contracted to develop a job training bank and to provide its job bank service on microfilm.

Why the decline of the role of the employment service? According to the prime sponsor, the design of the delivery system and the selection of deliverers were based on the following factors: (1) Did programs serve a need? (2) What people were served? (3) What was their past success? In addition, the goal of the prime sponsor was to gain central control over manpower programs.

The prime sponsor felt that the employment service had capabilities but that it was operating under too heavy a bureaucratic structure; St. Paul wanted something new and innovative. Indeed, the prime sponsor may have preferred to exclude it entirely, but in terms of practical politics the employment service had to have some share. The employment service was thus given a role that would use its expertise. From the perspective of the employment service, the change in role was based on the desire of the prime sponsor to operate programs directly and failed to give due credit to the effectiveness of the employment service in manpower programs. The prime sponsor was greatly concerned over the ability of the employment service to be creative and over its reputation with the minority community.

The employment service actively sought a role in CETA for a variety of reasons: (1) to protect the jobs of its staff; (2) to continue providing the best service to those in need; and (3) from a survival standpoint, to prevent the diminution of the role of the employment service in providing the full range of manpower services. However, there was some ambivalence within the service, since some wondered whether they might just be better off if they forgot about CETA and "tended to their old knitting" (placement). Withdrawal from CETA was an understandable attitude within the employment service, for they had lost on each contested issue.

After 2 years of CETA, the principal role of the employment service, placement, is itself on uncertain ground. Competition appears to be developing between the employment service and the prime sponsor over job development and placement. One of the major services of the employment service was a microfilm of its job bank (list of jobs in the area). The information provided, however, did not include the names of the potential employers. This has spurred the prime sponsor to begin development of its own information system. The employment service claims duplication of effort; the prime sponsor asserts its goal of comprehensiveness. It is clear that their relationship is fragile at best. The prime sponsor would be tempted to go it alone in the future if there would be no repercussions from the regional office of the Labor Department. The employment service claims it continues mostly to save the 11 jobs.

THE VOCATIONAL EDUCATION AGENCY

The St. Paul Area Vocational Technical Institute (ATVI) was represented on the early CAMPS committee. Its director had a seat on the interim council and is on the CETA council. In pre-CETA institutional training, the ATVI made decisions about appropriate training. In the past, MDTA funding for the skills center came from the state vocational education agency, and the employment service recruited enrollees for it. Under CETA, the ATVI defers completely to the prime sponsor and the Career Guidance and Training Center. Funding, recruitment, determination of training needs, and selection of appropriate training is all handled by the prime sponsor. While the ATVI was the sole deliverer of institutional training in the past, now the prime sponsor can choose from among those who have resources; the ATVI is one among many.

The technical institute had in the past provided basic education leading to a general education diploma (GED), as well as specific skill training. The principal difference under CETA is that the skills center, with its predesignated program and separate identification of enrollees, has been discontinued, and the entire ATVI offerings are available to CETA enrollees.

The institute sought a role under CETA. It wanted to continue the skills center; the prime sponsor wanted to close it. Stipends were a related issue. Using the skills center frame of reference, the vocational education agency argued that stipends were necessary to get enrollees to train. The prime sponsor staff were adamant that stipends or allowances represented a welfare approach that was anathema to their manpower philosophy. The mayor sided with the prime sponsor staff, the skills center was closed, and diversified types of training for at least 130 enrollees were selected through counseling.

The ATVI has fared well under CETA since it was forced to restructure internally following the basic decision concerning diversified training, and there have been no complaints by the vocational educational leadership.

COMMUNITY-BASED ORGANIZATIONS

Three community-based organizations had pre-CETA manpower programs in St. Paul—the Jewish Vocational Service, the Urban League, and the National Association of Businessmen. A fourth, Ramsey Action Program, a community action agency, was very interested in obtaining Department of Labor funding.

As deliverers of services, each community-based organization had a separate operation and distinct clientele. Under CETA the operation of each blended into the overall prime sponsor design, and the clientele of each expanded to include the entire population of the city.

The Jewish Vocational Service and the Urban League participated in the 1974 interim manpower council and had membership on the CETA council during the first year. Ramsey Action Program has had planning council membership before and during CETA.

The Urban League and the Jewish Vocational Service had no problems regarding participation in the planning council, and their negotiated roles appear in the plan. Ramsey Action Program felt shut out from the small group sessions and dumbfounded at the full session. Since the initial year, the Urban League and Jewish Vocational Service have been excluded from membership on the planning council because they are program operators.

However, both the Urban League and Jewish Vocational Service have bigger operating roles than they had before CETA. The Jewish Vocational Service is now in the center of all operations, and the Urban League, which had its OJT operation broadened citywide, now also has responsibility for transitional employment efforts (from public service and work experience to permanent employment). Both the Urban League and the Jewish Vocational Service felt that the integrated arrangement placed a strain on their overall operations. The burdens of managing the center and encountering a broader clientele were heavy the first year, especially with the added demands of Title VI. The Urban League initially felt it was being asked to do more than was reasonable— a tripling of placements in 2 years. By the end of the second year, however, both organizations had overcome their growing pains.

PROGRAM MIX

Three philosophic, structural, and financial points are crucial to an understanding of St. Paul's program. Philosophically, St. Paul intended to focus on the individual—to meet the needs of participants as they arrived. This meant not depending on any one organization and it meant basing the program alternatives on the assessment of client needs as he/she entered the system. Thus the characteristics and needs of the clients would determine the program mix. The 1975 estimated allocations were just that, estimates, with a stress placed on a new category— services to clients. The services were to include recruiting, counseling, job development, placement, and follow-through. The basic thrust of the St. Paul program is counseling, followed by channeling into the right services. Counseling in depth, for example, could lead to a determination of need for job development rather than training.

Client services were to be housed in a central structure, the Career Guidance and Training Center. The center and its service activities were to be funded by reducing administrative costs attributed to separate program operators and by eliminating stipends to participants. Eliminating stipends was justified primarily on the ground that the program would stress individual motivation—that it was an employment and training program not a welfare program. This aspect is not as severe as it first appears, since the center has served as "fundsman" for participants, helping them obtain financial assistance, such as basic opportunity grants and work experience, simultaneous with their training. In the pre-CETA period, work experience was mostly for school dropouts. Under CETA work experience is only related to training (one gets work experience as an income supplement). The prime sponsor feels strongly that this strategy has paid off, making it possible for more to participate.

TABLE 2 Program Mix, Title I, Fiscal 1974, 1975, and 1976, St. Paul, Minnesota (percent)

Program	Fiscal 1974 Obligations	Fiscal 1975 Planned	Fiscal 1975 Expended	Fiscal 1976 Planned	Fiscal 1976 Expended
Classroom training	44.4	20.4	21.8	22.5	12.7
On-the-job training	29.7	25.8	6.3	17.3	14.4
Public service	0	0	0	28.9	23.6
Work experience	22.1	24.2	7.4	3.5	3.7
Client services and other activities	3.8[a]	29.8	64.5	27.8	45.6
Total Title I					
Percent	100.0	100.0	100.0	100.0	100.0
Amount (thousands of dollars)	2,146	2,338	1,067	3,638	2,611

SOURCE: 1974 data, Employment and Training Administration, U.S. Department of Labor. 1975 and 1976 data, prime sponsor.

[a]CAMPS.

Table 2 reveals both the intended change in program mix under CETA and the consequences of the intrusion of the recession and its accompanying unemployment on the program design. The allocation distribution for the final pre-CETA year was 45 percent classroom training, which included stipends and allowances, 30 percent on-the-job training, and 22 percent work experience.

There was considerable divergence between the estimated allocation of 1975 and the actual outlays. To begin with, total spending in 1975 was below that allocated. This was due to the time spent in gearing up and the delay in getting participants moving to other parts of the program—the normal "get going" costs—and, finally, the addition of Title VI and the attention it demanded of staff. Thus, client service activities consumed a disproportionate amount of the funds for two reasons: (1) a client uses these services first and (2) other program activities, primarily OJT, were not available during 1975 because of the recession.

The 1976 Title I allocation reflected the reality of recession, since funds were designated for public service employment as a countercyclical measure ($1.05 million of a total of $3.6 million in Title I). In addition, over $4.5 million was spent in Title II and Title VI public service employment in 1976. A prominent role was again planned for client services and youth activities, with slightly over $1 million

TABLE 3: Enrollment in CETA Programs By Title, Fiscal 1975 and 1976: St. Paul, Minnesota

Title	Fiscal 1975	Fiscal 1976 (4 quarters)
Title I	3,900	5,772
Title II	416	213
Title VI	392	678
TOTAL	4,708	6,663

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

allocated. As a percent, actual spending for public service held close to that allocated and, again, sp...ing for client services and other activities, primarily youth activities, was proportionately higher than planned.

The recession and the delay in moving forward in 1975 should not cloud the intent of the St. Paul program mix. The emphasis is on individual motivation, with the provision of services to remove the individual from a state of dependency. The program is designed to help an individual now and prepare him to help himself to cope independently in the future.

PARTICIPANTS

Over 6,000 persons were served in Title I, II, and VI programs in fiscal 1976 (see Table 3). Most of these were adults, served through the guidance center, where as a client registers, his or her needs are assessed, counseling takes place, and the client is channeled into a program, if appropriate.

The St. Paul Title I plan, has as its goal the placement into nonsubsidized and self-supporting employment economically disadvantaged, unemployed, and underemployed primary wage earners (heads of households) who have disadvantages in the labor market. If they are veterans, females, members of a minority, so much higher the priority—but seeking primary wage earners has been the strategy. The second priority has been single individuals not in households, followed by secondary wage earners.

Given the ordering of target populations under Title I and the demographic characteristics of St. Paul, manpower programs there serve

a higher proportion of white participants than they
whole.[1] This client orientation may occur with oth
in this case it is a recognition that the St. Paul popu
that of the central cities of the United States. T
percentages of blacks and other minorities in St. I
that this is not a conscious bias in the plan, for
specific characteristics are then given priority (pc
minority, or female), but a white head of hou
preference over a family member bearing the
characteristics.

In the beginning, minority representatives exp
tions about the thrust of the program. They were
the program was not especially for minoritie
disadvantaged. There was concern that the Jewis
might have a bias against racial minorities. By 197
any complaints with the selection of participants
satisfaction that there is no discrimination in the St
is a greater percentage of minorities enrolled in CE
share of the total population.

There is a contention that the location of the CE
deterrent to greater minority participation. The U
that 50 percent of the OJT enrollees are black, whil
those in institutional training are black. The Urb
this phenomenon to its location in the area where b
earlier, the Urban League was allowed to maintain
main location as well as staffing at the Career Gu
Center. Blacks were more willing to seek help at the
to go to the "fancy" CETA site (next to the august S
structure). The Urban League states that if you w
need, you have to go where they are, and this acco
client characteristics in OJT compared to those in i

Titles II and VI reflected a somewhat greater p
than Title I. In the case of Title II, city departme
select the candidates. This feature was justified to
transition to unsubsidized jobs. Title II participants
(almost 60 percent have schooling past high school);
and white, and fewer were economically disadvanta
economic situation, there were many qualified appli

[1]In St. Paul, 75 percent of Title I participants were white, compar
sponsors in the United States in fiscal 1976.

no special effort made to recruit minority participants for Title VI openings.

How have clients fared? The overall placement rate of those terminated has increased from 27 percent in 1975 to 48 percent in fiscal 1976. With Title I, on-the-job training resulted in a placement rate of 67 percent; manpower and support services, nearly 55 percent; and classroom training, approximately 35 percent.

SUMMARY AND CONCLUSIONS

St. Paul was ready for CETA, with its opportunities for decentralized power and a comprehensive decategorized delivery system for manpower services. There was a sophisticated manpower staff that had developed a creative concept for dealing with problems of unemployment. The concept was to focus on the individual client and to prescribe possible solutions based upon a total assessment of needs. The goal was to assist a person disadvantaged in the labor market in reaching a state of long-term self-sufficiency. The mayor of the city supported the concept and all subsequent efforts by the staff to design a new organization and delivery system to implement the concept. The overall concept centered on three points: (1) a focus on the individual, (2) creation of a new "center," and (3) separation of a manpower concept from a welfare concept, which operationally meant the abolishment of allowances.

Opposition and skepticism surfaced in the initial stages of design and selection of program deliverers and clients. Some previous providers of services challenged their reduction in roles. Skepticism centered on the question of the feasibility and appropriateness of the selection of the Jewish Vocational Service to operate the Career Guidance and Training Center and the deterrent effect of the elimination of stipends on some potential clients.

Where the challenges occurred, the mayor supported the staff position, maintaining the overall original integrity of the plan. Mayoral support led to staff dominance over the planning process and a minimal role for the advisory council. One can easily conclude that the advisory council serves mostly a legitimizing role, one that is required by law. Following local approval of the initial plan, St. Paul was challenged by the regional office of the Department of Labor because of the radical nature of its plan and the use of an unorthodox agency (Jewish Vocational Service) as the administrator of the center. St. Paul was adamant and won—clearly power had devolved to the local government here. Since the initial encounter over the 1975 plan, local-regional relationships have been reduced to information sharing and occasional site visits.

The consequences of the plan and the new delivery system have been expanded roles for some previous providers (the Jewish Vocational Service and the Urban League) and severely diminished roles for others (especially the employment service). The greatest change in program mix has been the stress on client services provided at the center. It is through these services that a client discovers whether his/her needs can be best met through traditional services (institutional training, OJT, or work experience) or whether the key may be as simple as lack of job-seeking skills or as complex as breakdowns in family relationships. Counseling is the main feature of the program. The new program is serving more whites and relatively fewer minorities than pre-CETA.

Overcoming the strains on organizational capacity brought on by the recession and the growth in countercyclical programs, the new organization and delivery system has reached a stage in organizational development and performance that has turned local critics and detractors into supporters of the St. Paul system.

9 Cleveland Area-Western Reserve Manpower Consortium

JAN P. MUCZYK

Although the Comprehensive Employment and Training Act (CETA) has been implemented for approximately 2 years,[1] little fundamental change has occurred to date in the Cleveland area as the result of its passage. The basic framework for CETA in the Cleveland Area Western-Reserve Manpower consortium was established before the law was enacted.[2] More "manpower" money came into greater Cleveland as the result of CETA, and the CETA central staff has grown considerably in comparison to the earlier manpower staff; but for the most part, the same individuals were on the CETA Manpower Planning Council (MPC) as were on the Cleveland Manpower Area Planning Council (MAPC) under the Cooperative Area Manpower Planning System (CAMPS). The agencies that operated categorical programs for special purposes in the past now have CETA subcontracts from the prime sponsor to do about the same things.

[1]The data for this study were collected during May, June, July, and August 1976.

[2]John J. Iacobelli and Jan P. Muczyk, "The Cleveland Manpower Labyrinth on the Verge of Becoming a Planning-Delivery System," in U.S. Congress, Senate Subcommittee on Employment, Poverty, and Migratory Labor. *Implementing Comprehensive Manpower Legislation, 1974: Case Studies of Selected Manpower Programs*(Washington, D.C.: U.S. Government Printing Office, 1974), pp. 387-498.

Jan P. Muczyk is affiliated with the Department of Management and Labor, The Cleveland State University.

The evaluation procedure that was employed by the Cleveland MAPC was perpetuated under CETA. The political pressures that influenced pre-CETA manpower decisions in the Cleveland area continued to influence them under CETA, and institutional rivalries among service delivery agencies continued at the same level of intensity as under the categorical approach.

The Chicago regional office of the Employment and Training Administration (ETA) of the U.S. Department of Labor appears to have lost power under decentralization *vis-à-vis* the posture it enjoyed prior to CETA, although the influence of the regional office seems to be stronger going into the third year of CETA than it was during the first year. CETA's grand design to transform the categorical maze to a comprehensive planning and delivery system through local control is taking longer than was anticipated by ETA.

BACKGROUND

Unlike many political jurisdictions whose first involvement with federally funded manpower training and development programs occurred as the result of CETA, Cleveland has had considerable manpower experience. Cleveland established a Department of Human Resources and Economic Development in September 1968 in order to administer some categorical programs for special purposes and specific groups and to coordinate all manpower activity in the city. From the very beginning the department worked very closely with the Cleveland MAPC. The current director of the Department of Human Resources and Economic Development served as the director of the MAPC secretariat prior to assuming his present position. When CETA was enacted, the Cleveland MAPC staff was transferred to the Department of Human Resources and Economic Development and was assigned to function as the planning unit. The members of the Cleveland Manpower Area Planning Council of CAMPS were reappointed to the CETA Manpower Planning Council.

Soon after the passage of CETA, the director of the Cleveland Department of Human Resources and Economic Development took the initiative to establish a consortium from the jurisdictions that comprised the Cleveland MAPC, which included the counties of Cuyahoga, Lake, and Geauga, and the cities of Cleveland and Parma. Upon the formation of the consortium, the CETA Manpower Planning Council was expanded to include representatives of the other members of the consortium.

Although the Cleveland Standard Metropolitan Statistical Area (SMSA) includes Medina County as well as the members of the Cleveland Area-Western Reserve Manpower Consortium, Medina County has more in common with the Akron SMSA and was not a member of the Cleveland MAPC. Consequently, it did not join the Cleveland consortium. Lake County withdrew from the consortium for fiscal 1977 because its county commissioners believed that they could operate manpower programs better on their own.

RESOURCES AND ALLOCATIONS

Although CETA has brought more money into the area encompassed by the consortium than did its predecessors, the increased funding occurred in public service employment (PSE) rather than in comprehensive manpower assistance. Table 1 shows that allocation and expenditure for fiscal years 1974, 1975, and 1976 under all titles more than doubled. The degree to which CETA is a PSE program in the Cleveland Area-Western Reserve Manpower Consortium can be ascertained by examining the amount of Title I funds employed for PSE. In fiscal 1975, $10.4 million of Title I funds were spent out of $17.2 million available to the consortium ($15.9 million allocation plus $1.3 million of carryover funds from fiscal 1974). Of the expended funds, $3.7 million (35 percent) was applied toward PSE. In fiscal 1976, $21.3 million of Title I funds were expended out of $21.4 million available. Of the expended Title I funds, $10.9 million (51 percent) were applied toward PSE. The city of Cleveland spent Title I funds for PSE with the most vigor—$3.1 million in fiscal 1975 and $9.7 million in fiscal 1976.

When one includes Titles II and VI funds, $13 million (52 percent) of the $25.2 million expended in fiscal 1975 and $30.5 million (64 percent) of the $48 million expended in fiscal 1976 went toward PSE. The public sector spending is understated, since work experience was excluded, and it is also clearly in the public sector.

Cleveland has had considerable difficulty balancing its budget without drastically reducing services. The resulting pressure to apply CETA funds to its operating budget was further accentuated when a proposed city income tax increase was defeated in November 1974. Other members of the consortium found themselves in fiscal predicaments as well, albeit not as serious as that of Cleveland.

ABILITY TO SPEND FUNDS

The Cleveland-Western Reserve Manpower Consortium had difficulty spending CETA funds in fiscal 1975, especially Title I funds. Table 1 reveals that $10.4 million was spent from the available Title I allocation of $15.9 million. Various reasons have been offered by CETA officials.

TABLE 1 Allocations and Expenditures, Cleveland Area-Western Reserve Manpower Consortium (thousands of dollars)

Source	Fiscal 1974 Allocations	Fiscal 1975 Allocation	Fiscal 1975 Expenditure[a]	Fiscal 1976 Allocation	Fiscal 1976 Expenditure
Comprehensive manpower assistance (Title I)	9,891.1	15,881.0[b]	10,424.3	14,960.3[b]	21,341.6
Public service employment	5,059.5	10,829.4	9,364.1	21,634.1	19,600.8
Emergency Employment Act	1,738.4[c]	0	0	0	0
Title II	3,321.1	3,220.8	6,115.5	11,256.8[d]	4,874.5
Title VI	0	7,608.6[e]	3,248.6	10,377.3[e]	14,726.3
State vocational education fund (5%)	0	558.8	558.8	585.4	563.9
State manpower service fund (4%)	0	225.1	225.1	300.0	257.5
Summer youth program	5,140.0	5,493.6	4,574.4	6,118.4	6,189.5
Title III grants	0	0	0	103.5[f]	25.9
TOTAL	20,090.6	32,987.9	25,146.7	43,701.7	47,979.2

SOURCE: Cleveland Department of Human Resources and Economic Development.

[a] Expenditures do not include funds for categorical programs under previous contracts and grants.

[b] Includes consortium incentive.

[c] Source is U.S. Department of Labor.

[d] Includes supplemental allocation of $8.4 million.

[e] Appropriated in fiscal 1975, allocated in fiscal 1975 and 1976 separately.

[f] Special Spanish-American Committee Program.

First, fiscal 1975 funds arrived late because the original CETA plan was modified at the request of the regional office of the U.S. Department of Labor and because of subsequent enactment of the Emergency Jobs and Unemployment Assistance Act (Title VI). Second, Title I funds were set aside for the 1975 summer program for youth, and the "hold harmless" funds[3] as well as the consortium incentive funds, arrived late. Third, the staff inherited from the pre-CETA system plus a handful of individuals in the Cleveland Department of Human Resources and Economic Development were too few to spend wisely all the money that CETA was channelling into the consortium. Consequently, the funds were carried over into fiscal 1976, by which time an expanded CETA central staff could oversee the judicious expenditure of these funds.

The prime sponsor could have spent the entire fiscal 1975 Title I allocation in fiscal 1975, had this been the only intent. After all, the categorical pre-CETA deliverers were still intact, and they could have been awarded larger subcontracts than they received. Furthermore, Title I funds could have been employed to create new public service jobs for the disadvantaged. Yet, approximately $6.5 million of Title I funds were carried over into fiscal 1976. In addition to the official reasons already discussed, other forces were operating to retard the rate of CETA spending in fiscal 1975.

Even before CETA, Cleveland, through the Department of Human Resources and Economic Development, had evinced a strong desire to deliver manpower services directly to clients. Such designs posed a threat to the traditional operators of categorical programs. Consequently, the relationship between the Department of Human Resources and Economic Development and the established service deliverers had been strained well before the enactment of CETA. In such a climate it is unlikely that Cleveland would lavish funds on its former rivals.

Once Cleveland gained confidence that it could place large numbers of regular city employees on CETA funds, including Title I, as it did under the Emergency Employment Act (EEA), then spending CETA money ceased to be a problem. In fiscal 1976, the city of Cleveland was able to spend CETA money faster than the Department of Labor could allocate it.

DISTRIBUTION EFFECTS AND FORMULA EQUITY

In fiscal 1976, about 8 percent of Title I expenditures were distributed to members of the consortium other than Cleveland (see Table 2). The

[3]The Secretary of Labor is required to use part of his discretionary funds to "hold harmless" prime sponsor manpower programs at 90 percent of the previous year's level.

TABLE 2 Title I Expenditures by Program Operators, Fiscal 1975 and 1976: Cleveland Area-Western Reserve Manpower Consortium (amounts in thousands of dollars)

Program Operator	Fiscal 1975 Amount	Fiscal 1975 Percent	Fiscal 1976 Amount	Fiscal 1976 Percent
City of Cleveland				
Public service employment	3,122.5	30.0	9,731.4	45.8
Out-of-school program	0	0	391.1	1.8
Westside Training Center	0	0	93.3	0.4
Summer work experience	0	0	488.0	2.3
Cuyahoga Community College	0	0	40.8	0.2
Manpower Training Center[a]	266.1	2.6	573.4	2.7
In-school program[a]	1,438.0	13.4	1,109.8	5.2
Lake County	253.4	2.4	594.5	2.8
Geauga County	31.0	0.3	92.3	0.4
Cuyahoga County	168.8	1.6	667.5	3.1
City of Parma	80.9	0.8	93.2	0.4
AIM-JOBS[b]	3,327.4	31.9	4,172.4	19.6
OIC	207.8	2.0	336.3	1.6
NAB (MCJC)[c]	326.9	3.1	861.5	4.1[f]
RTP-CEEP (Hometown Plan)[d]	137.1	1.3	151.0	0.7
Federation for Community Planning[e]	77.6	0.7	214.0	1.0
Urban League	275.9	2.7	221.0	1.0
Spanish Committee	165.1	1.6	256.1	1.2
Cleveland Catholic Diocese	0	0	85.6	0.4
United Automobile Workers	0	0	24.4	0.1
Fairfax Foundation	0	0	6.8	0.0
Administrative cost (central staff)	545.8	5.2	1,036.0	4.9
TOTAL	10,424.3	99.6	21,240.4	99.7

SOURCE: Cleveland Department of Human Resources and Economic Development.
NOTE: Details may not add to 100 because of rounding.
[a] Vocational Technical Division of the Cleveland Board of Education.
[b] Fiscal 1976 operations of Aim-Jobs cost $2,452,097; remainder were allowances.
[c] Metropolitan Cleveland Jobs Council (National Alliance of Businessmen Office for greater Cleveland.)
[d] A program to increase the percentage of minority employees in construction.
[e] Skills available program to place people over 40.
[f] Project Peace (ex offenders) and a pretrial release project.

share going to the balance of the consortium is understated, since it does not take into account that (1) Cleveland pays allowances to some clients from other areas of the consortium who receive Title I services in the city of Cleveland; (2) Cuyahoga County contributes to the funding of some service deliverers located in Cleveland; and (3) the contributions of other members to the operations of the CETA central staff are excluded. If these factors are considered, then the approximate figure for both fiscal 1975 and 1976 would be 13 percent. In fiscal 1975 the city of Cleveland received 57 percent of Title II funds and 45 percent in fiscal 1976. Cleveland received 53 percent of Title VI funds for fiscal 1975 and 1976.

The elected officials of the jurisdictions that comprise the consortium determine how CETA funds are to be distributed among consortium members. With respect to Title I, the recommendations of the manpower planning council are given serious consideration. The Employment and Training Administration of the Labor Department determines the amounts of Titles II and VI funds that are assigned to program agents of the consortium, including the cities of Cleveland Heights, Lakewood, and Euclid, as well as the consortium members.

Individuals representing the city of Cleveland feel strongly that the major beneficiaries of CETA are the suburbs, especially during a recession. They believe that in Title I a greater weight than the present 12.5 percent should be placed on the category of "adults in low-income families" in order to benefit the needy in large cities. The 90 percent hold harmless provision is looked upon with favor by staff members of the Cleveland Department of Human Resources and Economic Development because they are convinced that large cities would receive less money without this guarantee. In fact, the CETA staff would like to see the hold harmless provision at 100 percent. The director of the department avers that the ETA is too lenient when classifying subareas of a prime sponsor as "areas with substantial unemployment." It is questionable that Cleveland suburbs such as Lakewood, Euclid, and Cleveland Heights reached an unemployment rate of 6.5 percent for 3 consecutive months, yet the entire prime sponsor area was designated as an "area of substantial unemployment," thereby qualifying wealthier suburbs for Title II funds and increased Title VI allocations at the expense of the city of Cleveland.

PLANNING

CLEVELAND MANPOWER PLANNING COUNCIL

The CETA Manpower Planning Council is a carryover from the CAMPS days, with the addition of elected officials representing the political jurisdictions that comprise the consortium. The MPC is composed of 35 members and is chaired by the mayor of Cleveland, although he does not attend meetings. Most of the other elected officials do not attend either. Consequently, an *ad hoc* chairman is appointed by the director of the Department of Human Resources and Economic Development but not on a rotating basis, e.g., when the commissioner of Cuyahoga County attends, he is given the honor of chairing the meeting.

Forty-three percent of the council members represent Title I program operators or other contractors for Title I services. In addition, the members who are elected officials have CETA funds for Title I, II, and VI programs; and if one includes these, approximately 75 percent of the council members have a monetary interest in CETA.

During the planning cycle, council meetings are held at least once a month and sometimes more often. At other times, meetings are held every 2 or 3 months. MPC meetings are well attended but not by everyone. The MPC does not have its own staff but must rely on the CETA planning staff, which is located administratively in the Department of Human Resources and Economic Development.

Perhaps the most important function performed by the MPC is the evaluation of Title I programs by its evaluation committee, which meets for a solid month prior to the planning cycle for the ensuing fiscal year. The management information systems section of the CETA central staff provides the evaluation committee with performance data pertaining to all Title I programs. (Title II and Title VI programs are immune from scrutiny by the evaluation committee.) Armed with this data, the evaluation committee interviews the key administrator(s) of a program with respect to its performance. At times one of the committee members will visit the program as well. Frequently, the primary standard against which a program is measured consists of the goals that are included in the subcontract between the prime sponsor and the delivery agent. Theoretically, the results of the evaluation committee's examination determine the funding level of a subcontrctor and whether or not it is refunded. The regional office of ETA, however, concluded in the fiscal 1976 "Sponsor Formal Performance Assessment" that "the poorest performers get the most funds."

There are several reasons for this paradox. First, many of the persons on the evaluation committee of the MPC in one way or another represent the interests of a Title I service deliverer. Such an interlocking arrangement militates against unsatisfactory ratings and cessation or reduction of funding as the result. The major advantage of having program operators on the MPC and on the evaluation committee derives from the reluctance of Title I program operators to permit the prime sponsor to assign all of Title I funds to public service employment. Other advantages stem from the manpower experience that program operators bring to the council and their willingness to attend meetings faithfully and undertake special assignments. It is the author's opinion, however, that the disadvantages outweigh the advantages of such an interlocking arrangement.

Second, the principal agencies and groups concerned with Title I have considerable political leverage, which improves their chances for a significant CETA role. The Cleveland Board of Education is a political force of some consequence. The Metropolitan Cleveland Jobs Council is an arm of the Cleveland Chamber of Commerce and exerts political clout, especially in an election year. Aim Jobs, formerly the Cleveland Concentrated Employment Program (CEP), represents a substantial black community and has close ties to the Cleveland City Council. Perhaps the weakest with respect to political power is the district office of the Ohio Bureau of Employment Services, but it, too, cannot be ignored by the director of the Department of Human Resources and Economic Development. These agencies also dominated manpower delivery prior to CETA, and it is interesting that the evaluation procedure and the committee membership of the CETA MPC is the same as it had been under the Cleveland MAPC.

Prime sponsor subcontracts with Aim Jobs and the Opportunities Industrialization Center (OIC) were not renewed for fiscal 1977. Furthermore, the funds for the Manpower Training Center of the Cleveland Board of Education were cut in half. These actions were taken because of alleged poor performance. The funds that the Metropolitan Cleveland Jobs Council were to receive in fiscal 1977 were doubled because of alleged superior performance. The functions performed by Aim Jobs are to be shared by the prime sponsor and the employment service. OIC's subcontract was to go to the East Cleveland Board of Education. The CETA central staff will attempt to place Aim Jobs employees with the city of Cleveland and the employment service.[1]

THE PLANNING PROCESS

The CETA planning process is an extension of the planning procedure developed by the Cleveland MAPC of CAMPS. Planning documents are prepared by the planning section of the CETA central staff, which employs data from the Bureau of Census and the Ohio Bureau of Employment Services and internally generated data such as an analysis of want ads appearing in local newspapers as supporting documentation. This data satisfies the requirements of the regional office of ETA; however, it is given little, if any, weight in determining the universe of need; the

[1] The information in this paragraph was received well after the main data for the study were collected.

program mix, and the significant segments of the population who have particular difficulty in getting jobs.

As a practical matter, the mayor of Cleveland, through his fiscal administrators, attempted in fiscal 1975 and 1976 to divert as much CETA money as possible, regardless of title, to the city's operating budget by laying off regular employees and rehiring them with CETA funds. Although the MPC and key personnel on the CETA central staff dissent from this application of Title I funds, they acquiesce for two putative reasons. First, Cleveland would have to lay off policemen, firemen, and trash collectors if CETA funds were not used to maintain the city payroll. Second, it does not make much sense to train individuals during a recession when even relatively skilled persons are unemployed.

Although the mayor and his fiscal officers would like to supplement the city's operating budget with more of the Title I allocation in addition to Title II and Title VI money, the political power of the traditional deliverers of manpower services and the position adopted by the regional office of ETA will not permit such a course. Even so, 51 percent of available Title I funds were used in fiscal 1976 for participants of the public service employment program, most of whom were rehired, regular employees.

The regional office of ETA adopted a *laissez-faire* attitude with respect to the substantive aspects of the planning process during CETA's first 2 years of operation. No doubt the regional office was unsure of its role, with CETA's emphasis on local control. All indications point to a greater involvement on the part of the regional office in the substantive areas of the planning process for fiscal 1977, especially with regard to how Title I funds are to be spent and the rehiring of laid off, regular employees with CETA funds.

Competitive bidding was not employed by the consortium during fiscal 1975 and 1976, but plans have been made to use a variant of competitive bidding for fiscal 1977—sundry agencies are invited to submit proposals to the CETA central staff for a subcontract but without receiving any specifications from the CETA staff. Such a bidding process affords the CETA staff as much latitude in selecting a subcontractor as a system without competitive bidding.

The State Manpower Services Council (SMSC) receives a copy of the Cleveland consortium's applications and plans for review and comments, but its role in the planning process is perfunctory. The director of the Department of Human Resources and Economic Development is a member of the SMSC and the state operates a Comprehensive Offender Services Program in the consortium area for approximately $257,000 per annum, as part of Cleveland's share of the 4 percent state services fund. Otherwise, the state CETA operation has little impact in the consortium.

ADMINISTRATION AND PROGRAM OPERATIONS

CETA CENTRAL STAFF

When CETA was enacted, Cleveland had (1) a commissioner of manpower with a small staff reporting to the director of the Department of Human Resources and Economic Development and (2) the MAPC secretariat staff, which had become the CETA planning staff after its absorption by the Cleveland Department of Human Resources and Economic Development. The other members of the consortium had no manpower staff to speak of, the operational planning grant to prepare Cleveland MAPC members for a consortium notwithstanding.

During fiscal 1975 and much of fiscal 1976, the director of the Department of Human Resources and Economic Development made most of the major CETA-related decisions in the context of the political framework already described, even though a CETA project manager was hired in March 1975.[5]

The CETA central staff began to grow in the spring of 1975, until it consisted of approximately 65 persons a year later. The office of commissioner of manpower was upgraded during the latter part of fiscal 1976, and the position of CETA administrator was created in June 1976. At this time, the planning, program operations, and management information systems staffs reported to the commissioner of manpower, who reported to the CETA administrator. The contracts section reported to the fiscal officer, who reported directly to the CETA administrator. The CETA administrator reported to the assistant director, who in turn reported to the director of the Department of Human Resources and Economic Development. In addition to the CETA central staff, which is a creature of the city of Cleveland, the other consortium members and program agents have begun to evolve their own CETA staff, ranging from one to five employees, even though they contribute proportionately to the support of the central staff. Some non-CETA staff are also assigned some CETA responsibilities, and are thereby acquiring CETA experience. The Cuyahoga County staff are the only group located with the CETA central staff. The staff are not organized by the various titles of CETA, although some individuals specialize by title, and each Title I program,

[5]The office of commissioner of manpower had been reduced to a sinecure several years earlier.

whether it is operated by the city of Cleveland or by a subcontractor has an administrative staff.

CETA has injected an administrative staff between the regional office of ETA and the service delivery agents without reducing the administrative overhead of program operators or the size of the staff of the regional office of ETA. In fact, the prime sponsor has encountered overruns on Title I administrative costs. [illegible] they are limited by law to 20 percent, they have run as high [illegible]

The CETA central staff monitors [illegible] activities of the program staffs on a day-to-day basis through seven program control officers. In addition, program operators report performance and fiscal data to the management information systems section of the CETA central staff, which produce a variety of reports. Less frequently, direction and control is provided by the central staff to program staffs through audits and during contract negotiations.

Title I Programs The city of Cleveland received the bulk of Title I funds in both fiscal 1975 and 1976, when one considers the programs operated directly by the city and the Title I subcontractors located in the city and serving primarily Cleveland clients. Even the small amount of Title I funds going to the balance of consortium is not an indication of the quantity of comprehensive manpower assistance being provided to disadvantaged clients, since in fiscal 1976 approximately $1.1 million of the $2.8 million was employed for PSE. In other words, the programs outside Cleveland consisted predominantly of PSE and some work experience programs.

The comprehensive manpower assistance programs are shared by four leading agencies in Cleveland. Table 2 lists the fiscal 1975 and 1976 expenditures by program operator. The comprehensive assistance programs administered by the city of Cleveland, the Cleveland Vocational Education Agency, Aim Jobs (formerly the Cleveland CEP), and the Metropolitan Cleveland Jobs Council (Cleveland NAB Office) accounted for more than a third of the amount spent in fiscal 1976. When one deducts the $10.9 million of Title I funds applied to PSE in Cleveland and other jurisdictions, this leaves only $2.8 million of Title I funds for all remaining service de[illegible]cies in the consortium. The only pre-CETA major service deli[illegible] missing from the present list is the Ohio Bureau of Employment Se[illegible]ich, nevertheless, has 11 or 12 of its personnel under subcontract to Aim Jobs, doing testing, assessment, and counseling on the Aim Jobs premises.

In Cleveland, the typical adult CETA Title I applicant, with the exception of some public service employees on Title I funds, would begin the process at Aim Jobs where he or she (1) is enrolled or rejected; (2) is given orientation, testing, and assessment; (3) is counseled and provided allowances; (4) is referred to skill training, on-the-job training, work experience, or public service employment; (5) and, if referred to skill training, returns to Aim Jobs for job placement and follow-up. Since most public service employees are rehired regular employees of the city government, not much PSE referral goes on at Aim Jobs. Likewise, work experience programs in the city of Cleveland are oriented toward youth, who are recruited directly by the programs designed to assist them, e.g., the in-school, the out-of-school, and the summer programs.

In other areas of the consortium, the process differs according to the locality. Parma and Lake counties provide substantially all of the foregoing services. Geauga County has a PSE program only, while Cuyahoga County uses the same comprehensive manpower assistance agencies as the city of Cleveland through joint funding arrangements, in addition to funding some of its own, such as the Opportunities Industrialization Center in East Cleveland.

The manpower training center operated by the Cleveland Vocational Education Agency, which is located in the eastern section of the city, accounted for almost all classroom training in fiscal 1975. Cleveland, however, decided to operate its own manpower training center on the west side of town in fiscal 1976. The Vocational Education Agency has been concerned about the potential competition, but it is too early to tell whether or not this is the first step in absorbing the entire skill-training function.

The other 13 Title I service deliverers listed in Table 2 for fiscal 1976 provide a variety of services to special target groups: e.g., the Federation for Community Planning assists persons 40 and over in finding gainful employment and the Urban League reaches out to ghetto youths, while the Catholic Diocese assists offenders.

Changes in the delivery system between fiscal 1975 and 1976 have been minor. Examination of Table 2 reveals that much more Title I money was spent in fiscal 1976 than in the previous year. As a result, the absolute amounts of the budgets for each Title I subcontractor increased, even though the percentage of Title I funds applied to PSE went up considerably from fiscal 1975 to fiscal 1976.

Some minor changes may presage trends. First, Cleveland is expanding as a Title I deliverer. Whereas in fiscal 1975 the city did not serve any clients directly, in fiscal 1976, the city operated an out-of-school program, a training center in addition to the one operated by the Vocational Education Agency, and a summer work experience program in addition to the one administered by the Cleveland Board of

TABLE 3 Title I Expenditures by Program Activity, Fiscal 1975 and 1976: Cleveland Area-Western Reserve Manpower Consortium (amounts in thousands of dollars)

	Fiscal 1975[a]		Fiscal 1976	
	Amount	Percent	Amount	Percent
Classroom training (includes vocational education funds)	2,360.9	23	3,707.5	17
On-the-job training	419.7	4	1,176.2	6
Public service employment	3,675.5	35	10,870.9	51
Work experience	2,119.5	20	3,467.9	16
Services and other	1,848.7	18	2,119.1	10
Total Title I	10,424.3	100	21,341.6	100
Summer program[b]	4,574.4	–	6,189.5	–
TOTAL	14,998.7	–	27,531.1	–

SOURCE: Cleveland Department of Human Resources and Economic Development.

[a] Expenditures do not include funds for categorical programs under previous contracts and grants.

[b] The Cleveland Board of Education operates this summer program for youth. In addition, the city of Cleveland ran its own summer work experience program in fiscal 1976 with $488,033 of Title I funds.

Education. Second, the number of service deliverers increased from 13 to 17, but the subcontracts for the four additional grants totaled only $157,657.

Table 3 reflects the expenditure of Title I funds by functions or program activity for fiscal 1975 and 1976. Again, more money was spent on each program activity in fiscal 1976 than in fiscal 1975, but only because much more Title I money was spent in fiscal 1976. Proportionately, the share of every program activity went down in fiscal 1976, with the exception of on-the-job training, which experienced a slight increase from 4 to 6 percent. The reason, of course, was the increase of public service employment Title I funds from 35 percent in fiscal 1975 to 51 percent in fiscal 1976. The work experience program, which is similar to PSE but designed mainly for youth, went down slightly.

Titles II and VI Programs It is appropriate to treat Title II and Title VI programs together, since no distinction between them has been made in the Cleveland Area-Western Reserve Consortium. The mayor of Cleveland and his key administrators have succeeded in using Titles II and VI, as well as part of Title I funds, to maintain the city payroll for the first 2 fiscal years of CETA's existence. The procedure for transferring city employees from general funds to CETA funds was the direct one of lay off/rehire. The rationale was equally direct—without CETA funds and in light of an unwillingness of citizens to vote for tax increases, the city would be compelled to curtail drastically such vital service as police protection, fire protection, and trash collection. In those instances where they are not rehired regular city employees, public service employees are hired in the same manner as other candidates would be. They are selected by the Cleveland personnel department and must meet the city's civil service requirements.

Other consortium members resorted to the lay off/rehire mechanism far less than the city of Cleveland did, although it is unlikely that they filled most of their PSE slots with disadvantaged persons. Cuyahoga County placed many of its Title II and Title VI clients on work experience projects in fiscal 1976, anticipating the expiration of Title VI. The assumption was that work experience personnel are easier to terminate than individuals hired into regular positions of the county administrative apparatus.

Table 4 shows the distribution of Title II and Title VI participants by public service function: the largest number of Title II participants are assigned to parks and recreation, while such essential activities as sewerage and sanitation and protection activities account for nearly all Title VI participants.

By the middle of fiscal 1976, CETA funds supported approximately 1,800 city of Cleveland employees, most of whom were rehired. Up to that time, no effort had been made by the regional office of ETA to enforce "maintenance of effort."[6] Since then, the regional office has been placing considerable pressure on Cleveland to reduce the number of regular employees placed on CETA rolls. By June 1976, 700 individuals had been taken off CETA funds, and the regional office expected no more than 80 rehired workers to be on CETA payrolls by October 1, 1977, a figure arrived at by employing the guidelines stipulated in ETA regulations.[7] The director of the Department of Human Resources and Economic Development contended that the CETA central staff had plans to reduce the number of rehires prior to ETA's ruling. However, the CETA central staff and the MPC have little influence over the PSE programs of

[6]Refers to CETA's requirement that localities maintain the level of spending that would have existed without CETA money.

[7]The percentage of PSE positions to be used for rehired workers should be reasonably consistent with that percentage that the total laid off regular employees constitute of the total unemployed persons in the jurisdiction. . . . *If the percentage of laid off employees constitutes less than 10 percent of the total unemployed population, the percentage of public service employment positions allocated for rehires may exceed such percentage but shall not exceed 10 percent.* The italicized portion applies to Cleveland.

TABLE 4 Title II and Title VI Participants by Public Service Activity as of end of Second Quarter, Fiscal 1976: Cleveland Area-Western Reserve Manpower Consortium

Public Service Activity	Title VI Participants Number	Title VI Participants Percent	Title II Participants Number	Title II Participants Percent
Education	0	0	0	0
Highways and public works	0	0	0	0
Health and hospitals	0	0	0	0
Police protection	279	18.0	173	21.4
Fire protection	217	14.0	0	0
Sewerage and sanitation	1,039	67.0	154	19.0
Parks and recreation	0	0	328	40.5
Financial administration	16	1.0	39	4.8
Other (includes public welfare, housing and urban development, correction, libraries, utilities)	0	0	116	14.3
TOTAL	1,551	100.0	810[a]	100.0

SOURCE: Cleveland Department of Human Resources and Economic Development.
[a]The number of Title II participants reported in the quarterly progress report at the end of second quarter, fiscal 1976, was 245. The reason for the discrepancy is that prior to filling out the quarterly progress report, a number of Title II participants were temporarily transferred to Title I and Title VI funds, thus lowering the number from 810 to 245.

consortium members including the city of Cleveland. The central staff can transmit the desires of the regional office to the elected officials, and it can exercise moral suasion, but decisions remain in the domain of elected officials.

PROGRAM OUTCOME

One of the major reasons for the enactment of CETA was to create a comprehensive manpower delivery system from the myriad of special purpose programs that had evolved over the years. This goal has yet to be attained in the Cleveland consortium or its principal component, the city of Cleveland, but it has now been given top priority by the regional office of ETA.

Measurements of program effectiveness are disturbing. Table 5 shows that the direct placement ratio of Title I clients in fiscal 1975 was 0.13 and in the first half of fiscal 1976 it was about the same. The purpose of direct placement is to provide job ready clients assistance in finding employment. The indirect placement ratios of 0.009 for fiscal 1975 and 0.046 in the first half of fiscal 1976 are somewhat overstated, since any client who receives more than intake and assessment, such as 30 minutes of counseling, is considered an indirect placement.

The self placement ratio is 0.06 for fiscal 1975 and 0.07 for the first half of fiscal 1976. To the extent that job ready persons are served by CETA programs, the Cleveland consortium is duplicating the employment service functions. The regional office of ETA is also disappointed with the "nonpositive" termination rate of Title I participants, which at times exceeds 50 percent. This rate refers to participants who left the program but did not get employment or continue their education or training.

The regional office of ETA has computed the fiscal 1976 Title I cost per participant at $1,370 and the cost per placement at $6,755. By program activity, the costs per participant are (1) classroom training, $1,356; (2) on-the-job training, $2,964; (3) work experience, $800; (4) PSE, $4,688. The quality of placements of Title I participants is indicated by Table 6. CETA central staff contended that the reason that clients earn less on the average after being helped by CETA programs than they did before such assistance is because approximately one-fourth of CETA placements are accounted for by the skills available program, which places older persons on minimum wage jobs.

Placement ratios for Titles II and VI programs are devoid of meaning because most participants are rehired, regular employees who do not wish to seek employment elsewhere. Those who terminate are part of normal attrition, and their termination and subsequent employment are unrelated to any effort by CETA programs to facilitate their transition to unsubsidized employment. The small number who went into unsubsidized employment is the reason for cost per placement of $122,997 for Title II participants in fiscal 1976.

The regional office of ETA evaluates the prime sponsor by examining not only the factors just described but also variances from plans, with a variance of ±15 percent usually requiring corrective action. The Cleveland consortium was assessed as marginal in fiscal 1975 and 1976 by the regional office of ETA in every facet of operations that was evaluated. (Title VI was not assessed in either fiscal year.)

CLIENT CHARACTERISTICS

Women participants under Title I decreased from 48 to 42 percent from fiscal 1975 to fiscal 1976 (see Table 7). The decrease in youths 18 years of age and under was even more pronounced—from 40 to 27 percent.

TABLE 5 Status of CETA Enrollees After Termination, Titles I, II, and VI, Fiscal 1975 and 1976: Cleveland Area-Western Reserve Manpower Consortium

	Fiscal 1975				Fiscal 1976[a]			
Items	Total	Title I	Title II	Title VI	Total	Title I	Title II	Title VI
Total enrollments	8,353	6,838	903	612	12,418	9,209	1,559	1,650
Total terminations	4,483	4,235	189	59	6,893	5,470	1,314	109
Entering employment	867	849	7	11	1,403	1,374	15	14
Direct placements[b]	555	555	0	0	731	731	0	0
Indirect placements[c]	46	41	5	0	255	251	2	2
Self placement	266	253	2	11	417	392	13	12
Other positive terminations	1,643	1,495	147	1	2,076	877	1,177	22
Nonpositive terminations	1,973	1,891	35	47	3,414	3,219	12[illegible]	73
Entering employment ratio	0.19	0.20	0.04	0.19	0.20	0.25	0.0[illegible]	0.13
Direct placement ratio	0.12	0.13	0	0	0.11	0.13	0	0
Indirect placement ratio	0.01	0.01	0.03	0	0.04	0.05	d	0.02
Self placement ratio	0.06	0.06	0.01	0.19	0.06	0.07	0.01	0.11

SOURCE: Employment and Training Administration reports, U.S. Department of Labor.

[a]First half of fiscal 1976.

[b]Enrollees provided only outreach, intake, and job referral services through CETA.

[c]Enrollees provided CETA training, employment, or manpower and supportive services other than outreach, intake, and job referral.

[d]Less than 0.005.

TABLE 6 Hourly Wage of Title I Participants Before Enrollment And in Employment After Termination Reported as of December 1975: Cleveland Area-Western Reserve Consortium

	Before Enrollment		Unsubsidized Employment After Enrollment	
Hourly Wage	Number	Percent	Number	Percent
$1.00 or less	53		0	
$1.00–1.99	225	24.2	84	8.6
$2.00–2.99	345	37.1	608	61.9
$3.00–3.99	172	18.5	131	13.3
$4.00–4.99	102	11.0	99	10.1
$5.00–5.99	42	4.5	41	4.2
$6.00+	43	4.6	19	1.9
Average Wage,[a] (dollars)	2.69		2.66	

SOURCE: Cleveland Department of Human Resources and Economic Development.

[a]If older workers not seeking permanent employment were omitted, average pre-entry wage would have been $2.54 and average post-CETA wages would have been $2.96.

Persons with 8 years and under of education declined from 11 percent to 6 percent. Women, and economically disadvantaged persons were less well represented in Titles II and VI programs than in Title I programs in 1976. Moreover, women, minorities, and economically disadvantaged persons constitute the largest groups in classroom training programs.

These trends are no doubt the result of using more than half of Title I funds in 1976 for rehiring laid off employees. This practice also mutes the differences in client characteristics between Titles I, II, and VI programs. Whatever differences exist in client characteristics between Titles II and VI programs are unrelated to the goals of the legislation.

The client characteristics data reveal that "creaming" of applicants is certainly going on, even in Title I comprehensive assistance programs. The reasons are several: (1) the recession produced more qualified unemployed clients; (2) eligibility requirements have been loosened under CETA; (3) clients with fewer labor market handicaps are easier to serve successfully; (4) CETA funds are used to rehire non-disadvantaged, public employees; and (5) the evaluation process employed by the regional office of ETA encourages creaming by focusing on low unit costs and high placement ratios.

TABLE 7 Characteristics of Title I, II, and VI Clients, Fiscal 1975 and 1976: Cleveland Area-Western Reserve Consortium (percent)

Characteristics	Fiscal 1975 Title I	Fiscal 1975 Title II	Fiscal 1975 Title VI	Fiscal 1976 Title I	Fiscal 1976 Title II	Fiscal 1976 Title VI
Individuals served, number	6,838	903	612	9,209	1,559	1,650
Sex						
Male	51.7	77.4	83.5	58.4	84.0	79.0
Female	48.3	22.6	16.5	41.6	16.0	21.0
Age						
18 and under	40.1	18.9	2.5	26.8	5.1	4.2
19-21	17.3	11.4	9.8	19.8	14.8	12.0
22-44	29.2	52.4	54.7	33.0	60.3	58.6
45-54	6.1	9.2	19.3	9.4	10.2	13.9
55-64	5.0	7.2	12.7	8.2	8.1	10.1
65 and over	2.2	0.9	1.0	2.8	1.5	1.2
Education						
8 and under	11.4	6.4	11.6	5.6	6.5	7.3
9-11	53.6	27.5	25.0	38.7	25.0	22.5
High School Graduate	27.9	43.4	39.7	41.9	43.6	43.8
Post-High School	7.1	22.7	23.7	13.9	24.9	26.4
Family Income						
AFDC	24.6	1.4	0.3	20.3	6.7	6.2
Public Assistance	30.2	36.2	3.4	9.4	26.7	14.8
Economically Disadvantaged	74.1	30.2	9.0	55.8	31.3	22.0
Ethnic group						
White	41.2	44.6	52.0	43.3	53.6	56.1
Black	58.5	54.8	47.9	56.5	46.1	43.8
American Indian	0.2	0.2	0.0	0.1	0.1	0.0
Other	0.1	0.3	[illegible]	0.2	0.2	0.1
NA			[illegible]	0.0	0.0	0.0
Spanish American[a]	13.5	1.0	0.2	10.1	0.9	1.1
Limited English-Speaking Ability	5.1	1.7	0.3	4.6	1.2	0.5
Migrant or Seasonal Farm Family Member	0.1	0.4	0.5	0.4	0.3	0.2
Veterans						
Recently separated	NA	NA	NA	1.6	3.1	3.5
Special (Vietnam era)	3.2	4.1	11.3	2.3	6.4	6.6
Other	7.3	11.4	34.2	4.9	13.5	15.8
Disabled	NA	NA	NA	0.0	0.0	0.0
Handicapped	1.0	1.1	2.1	1.3	1.1	1.5
Full-time student	38.1	1.3	0.5	18.8	1.1	1.1
Offender	1.1	0.2	1.0	1.4	0.0	1.8
Labor Force Status						
Underemployed	1.8	4.7	1.0	7.4	4.8	3.5
Unemployed	61.0	79.2	99.0	80.9	95.2	96.5
Other[a]	37.2	16.2	0.0	11.7	0.0	0.0
Receiving Unemployment Insurance[b]	4.5	7.2	8.0	7.5	7.1	11.9

SOURCE: Employment and Training Administration reports, U.S. Department of Labor.
NOTE: Details may not add to totals due to rounding.
[a]Not in labor force primarily.

CONCLUSION

Even though the city of Cleveland had accumulated considerable manpower experience since the creation of a Department of Human Resources and Economic Development in 1968, this experience did not endow Cleveland with an automatic advantage in attaining CETA's major objective—the creation of a comprehensive manpower delivery system to serve disadvantaged clients. The fragmentation that was so familiar during the categorical era persists under CETA; perhaps, in part, beause of the power accumulated by agencies that had administered substantial pre-CETA categorical programs.

Most CETA funds in the Cleveland Area-Western Reserve Manpower Consortium have been used to supplement the operating budgets of consortium members, especially in Cleveland. It is safe to assume that most of CETA's funds spent in the consortium did not go toward eliminating labor market impediments of economically disadvantaged persons.

Did the manner in which the Cleveland consortium and its principal component, the city of Cleveland, spent CETA funds in fiscal 1975 and 1976 make the most sense, considering the depth of the recession? In fairness to the consortium and the city of Cleveland, a true test of CETA with respect to assisting economically disadvantaged persons in obtaining gainful, unsubsidized employment can only come in a period of economic prosperity.

If one disputes the way in which the money, especially Title I funds, was employed in the Cleveland consortium, one must place a great deal of the responsibility on the Congress, the persons who drafted the CETA regulations, and the Employment and Training Administration of the Department of Labor. The city of Cleveland has been experiencing a considerable reduction in its tax base for some time because of the flight of industry and taxpayers. At the same time inflation has been increasing the cost of providing vital services. Furthermore, more and more communities, including Cleveland, are experiencing a taxpayers' revolt. Under these circumstances one would expect elected officials to attempt to supplement operating budgets with whatever funds flow into their jurisdictions. Yet, Congress enacted a vague piece of legislation, the regulations failed to do anything about violations of "maintenance of effort," and the regional office of ETA stood by while CETA became the "full employment act for public employees" for the better part of 2 years.

The Cleveland CETA experience leads this researcher to conclude that Title II and Title VI PSE programs should be completely separated with regard to legislation, funding, and administration from Title I programs.

Countercyclical or Title VI-type programs should be part of general revenue sharing rather than manpower legislation. Furthermore, the loophole that permits Title I funds to be used for PSE should be eliminated.[5]

A nonprofit corporation should be formed to operate Title I programs. The regional office of ETA should be granted the authority to veto appointments to this corporation in order to insulate it from excessive political influence. Such a nonprofit corporation and its subcontractors should also be rigorously evaluated and audited by the regional office to insure goal attainment and efficient operations.

Finally, no program operator should have membership on the local manpower planning council, and the regional office of ETA should be granted veto power over council appointments.

Appendix

MANPOWER ACRONYMS

Manpower Legislation

CETA Comprehensive Employment and Training Act of 1973
EOA Economic Opportunity Act of 1964
EEA Emergency Employment Act of 1971
MDTA Manpower Development and Training Act of 1962
EJUAA Emergency Jobs and Unemployment Assistance Act of 1974

Planning Systems

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

Manpower Programs

CEP Concentrated Employment Program
JOP Jobs Optional Program (MDTA-OJT)

NYC Neighborhood Youth Corps
JOBS Job Opportunities in the Business Sector-National Alliance of Businessmen
OJT On-the-Job Training
OIC Opportunities Industrialization Center
PEP Public Employment Program (under EEA)
PSC Public Service Careers Program (includes New Careers)
PSE Public Service Employment
SER Services, Employment, Redevelopment (Spanish-speaking, self-help organization)
UL Urban League
WIN Work Incentive Program (training for welfare recipients)

Governmental Units

BOS Balance of State
CAA Community-Action Agency
CBO Community-Based Organization
COG Council of Governments
MA Manpower Administration (DOL)
OEO Office of Economic Opportunity (now Community Services Administration)
RO Regional Office, U.S. Department of Labor
ES State Employment Security Agency (also local employment service office)
DHEW U.S. Department of Health, Education and Welfare
DOL U.S. Department of Labor
VOED Vocational Education Agency