1-1-1981

The T in CETA: Local and National Perspectives

Sar A. Levitan
George Washington University

Garth L. Mangum
University of Utah

Citation

Levitan, Sar A., and Garth L. Mangum, eds. 1981. The T in CETA Local and National Perspectives. Kalamazoo, MI: W.E. Upjohn Institute for Employment Research. https://doi.org/10.17848/9780880996051

The T in CETA

Local and National Perspectives

Sar A. Levitan
and
Garth L. Mangum
Editors

The T in CETA
Local and National Perspectives

Edited by

Sar A. Levitan
Garth L. Mangum

National Council
on
Employment Policy

The W. E. Upjohn Institute for Employment Research

Library of Congress Cataloging in Publication Data
Main entry under title:

The T in CETA—local and national perspectives.

1. Occupational training—Government policy—United States. 2. Youth—Employment—Government policy—United States. I. Levitan, Sar A. II. Mangum, Garth L. III. Title: T in C.E.T.A.—local and national perspectives.
HD5715.2.T25 353.0083'4 81-19791
ISBN 0-911558-93-4 (pbk.) AACR2

300 South Westnedge Ave.
Kalamazoo, Michigan 49007

THE INSTITUTE, a nonprofit research organization, was established on July 1, 1945. It is an activity of the W. E. Upjohn Unemployment Trustee Corporation, which was formed in 1932 to administer a fund set aside by the late Dr. W. E. Upjohn for the purpose of carrying on "research into the causes and effects of unemployment and measures for the alleviation of unemployment."

National Council on Employment Policy

FOREWORD

The W. E. Upjohn Institute is pleased to publish the first in-depth study of the most basic element of the Comprehensive Employment and Training Act (CETA)—Training. The central finding of this study is that CETA training is a productive investment returning benefits to society at well above costs.

This volume includes a summary of findings and recommendations prepared by the designers of the study, Sar A. Levitan and Garth L. Mangum, an analysis of national longitudinal data written by Robert Taggart and summaries of detailed field studies completed on 11 sample prime sponsors.

The findings are particularly timely as the training programs are being redesigned in light of shifting economic, demographic and political realities.

Facts and observations as presented are the sole responsibility of the authors. Their viewpoints do not necessarily represent positions of the W. E. Upjohn Institute for Employment Research.

E. Earl Wright
Director

Kalamazoo, Michigan
November 1981

PREFACE

In its first 8 years, the Comprehensive Employment and Training Act (CETA) hardly suffered from want of attention. Legions of evaluators, critics, defenders, and reformers have scrutinized the program since its inception. Surprisingly, however, they have tended to ignore the most basic element—the T in CETA—and have focused instead on the program's employment aspects and administrative issues. Emphasis on employment components was inevitable, since job creation was a primary strategy. The successive addition, expansion, and later contraction and final abandonment of a large and countercyclical public service employment program represented major shifts in policy, and the process was highly controversial. Throughout, the uniqueness of CETA's decentralized policymaking drew attention to its management and decisionmaking procedures, or the lack of them. In 1977, youth demonstration projects took center stage. Reenactment in 1978 focused on issues of recentralization, allegations of fraud and abuse, and recategorization, and, in addition, sought to target CETA more closely on the economically disadvantaged population. Training consequently received little scholarly or public attention. Even the annual congressional appropriations, accompanied occasionally by flurries of activity adding new demonstration projects, concentrated on funding levels and intergovernmental relations.

The focus of this study is on the quality, effectiveness and management of CETA occupational skill training and on complements to employability development such as basic education, English as a second language, and training for job search. The primary emphasis is on adult programs operated at the local level. The study is concerned not only with assessing CETA training but also with describing its contents, institutional setting, and administrative structure.

The quality of training in a decentralized decisionmaking system can be assessed only by direct observation at the local level, which requires detailed field study. The effectiveness of the results can be determined by an examination of postprogram labor experiences of participants. However, CETA prime sponsors and their training contractors have little information on training outcomes beyond the first few weeks following training. Fortunately, a long range longitudinal followup system is in place at the national level through the Continuous Longitudinal Manpower Survey (CLMS), while the CETA management information system (MIS) can be a source of substantial data on costs.

Because CETA training varies so widely, the selection of the sample areas is crucial. Since available resources limited us to 12 case studies—only 11 were completed for inclusion in this volume—we selected sites that are geographically distributed, representing a wide range of political and decisionmaking structures, and whose performance, as assessed by national indicators, is diverse. The second key in case studies is to assure that the field researchers are knowledgeable, yet objective. The resulting combination of areas and the researchers are:

Baltimore, Maryland—Gregory Wurzburg, Youthwork, Inc.;
Dallas, Texas—Robert McPherson, University of Texas;
Indianapolis, Indiana—Earl Wright, W.E. Upjohn Institute for Employment Research;
Montgomery County, Maryland—Marion Pines, Baltimore Metropolitan Manpower Consortium;

North Carolina Balance-of-State—Edward Dement, MDC, Inc.;
Ottawa, Michigan (not included in this volume);
Penobscot, Maine—Andrew Sum and Paul Harrington, Northeastern University;
San Francisco, California—Garth L. Mangum, University of Utah;
Seattle, Washington—R. Thayne Robson, University of Utah;
Tucson, Arizona—Garth L. Mangum, University of Utah;
Utah—R. Thayne Robson, University of Utah; and
Worcester, Massachusetts—Morris A. Horowitz and Joanne Loscalzo, Northeastern University.

The above include two moderate-size cities (Worcester and Tucson); five large cities (Baltimore, Dallas, Indianapolis, San Francisco and Seattle, each with a population of over 500,000); five counties, including one metropolitan county (Montgomery), a rural county in Michigan (Ottawa), and a consortium of three rural counties (Penobscot); a state acting as a single prime sponsor (Utah); and a balance-of-state (North Carolina).

All major regions in the country are represented in the study: New England by Penobscot, Maine, and Worcester, Massachusetts; middle states of the Atlantic seaboard by Baltimore and Montgomery County, Maryland; the Southeast by North Carolina balance-of-state; the Southwest by Dallas, Texas and Tucson, Arizona; the Midwest by Indianapolis, Indiana; the Mountain states by Utah; and the Pacific Coast by San Francisco, California and Seattle, Washington.

Though our sample cannot be called statistically representative of the 476 prime sponsors funded in fiscal 1980, it can be considered illustrative of most of the kinds of organizations and activities typical of prime sponsors. What we found is a reasonable representation of the realities of CETA. Each was studied by a knowledgeable and authoritative CETA watcher who received complete cooperation from the actors on the scene. Complete case studies for each prime sponsor are published in a companion volume, *CETA Training: A National Review and Eleven Case Studies.*

The "worm's-eye view" of CETA training from the local level is supplemented by the "bird's-eye view," based on national management information for all prime sponsors and impact information gathered for all CETA programs. This supplementary assessment by Robert Taggart focuses on the aggregates resulting from the diverse experiences noted in the case studies and suggests the representativeness of the trends and outcomes noted in specific locations. It also provides estimates of impacts and insights concerning patterns of efforts which are only possible to derive from studies involving large samples of trainees drawn from many prime sponsors. The findings of most importance relative to the local experience are highlighted in the first section in this volume.

The overview of the whole project, "Summary of Findings and Recommendations," explores the quality of CETA training by:

1. Providing historical and national perspective for the case studies.
2. Assessing the quality of training found at the 12 sites.
3. Examining CETA's decisionmaking processes related to training.
4. Offering recommendations for improvement of training quality.

Unless otherwise stated, all information about prime sponsor operations is from their respective internal sources. The customary references to data sources have therefore been deleted. These data do not necessarily agree with data released by the U.S. Department of Labor.

We are indebted to our colleagues who prepared the case studies for critical review of this overview. Mary Bedell supplied editorial comment on the case studies, while Richard Belous, Howard Bloom, Janet Johnston, and Brian Linder reviewed the overview. Nancy Kiefer, Cathy Glasgow and Gwen Luke provided administrative assistance in carrying the project through the usual drafts. We are also indebted to the 12 CETA prime sponsors and the U.S. Department of Labor for their cooperation.

This study was conducted under the auspices of the National Council on Employment Policy. The Edna McConnell Clark, Ford, Charles Stewart Mott, and Rockefeller Foundations funded the study. In line with their usual practice, the foundations left responsibility for the design and content of the studies and the overview to the authors.

Sar A. Levitan
Garth L. Mangum

CONTENTS

Summary of Findings and Recommendations

Sar A. Levitan and Garth L. Mangum

The basic premise of the Comprehensive Employment and Training Act (CETA) was that local decisionmakers could design and deliver services more appropriate to their local economies and populations than any nationally uniform program. Therefore, the nature, quality, and effectiveness of the programs offered by 476 prime sponsors manifests great diversity. Nevertheless, it is possible to make some generalizations from examination of the national enrollment, costs, and outcomes data and from intensive study of the training activities of 12 prime sponsorships. First, the conclusions and then the supporting arguments:

1. CETA training is a sound social investment. The national data suggest that the social returns for each dollar spent on CETA-funded classroom training amount to $1.14, while each dollar spent for on-the-job training (OJT) returns $2.28. When public service employment is conducted as OJT in the public sector, it too has a substantial payoff, but that is not true of run-of-the-mill work experience projects.

2. The quality of CETA classroom training is primarily a product of the local institutions. Prime sponsors normally buy services from whatever training entities exist in the community. Fortunately, more prime sponsors have access to some high-quality training institutions, but the others must settle for what is available. However, though CETA may have had limited impact on the quality of training available in most communities, it has had a major impact on the willingness of training institutions to enroll and serve economically disadvantaged trainees.

3. The dependence of CETA on the availability and quality of the local training system applies to other services. Most often, the CETA prime sponsor functions as a broker and coordinator of services rather than as a service deliverer. The chief elected official and prime sponsor staff can encourage quality services but, with few exceptions, cannot deliver them. The prime sponsors depend, therefore, on the performance of: (1) the education and training institutions; (2) the public employment service, which provides labor market information, certification of eligibility, payment of allowances, operation of intake and assessment centers, marketing of OJT, and other linkages with the employer community; and (3) local community-based organizations, which are spotty as to their service delivery capacity but important for their client-advocacy role.

4. Judged by the quality of facilities, equipment, curriculum, and instruction, the quality ranking of training institutions in descending order tends to be: (1) private proprietary schools, (2) public vocational and technical schools, (3) skill centers developed under the auspices of the Manpower Development and Training Act (MDTA) between 1963 and 1973, and (4) training activities of community-based organizations. However, choice among institutions is complicated by the fact that ranking in terms of ability to understand, relate to, and serve the disadvantaged is exactly the opposite. Therefore, prime sponsors are constantly forced to compromise between these two sharply differing measures of quality.

5. While CETA training is a continuum of earlier programs, significant changes have evolved. The most notable changes developed under CETA are:

a. Greater utilization of broad occupational offerings, achieved primarily through referral of eligible individuals to mainstream training programs in private and public schools and colleges.

b. The expansion of nonoccupational training activities such as remedial basic education, English as a second language, prevocational orientation, and job-search training.
c. Participation by communities not previously served.
d. The additional or expanded use of new service deliverers.

6. Persistent obstacles to improvement of the system are:
   a. The federal prime sponsor rating system credits procedure rather than substance and neither measures nor rewards quality.
   b. The data system measures short run rather than long-run outcomes. Longer-duration training has a higher rate of return than training of short duration. To date, only the short-run data have been available to decisionmakers.
   c. CETA has not succeeded in linking its offerings with complementary services offered by the programs or sequencing the training and services it offers.
   d. The high payoff of OJT is also not apparent to the prime sponsor in the short run. Marketing OJT is expensive for prime sponsors in terms of staff time expended. In addition, the subsidy, equalling 50 percent of the wage for a few weeks, tends to be primarily attractive to marginal employers.
   e. The allowance system distorts incentives for undertaking training. Many of the disadvantaged clientele must have financial support to afford training participation, but uniform allowances at the level of the federal minimum wage for all enrollees appear to encourage some to participate more for the sake of the allowance than for the training.

f. The federal budgetary process denies prime sponsors opportunity for long-range planning.
g. The federal staff is ill-equipped to provide useful technical assistance.
h. Both prime sponsor and federal staff lack training backgrounds.

Still, there is reason to take satisfaction in CETA training accomplishments, but there is ample opportunity to make a sound system better. The key steps are:

1. Training and employability development should be made the highest priority of the CETA system.

2. The system should encourage and support a two-tiered structure of classroom instruction, consisting of a remedial career-entry phase, designed to serve the disadvantaged with remedial education, career exploration, job-search training, and occupational skills that can be acquired in no more than 36 weeks; and a career-development phase available to those who prove themselves in the first phase.

3. To induce employers to provide on-the-job training, subsidies should cover a "try-out" period during which the trainee is in the workplace but receiving a CETA stipend until the employer has an opportunity to assess the trainee's worth. Public service employment should, in most cases, function similarly, as public sector OJT.

4. The training allowance system should be reformed to include: (1) reimbursement for the out-of-pocket expenses of training participation, paid to all, (2) a subsistence component based on family income, and (3) a cash incentive for high performance.

5. The federal funding commitment should be made to prime sponsors at least 2 years ahead.

6. An aggressive personnel exchange system should give federal, state, and local staff substantial experience at each of those levels.
7. A technical assistance, staff training, and curriculum development entity should be developed that is capable of bringing meaningful help to the local level.
8. A rating system should be devised stressing qualitative factors and rewarding positive long-range results. The system should reflect data derived from the Continuous Longitudinal Manpower Survey upon which the first point of this summary was based.
9. There should be constant experimentation in search for improvements in the quality and outcomes of training. The adaptation by local training institutions of computer-assisted and computer-managed instruction, already proven in Job Corps to be effective with a disadvantaged population, deserves serious consideration.

1. The Scope of CETA Training

Antecedents

Congress passed the Comprehensive Employment and Training Act in 1973 with the aim of consolidating federal employment and training resources. Chief elected officials, known in CETA parlance as prime sponsors, representing local units of government with populations of more than 100,000 and states on behalf of smaller areas, were eligible to participate in the program. Prime sponsors were to plan, design and administer local programs consistent with general federal guidelines, subject to local advisory council review and regional Department of Labor approval.

CETA is best understood and appraised as a continuation of employment and training programs that had existed since the early 1960s under the Manpower Development and Training Act (MDTA) of 1962 and the Economic Opportunity Act (EOA) of 1964. It made available under one authorization a range of services aimed at improving the employability and earnings experience of workers from low-income households. On the administrative side, CETA transferred decisionmaking authority at the state and local level from the state employment service, state boards of vocational education, and local community action agencies to elected officials identified as prime sponsors.

This study is illuminated by the recognition that CETA inherited from its predecessor programs the institutions or services they established, though significant changes have been made in the ways in which those institutions are used and in the mix of services provided. Labor market interventions under CETA's predecessors were limited to classroom and on-the-job training, remedial education, work experience, subsidized public employment, and supportive services to make participation in the other components possible. CETA has added to this list a range of nonoccupational training. As the program's title indicates, its offerings can be divided between those that stress job creation and those that emphasize employability development. The latter is the focus of this study.

Prior to CETA, training occurred primarily in three institutional settings, with minor use of a fourth. Initially, most training was offered to class-size groups in existing public vocational education facilities. This arrangement suffered from serious drawbacks. First, the training was often offered at inconvenient hours because the facilities were fully utilized during regular school schedules. Second, the schools offered the trainees a limited range of occupational choices. Third, the out-of-school population of generally limited education was taught by instructors accustomed to, and with pedagogy designed for, mainstream in-school youth.

An alternative soon emerged that attempted to correct the first and second problems. The remedy was tuition payment for, and referral of, individuals to ongoing postsecondary vocational and technical school programs (known as individual referral). But that was useful only for those who could compete with the regular student body.

The third alternative was the skill center. This new institution was developed specifically to meet the needs of MDTA enrollees drawn mostly from among the poor and deficiently educated, classified as the "disadvantaged" population. Modular training curricula were structured for adaptations to individual instruction, so that trainees could enter immediately upon enrollment, rather than await the start of a new class, and progress to some extent at their own pace. Emphasizing individual needs, trainees could begin without prerequisites and leave for employment when their potential, their endurance, or their resources were exhausted. Remedial education, either preliminary to or integrated with occupational training, was available to those who needed it. The skill centers also provided supportive services, centering on the personal problems faced by the trainees. The services included advocacy counseling to help with personal problems, transportation, minor health care, child care, job development and placement. The skill centers utilized whatever low cost facilities were available, burdening the centers and their trainees with an unfortunate stigma. Observers expressed concern that the student body included a mixture of the upwardly yearning and those attracted mainly by the stipends.

Since the state boards of vocational education were responsible for providing the training sites, limited use was made of private training institutions. Occasionally training was contracted with private proprietary schools. Additional possibilities that emerged out of the antipoverty movement were the community action agencies (CAAs) and the community-based organizations (CBOs). Only a few CAAs, the Opportunities Industrialization Centers (OIC), and the Operation Service-Employment-Redevelopment (SER), and organization oriented toward serving Mexican-Americans, played significant training roles during that period.

A technical assistance operation known as AMIDS (Area Manpower Institutes for the Development of Staff) provided inservice staff training, curriculum development, and other help directly to the federally supported training sites, but these disappeared with the advent of CETA.

Given the limited resources and the clamor for enrollment by the eligible population, program administrators attempted to ease the conflict by cutting the duration of training and making it possible to enroll more applicants in training programs. The problem was compounded by the fact that enrollees were paid stipends, consisting of the average state unemployment compensation payment plus allowances for dependents and training-related out-of-pocket costs for adults, and lesser amounts for unmarried youths. The stipends consumed half of the resources. The law also required restricting training to occupations having "reasonable expectations of employment."

This combination of a disadvantaged clientele, pressures for immediate placement, and the short duration of courses limited the training choice to entry-level preparation for occupations requiring rudimentary skill and characterized by high turnover rates. Three-quarters of all pre-CETA classroom enrollments were in seven occupational categories and all at the entry level: clerical, health care, automotive repair, machine operation, welding, building service, and food service.

On-the-job training began slowly and accelerated so that by 1968 about half of MDTA's enrollments were in OJT slots. Representatives of the public employment services or community-based organizations offered employers an average of $25 a week for 26 weeks (the equivalent of 15.6 hours pay at the minimum wage in the early 1970s) as a subsidy for hiring MDTA eligibles. Predictably, only the small marginal employers were attracted by the subsidies and then only if the most qualified among the eligible were selected. Since these employers normally lacked training capability, the subsidy primarily bought a placement in a low-paying job. Nevertheless, the costs were low and the placement was built in, with retention likely, so a high ratio of benefits to costs was assured.

CETA was introduced, not because MDTA and EOA were failures, but because it was thought that local political accountability would produce a service mix, including training, better adapted to the local scene. In addition, it was assumed that quality would improve if local institutions had to compete for the right to provide CETA services. Focusing on what has happened to the quality and effectiveness of training under CETA should help answer whether those assumptions were correct.

Magnitude of CETA Training

Under CETA, the nation's commitments to employment and training programs rose dramatically, but employment generation captured the lion's share of dollars and people. There were over 2 million new enrollees in CETA programs in fiscal 1980. Over two-thirds of these new participants were in work components, or nearly half if the youth summer program enrollments are excluded. Job creation components also accounted for two-thirds of the 1 million service years of employment and training activity estimated for fiscal 1980. The number and distribution of service years by program components follow:

CETA component	Service years (000)	Percent distribution
Total	1,097.5	100.0
Local programs	1,041.8	95.2
Classroom training	219.9	20.0
On-the-job training	54.3	4.9
Summer youth work experience	126.2	11.9
Youth transition services	41.3	3.7
Nonsummer work experience	252.3	23.0
Public service employment	347.8	31.7
Job Corps	35.7	3.2
National programs	20.0	1.8

Whereas training expenditures predominated in the policy mix prior to CETA (accounting, for example, for nearly 2 of every 3 dollars expended in 1969), they fell to less than a fourth of CETA outlays by 1974 and to only 15 percent in 1978, before rebounding to 21 percent in 1980. The source of the relative shift was massive allocations to job creation rather than decreases in training funds. In fact, with plentiful employment funding under other titles after 1975 and with public sector employment proscribed under Title IIBC after 1978 (the title giving prime sponsors the most discretion to choose among alternative services), more of that title's funds could be expended on classroom training and OJT, as follows:

	Outlays (in millions)	
Fiscal year	**Classroom**	**OJT**
1975	$ 309.6	$ 77.9
1976	606.2	168.4
1977	739.8	207.5
1978	872.6	257.8
1979	941.5	224.0
1980	1,224.6	216.1

The relative distribution of training dollars has also shifted during the first 6 years of CETA. OJT has accounted for between 8.7 percent and 13.8 percent of Title I or IIBC expenditures, while the share of classroom training during the same period rose from 34.4 percent to 57.1 percent of IIBC allocations.

	Percent of Title IIBC (former Title I) outlays for	
Fiscal year	**Classroom**	**OJT**
1975	34.4	8.7
1976	35.7	9.9
1977	42.1	11.8
1978	46.5	13.8
1979	52.3	12.4
1980	57.1	10.4

The rising expenditures for training have provided opportunities for an increasing number of persons in need. The new participants, or annual flow through training programs each year, rose rapidly over the early 1960s to 336,000 annually in fiscal 1967. The participant levels reached 481,000 annually by 1972, and declined during the next 4 years. Growth resumed in 1976, reaching a peak of 773,000 in 1978, followed by a decline over the succeeding 2 years. Most of the secular increase resulted from the growth of local classroom training enrollments. In fact, average OJT participants during the first 6 years of CETA were only two-thirds the average from 1969 to 1974. With the erosions of inflation and the beginnings of budget cuts, the pattern of Title IIBC (or its predecessor) training enrollments has been as follows:

(in thousands)

	Individuals		Service years	
Fiscal year	Classroom	OJT	Classroom	OJT
1975	291	74	69	17
1976	514	148	146	39
1977	537	170	173	44
1978	580	193	188	54
1979	569	157	163	40
1980	494	132	152	36

This study focuses on the regular and continuing funding that Congress appropriated for training under CETA, exclusive of Job Corps. In addition to direct allocations to prime sponsors, funds were also allocated under Title IIBC to state governors for vocational education. Other training funds came from youth training programs, a special appropriation for a demonstration skill training improvement program (STIP), a private sector initiative program (PSIP), and other titles of CETA. The Title IIBC formula allocation has accounted for about half of the CETA training, as the percentage breakdown of fiscal 1980 enrollments and expenditures indicates:

Source of Funds	(percent distribution) Expenditures by program components	Participants by program components
Total training	100.0	100.0
IIBC	49.9	61.0
Supplemental vocational education	4.7	*
IID	1.4	2.1
III	1.5	3.3
STIP	2.6	1.3
IV		
Youth employment	6.5	11.8
Job Corps	28.0	9.3
VI	0.7	0.6
VII (PSIP)	4.7	10.6

*Participants counted under Title IIBC in CETA MIS reports.

2. Local Vantage

The Comprehensive Employment and Training Act provided funds in 1980 to 476 state and local governments—known as prime sponsors—for the delivery of services designed to improve the skills and the employment opportunities of low-income individuals experiencing difficulties in the labor market. While not necessarily representative, the 12 intensive case studies are a microcosm of the CETA system. This can be demonstrated by first comparing them on a few key variables with national averages. The quality and effectiveness of the training provided by each prime sponsor is assessed, and the aspects of regulation and administration that have an impact on quality are reviewed. The national and local reviews then become the source of conclusions and lessons related to the entire system.

Classroom Training

Allocation Determinants

Nationally, prime sponsors enrolled half of their Title IIBC participants in classroom training. Most of the prime sponsors interviewed indicated a preference for classroom training, and all but Baltimore, San Francisco, and North Carolina balance of state enrolled a higher proportion than the national average in classroom training. But because of variations in costs per enrollee, expenditure patterns did not coincide with those for enrollments, as indicated below:

Classroom training under Title IIBC, fiscal year 1980

Location	Percent of total participants	Percent of total expenditures
U.S. average	50.3	48.4
Baltimore	10.4	10.1
Dallas	75.1	53.0
Indianapolis	54.5	65.7
Montgomery	62.4	48.4
North Carolina balance of state	39.6	33.6
Ottawa	62.5	18.9
Penobscot	53.2	21.6
San Francisco	41.0	53.1
Seattle	55.7	68.0
Tucson	63.6	81.3
Utah	57.0	65.8
Worcester	71.9	60.3

Nationally, neither the local unemployment rate nor the age structure of the participant population explain the differences in service mix. Also, in making cross-prime-sponsor comparisons, it is not certain that common definitions were used. It might also be expected that classroom training would decrease with rising unemployment; however, the opposite has tended to be true. As unemployment has risen, more Title IID and VI PSE funds became available, thereby freeing up Title IIBC money for added training. On a cross-sectional basis, there is a tendency for those prime sponsors with the lowest unemployment rates to show the greatest commitment to classroom training, a relationship which does not hold true for on-the-job training. The major departures from this generalization are those less-populated areas with limited access to training institutions or private employers.

Location	1980 civilian labor force (000)	1980 unemployment rate (percent)
U.S. total	102,908	5.8
Baltimore	734	6.3
Dallas	510	3.8
Indianapolis	397	5.5
Montgomery	309	3.5
North Carolina balance of state	1,684	7.1
Ottawa	70	4.7
Penobscot	87	6.4
San Francisco	399	6.6
Seattle	776	5.6
Tucson	141	5.1
Utah	554	3.8
Worcester	158	4.7

Prime sponsors have also complained about the requirement of maintaining the same level of service to youth under Title IIBC after the addition of new Title IV youth programs in 1977. This provision forced them to emphasize work experience under Title IIBC, since this was the most common youth activity in this title. Yet, the studies found no consistent correlation, positive or negative, between the share of IIBC funds devoted to youth activities and the ratio of training to work experience under that title.

Institutional Setting

The providers of classroom training varied widely among the 12 sites studied. In Seattle, Tucson, and Utah, the major providers were the skill centers, which originated under MDTA. In San Francisco, the use of community-based organizations was favored, along with minor use of a skill center and a substantial amount of individual referral to private schools and the community college system. In North Carolina, the community colleges and technical institutes had most of the action, as was the case in Penobscot, where private colleges rounded out the classroom training facilities. In Dallas, two school districts and two CBOs shared most of the training activity. The overriding concern was with providing low per-capita cost training. Baltimore and Worcester used a mix of public and private schools and some employers to provide classroom training. Rural Ottawa County, lacking training facilities of its own, provided living expenses and tuition aid to send many of its trainees out of the area. Some of the more rural areas of the Penobscot consortium followed a similar practice. Montgomery County enrolled its trainees in public and private schools, as well as local colleges. Indianapolis relied wholly on individual referrals to public and private colleges.

To generalize from the case studies, public postsecondary schools seem to provide most of the training, with skill centers in second place, followed by CBO-run schools and then private proprietary schools. In contrast to the national picture where individual referral purportedly predominates, enrollments in class-size groups were more common than individual referrals in all of the study locations, but this was true primarily because of the unusual CBO delivery system in San Francisco, Seattle, and Dallas.

Though skill centers played the predominate role in three locations, they were important in two others and supplemental in one. In Seattle, Tucson, and Utah, the skill centers provided the bulk of occupational training for the prime sponsor, but, in Baltimore and San Francisco, the skill center had a limited CETA role. These MDTA institutions still seem to be characterized by the same advantages and shortcomings they offered during the earlier period. Their staffs are typically dedicated to serving a disadvantaged population, and a range of on-site services required by disadvantaged trainees is generally available. On the other hand, the training tends to be limited to an average of 26 weeks and a maximum of 36 weeks (except for health care occupations where licensing requirements require longer training periods); the facilities are often poor, though the equipment is generally adequate, and the institutions are likely to have low prestige in the community.

Most skill centers make use of existing structure. For instance, the Tucson skill center was initially housed in abandoned department store, garage, and restaurant buildings. In Utah, one skill center is in a former laundry building and another, in what was formerly a high school. The Baltimore skill center is also in an abandoned high school, as is the Dallas facility, although the latter has been lavishly remodeled. The San Francisco skill center is housed in an abandoned elementary school. However, the latter institution has lost most of the attributes that typify a skill center. The Seattle facility, which was the major provider of CETA occupational training in that city, was exceptional in being the only center built for that purpose. Owned and operated by the Seattle Opportunities Industrialization Center, it has the allegiance of its enrollees and the black community, but although it is well-designed and -equipped, it still does not appear to command the general prestige that its quality deserves.

Beyond these examples of MDTA continuance, the occupational training locus seems to have shifted to standard public vocational schools and proprietary schools, supplemented by specialized programs run by CBOs. In the mainstream public and private institutions, which serve the general population, CETA enrollees are referred individually to the regular program, with any necessary fees paid from CETA funds. This approach provides the CETA enrollee with training as good as that available to the taxpaying or feepaying public and allows participants to report to peers or prospective employers, "I'm at the technical college," rather than, "I'm in CETA."

The drawback is that only those who are fairly self-motivated and who can compete with the regular clientele in the school will last. Some schools do provide remedial education, but that is not the norm. A few prime sponsors follow a sequencing process in which an enrollee can spend time in a remedial component at one institution and then be referred to a skill training institution. However, almost every CETA prime sponsor has far more applicants than available slots, and the case studies found waiting lists for training ranging from 3 to 6 months. Thus, most sponsors considered it inequitable to invest heavily in some eligible persons, thereby leaving no funds for others. The regional office staff, and national policy as well, reinforced this concern by inveighing against high per-capita cost and setting up an assessment system that commends program for combining low costs and high immediate placements but largely ignores the quality of training offered.

Community-based organizations also play a larger role under CETA than they did under MDTA. The Opportunities Industrialization Centers (OIC) have been in the skill training business since the mid-1960s and in many cities provide high-quality training in a wide range of occupations. The Seattle OIC, as noted, is an outstanding example. However, in many other cities the OIC offering is limited and, in some places, of low quality. OIC provided a narrow range of training in Dallas and North Carolina, and it had been dropped for poor performance in San Francisco and Montgomery County. Often, as in Dallas, the prime sponsor must share responsibility for not simultaneously supporting and spurring the CBO to higher-quality efforts.

While OIC offers occupational skills, other CBOs tend to restrict their offerings to remedial prevocational components and to sponsorship of on-the-job training. However, the trend is for local community-based organizations to add entry-level skill training components. Facilities tend to be unsatisfactory, but the training emphasizes those occupations that require little training equipment. CBOs are particularly effective where the primary concern is with the instruction of English as a second language. In some cases, the support of CBOs may be motivated by a desire to "give them a small contract to keep them alive." However, the San Francisco and Seattle CBOs are both politically potent and offer highly competent instruction.

Training Occupations

High turnover occupations predominated among the training activities of the 12 case studies. Most of the enrollments seem to be in clerical, health care, automotive and auto repair, welding, machine operation, building service and food service, just as they have been since the days of MDTA, but some significant change has occurred. Clerical and health care occupations are, in generally high demand so that, depending upon the level of investment in time and training costs, jobs can be found at lower or higher levels within the occupational cluster. Given the backgrounds of the enrollees and the relatively short training time allowed in most CETA programs, the clerical trainees tend to attain only marginal levels of skills. Yet the demand is sufficient in most locations to assure a respectable placement rate in the 60- to 80-percent range. Admission to health programs tends to be more selective. Training for licensed practical or vocational nurses, an MDTA creation, continues to be the outstanding CETA health care program. Training extends from 36 to 52 weeks, and placement is almost guaranteed if state certification standards are met. Yet, within the health care category, the Nurse's Aide Academy program in Dallas is evidence that programs of short duration can be productive when attuned to the needs of the client population and the demands of the labor market.

There seems to be a small and sporadic, but still significant, trend toward a broadened occupational range in class-size projects. Training for computer-related occupations and office machine repair are on the increase. Other occupations are added from time to time in response to local economic conditions, but the conditions and the programs rarely continue over long periods of time. In fact, CETA-funded training activities appear to be more flexible in phasing in or out according to community need than is common among training institutions.

The trend toward increased use of individual referral has expanded the range of occupations for which training is offered and is nearly as wide as the total offering of the local training institutions, but the numbers trained add up to few in each occupation. Examples from the 12 case studies include radiologic, biomedical, psychiatric and graphic reproduction technicians, dental hygiene, drafting, air conditioning, computer programming, graphic reproduction technician, and cosmetology. However, many of these are 2-year programs. CETA tries to limit enrollment to 36 weeks, with an average, scheduled course duration of about 26 weeks, and it rarely pays for more than 52 weeks of training. In a few cases, in Penobscot especially, CETA was found to be paying tuition allowances for the first half of a 2-year training program, leaving those who can afford it to finish at their own expense. Apparently there is interest in long-term training but an unwillingness to pay the price of reducing the numbers served since for every person enrolled in an expensive long-term training course, others are left without service.

To demonstrate the importance of this kind of activity, the skill training improvement program (STIP), initiated in 1977, earmarked funds for both high level skills and long-term training. The funds were allocated to prime sponsors on a competitive basis. To support the same training for the same number of enrollees from regular prime sponsor funds would have absorbed a high proportion of available funds and resulted in the rejection of many applicants. However, the last grants for STIP projects were awarded in the first quarter of fiscal year 1979 from fiscal year 1978 funds, and no additional funds have been allocated for the program.

Other problems are associated with long-term training. Not only are these training programs more costly, but they tend to have higher dropout rates and no higher immediate placement rates than short-term courses, even though the analysis of national data indicates that their payoff in the long run is greater. Many eligible people lack the persistence and financial ability required to last through a long-term training program. They are apparently willing to train for the relatively low-paid jobs plagued by high turnover rates that seem to be available even during economic slumps.

As a matter of general policy, the Baltimore prime sponsor had opted for expensive, longer-term offerings in its regular training program. That was achieved at the price of considerable selectivity among applicants. The Seattle skill center had historically shown a preference for long-term training, thereby contributing to criticisms of high per-capital cost. Worcester's largest skill training activity was in low-level clerical skills, but it had also carefully selected enrollees for electronics and computer programs. Montgomery County tried high-level skills on an individual basis without stipends but had to screen 1,100 applicants to find 33 persons qualified for a biomedical technician program. Several others had similar experiences with STIP. While the completion rates in these long-term offerings were generally lower than in short-term courses, those who completed were placed in jobs with considerably higher pay.

Success at running long-term training for high-level occupations presupposes either concentration on a better-prepared segment of the CETA-eligible population or a greater investment in remedial activities. The Baltimore prime sponsor has clearly made the selectivity choice for occupational training, as has Worcester for some of its programs. Utah and Penobscot had CETA-eligible populations, which in general had these characteristics, but they had not chosen to invest in long-term training. Tucson has chosen to serve a population ready and willing to qualify for minimum-wage jobs, while San Francisco stressed relatively low-cost English as a second language for predominately female immigrants. Dallas chose to focus on a needy black population but then failed to adjust the curriculum to meet those new needs. For others, the choice between lower-level enrollees and higher-level skills remains a troublesome one.

On-the-Job Training

Seven of the prime sponsors studied enrolled a larger proportion of their IIBC participants in on-the-job training than the national average, including Penobscot and Ottawa, which enrolled more than double the national average. The variation in the percent of funds and participants enrolled in OJT was even greater than in classroom training.

Most of the prime sponsors studied praised OJT but then tended to make relatively little use of it. Enrollment in OJT ranged from 0.2 to 24.6 percent of the total IIBC enrollment in the 12 sites, despite the favorable results already indicated and the cost advantages documented below. The key determinant in the use of OJT appeared to be the relative aggressiveness of the agencies accepting the OJT marketing assignment, which is usually delegated to the public employment service, CBOs (especially Urban League), and local National Alliance of Business (NAB) chapters.

On-the-job training under Title IIBC, fiscal 1980

Location	Percent of total participants	Percent of total expenditures
U.S. average	11.4	10.4
Baltimore	3.8	4.1
Dallas	16.4	9.3
Indianapolis	0.2	0.5
Montgomery	1.2	0.6
North Carolina balance of state	13.7	12.1
Ottawa	24.6	13.4
Penobscot	23.7	15.9
San Francisco	12.4	22.5
Seattle	19.0	10.7
Tucson	2.1	1.7
Utah	17.1	17.3
Worcester	5.3	7.5

Penobscot used the state federation of labor as one of its OJT developers and had established a well-designed and carefully monitored system, linked with other services. Worcester had a high-quality, coupled classroom/OJT program sponsored by local banks and administered by the local NAB chapter. In Seattle, Utah, and North Carolina, the employment service marketed OJT far more energetically than did the prime sponsor. Ottawa County had no classroom training institutions, and OJT served as an alternative to sending trainees outside the area at a high cost for transportation and lodging; Dallas had the advantage of a tight labor market to help "sell" the advantages of on-the-job training to employers. Indianapolis used OJT only in isolated cases because employers had earlier criticized the "red tape" that it involved. Private industry councils expressed interest in OJT promotion but were only beginning to get involved in the effort when the case studies were prepared.

For the prime sponsor, a major obstacle to greater use of OJT is the high staff costs involved in persuading individual employers to contract for OJT slots. Many employers are reluctant to take on a CETA enrollee. They tend to question the qualifications of the eligible population and are fearful about the amount of red tape that may be involved in the contracting process. The result is tnat, in most cases, only small marginal employers, to whom a half wage subsidy for 3 to 6 months may be attractive, sign up for one or two trainees. Moreover, in some rural areas, an absence of even small employers makes the development of OJT contracts nearly impossible.

One much-advocated approach to serving the disadvantaged is a remedial education/classroom instruction/on-the-job training sequence, which Penobscot had achieved for some enrollees. However, given the limited funds available, the outside pressures to keep per-capita costs low, and the logistical difficulties involved in developing such complex programs, most prime sponsors considered it more appropriate, if not more politically expedient, to run three parallel programs. The expansion of job-search training seems to be adding a fourth parallel track for the job-ready, who may need only placement services, but for whom the public employment service does not have an appropriate job listing. The tendency is for prime sponsors to decide on some division of available funds for each of these tracks, contract for the needed services, and then monitor the activities under each contract.

San Francisco is an example of a prime sponsor that advocates high-support OJT and has had some positive experience with it. (The emphasis is reflected in the expenditure of a high proportion of funds to support a rather low proportion of its participants.) The program is an example of the remediation/classroom training/OJT sequencing process. It begins with a commitment from the employer to take on one or more of those persons who have successfully completed the first two training phases—usually with some limited right of selection. Often the employer provides a training facility at the workplace, along with some equipment and instructional assistance from the company personnel office for a work-simulation training phase. Those who attain a prescribed performance level, or a predetermined proportion of them, are then offered permanent employment by the firms involved.

Well-paid jobs on a structured promotion ladder, with accompanying job security and fringe benefits, have been attained through this route. Examples include employment with a grocery chain, a public utility, and an engineering association. Nevertheless, the level of enrollments fluctuated with the needs of the companies—frequently involving affirmative action requirements—and could not be sustained. Not only must a willing employer be found, but uncommitted dollars must be available at the appropriate time—and these programs tend to be expensive. Both community and federal pressures are aimed at committing every expected program dollar at the beginning of the fiscal year and thereafter keeping costs low. Yet, a cooperating employer may find it difficult to adjust his labor needs to the schedule of federal fund allocations. Thus, launching a successful OJT effort usually involves the fortuitous availability of funds that are either uncommitted or deobligated from other contractors or prime sponsors.

The San Francisco prime sponsor also offers an illustration of an approach that is related to the high-support OJT program, but is less expensive and therefore has a chance for greater continuity of funding. Advocacy organizations for minorities, women, and the handicapped are funded for the sole purpose of making placements, without offering any accompanying remedial education. As a prime sponsor staffer put it, representatives of these advocacy groups "follow the equal employment opportunity enforcers around offering companies relief by providing selected, though CETA-eligible, people with the right affirmative action characteristics."

North Carolina used an alternative approach, called "work site assessment," which was funded by the state rather than CETA. In this program, workers are paid a stipend by the employment service while they are assigned to a host employer's establishment. After a trial period, the employer may reject the worker, offer unsubsidized employment, or accept an OJT contract.

Beyond these few exceptional programs, OJT was a useful, if routine, component of each prime sponsor's repertoire of program strategies. Its high benefit-cost payoff, clearly noted at the national level, was unknown to local operators and not readily apparent from any of the data available to them. The difficulty of marketing OJT, the high administrative cost of the personalized contracting process, and the overrepresentation of marginal employers among the contractors acted as disincentives to heavy sponsor involvement in that activity. The fact that planned OJT expenditures were substantially greater than actual expenditures for most of the prime sponsors indicates both the desire for OJT and the difficulties of its promotion.

Nonoccupational Training

The expansion of nonoccupational training is one of the most intriguing developments among CETA training activities. Included among these efforts are instruction in basic education, English as a second language, prevocational orientation, coping skills, motivation, and job search training. These services are sometimes supplied separately and sometimes, in any combination, included as adjuncts to occupational skill training.

The steady increase in the educational attainment of the work force and the decline of jobs that do not require at least some reading, writing, and simple arithmetic skills make lack of basic education an increasingly serious handicap. General education development (GED) certification as á substitute for a high school diploma is, therefore, a component of growing importance. Many CETA eligibles cannot succeed in occupational training without first or simultaneously participating in remedial education and often in English as a second language. Some programs have demonstrated their ability to raise reading and arithmetic performance three grade levels during a 12-week course, though the usual progress is less dramatic.

The persistence of Spanish as the mother tongue among rural peoples of the Southwest and Puerto Ricans on the East Coast, together with the flood of more recent immigrants from Latin America and the Far East, has made English as a second language (ESL) the largest training program of some prime sponsors. Increasingly, it has become vocational English as a second language (VESL) with the advent of curriculum materials teaching language in a job context. ESL (or VESL) tends to be highly successful in terms of placement rates, retention rates, and the gain between pre- and post-training wage rates. San Francisco had the widest range of ESL offerings among the 12 prime sponsors studied, enrolling persons whose native tongue was Spanish, Chinese, Korean, Filipino, Vietnamese, Cambodian, Indonesian, and Russian. Seattle also had a growing ESL component, serving various Asian refugees. Dallas and Tucson offer ESL for Hispanics, with Operation SER as contractor. Other primes had more limited ESL activities. For all of these groups, their very presence so far from their points of origin is evidence of their motivation, and many have substantial skills that can be applied only after language competence is obtained.

North Carolina had the heaviest investment in prevocational orientation, with a state appropriation of $2.3 million in addition to CETA funding. In 47 of its 58 community and technical colleges, CETA and non-CETA disadvantaged enrollees are given 8 weeks of a combination of remedial education, career exploration, and various life-coping skills. The numbers enrolled exceed the numbers enrolled in CETA-funded occupational skill training. This human resource development (HRD) program emerged as a natural consequence of reliance on public postsecondary institutions, which were not prepared to deal with a disadvantaged student body. Though it functions within the same institutions, it is separate from and not linked with occupational skill training. The Baltimore prime sponsor was unique in establishing its own in-house faculty for conducting most nonoccupational training as an alternative to contracting it out.

The hottest new entry among the nonoccupational programs is job search training. A person who knows how and where to search and how to impress an employer can usually find at least a high-turnover, low-paying job. Typically, the job search program enrollees are taught during a 2-week course to prepare resumes, fill out applications, and practice answers to the most common questions asked by interviewing employers. The enrollees then learn to use the telephone yellow pages and classified advertisement sections in the newspapers in order to identify employers likely to have the job they want and for which they are qualified. They practice telephoning skills and then spend long, supervised hours calling for interview appointments. Reported placement rates tended to range from 70 to 90 percent among the cases studied, though parallel programs for work incentive program (WIN) enrollees in the same cities were observed to have as low as 30 percent success rates. Moreover, there is as yet no substantial data on retention rates and, more importantly, no data on whether or not the participant has obtained a permanent job-seeking skill, which works in subsequent spells of unemployment.

The nonoccupational offerings rest on two assumptions: that a high proportion of jobs require no specific pre-entry skills and that turnover produces a flow of jobs, even during less-than-prosperous times. However, few programs indicate how to distinguish between primary and secondary labor markets and how to choose and attain jobs with promise. Unlike occupational skill training, which is usually provided by public education institutions and proprietary schools, private contractors appear to dominate nonoccupational training, except for ESL where community-based organizations predominate.

Training Costs

Training costs varied widely across the study sites, but gross cost data are of limited value because the scope and content of the training differed widely (Table 1 which is drawn from national DOL data sources includes only instructional and administrative costs but not allowances). Only Indianapolis and Seattle of the 12 prime sponsors exceeded the national average cost per positive termination of $3,170, with only Indianapolis recording a higher-than-the-average national cost per placement of $6,508.

Important factors in determining the costs per participant and per outcome include the ratio of nonskill to skill training, the average length of training, the occupational mix, the institutional mix, the client characteristics, the dropout rate, and the extent of local subsidies. Costs per placement or costs per positive termination depend, of course, upon the characteristics of the participants, the state of the local economy, and the availability of positive alternatives to placement. According to national data, the positive termina-

Table 1 Program costs, fiscal 1980 (IIBC, excluding allowances)

	Cost per participant		Cost per outcome					
	Classroom	OJT	Per positive termination	Rate	Per private placement	Rate	Per placement	Rate
United States	$1,328	$1,130	$3,170	67.0	$ INA	INA	$ 6,508	40.2
Baltimore	682	766	1,098	87.7	1,298	75.9	1,257	78.4
Dallas	928	747	2,332	69.2	3,539	46.3	2,780	59.0
Indianapolis	2,299	4,082	5,973	72.8	INA	INA	33,306	24.9
Montgomery	1,435	941	2,847	78.9	3,884	59.7	3,406	68.0
North Carolina	1,008	1,056	2,137	78.4	5,799	32.3	4,921	38.0
Ottawa	376	679	2,159	78.6	5,112	42.6	4,408	49.4
Penobscot	513	844	2,035	76.6	5,270	39.3	4,286	48.3
San Francisco	1,898	2,662	2,111	88.9	3,679	59.5	3,222	67.9
Seattle	2,099	897	3,582	72.4	6,660	42.3	5,704	49.4
Tucson	1,566	933	1,828	77.2	2,397	63.5	2,224	68.4
Utah	1,143	1,001	1,735	75.9	3,903	40.3	3,432	45.8
Worcester	952	1,620	1,924	68.7	3,505	41.5	3,089	47.1

tion rate of all prime sponsors averaged 67 percent. All 12 prime sponsors studied had a better record than the national average by the positive termination criterion, but Indianapolis and North Carolina fell below the national average in placement rates. The prime sponsors studied consistently reported higher outcomes to the researchers than were found in the national data source. The national average cost per placement was more than double the outlay per positive termination, but only three of the 12 prime sponsors exceeded that ratio.

Nationally, costs per participant in classroom training exceeded OJT costs by 18 percent, but half of the 12 prime sponsors expended more funds per OJT than per classroom enrollee. The presumed OJT cost advantage was offset in many places by the locally subsidized and sometimes tuition-free use of public training institutions. Public community colleges, technical institutes, and area vocational schools are generally eligible for the same average daily attendance funding whether the student is matriculated or not, and, if tuition is not completely free to enrollees, then the cost to the prime sponsor is minimal except for the stipend. Another offset against the apparently low comparative costs for on-the-job training are the promotional costs; because there may be one trainee per employer, the staffing requirements for either prime sponsor or contractor associated with OJT may exceed that of classroom training.

The costs obtainable from national data sources often differ from data obtained directly from the local level. The following locally obtained data are examples of the wide variations in costs. At the Baltimore skill center, costs per trainee ranged from $1,169 for clerical training to $3,344 for construction trades. Individual referral costs were uniform at $2,858 because the schools charged the same tuition rates for different occupations. When allowances are added, the total cost range grew from $2,041 for clerical to $4,696 for computer and office machine repair, which involved training of longer duration than the construction trades course. Most were open entry-open exit programs, and therefore costs are determined by the amount of time the average trainee takes to complete the programs (or to drop out) rather than any arbitrary, maximum course length. Since individual referral courses were fixed in length and tended to be longer and in higher skills than skill center courses, the average total cost rose to $5,173 including allowances, despite subsidized tuition.

In Tucson, for example, a skill center and a private proprietary school provided occupational training alternatives. The annual average cost per slot at the skill center was $3,324 in 1980. However, costs per enrollee averaged $351 and costs per completer were $640, ranging from $95 per trainee receiving only adult basic education or job search training to $4,144 for a full year of skill training as a licensed practical nurse. Also, included in the mix were 2-week pre-OJT basic skill courses for electronic assemblers and an 8-week course for bank tellers. The private trade school charged a tuition of $5,200 for an academic year but, since CETA enrollees were automatically eligible for basic education opportunity grants, the cost to CETA was $2,000 per enrollee for the academic year. That private school advantage was lost in early 1981 when enrollees at the skill center became eligible for BEOG grants in consequence of the center becoming a unit of the community college. Because the private school was highly selective in its entrace requirements, the prime sponsor decided to put all its fiscal year 1981 classroom training funds into the skill center, whereupon the private school unsuccessfully sued. Where the classroom training program was accomplished primarily in public postsecondary vocational and technical training institutions, either through individual referral or in class-size groups (as in North Carolina), CETA pays only the heavily subsidized tuition any individual student would pay, thus shifting substantial costs to the state.

Indianapolis is an example of a program that has operated classroom training totally on an individual referral basis. One private college charged $1,690 per slot for tuition and books for two academic quarters, while a cosmetology school charged $1,890 for 1,500 hours of training over a 9-month period. At one technical institution, the cost by occupation ranged from $1,500 to $1,800 per academic year, while another charged $4,283 for a 1,000 hour program, and a truck driving school charged $2,675 for 10 weeks. These costs did not include the allowances, which were paid directly to the enrollees.

Montgomery County relies primarily on class-size courses at private and public institutions. The Penobscot prime sponsor obtains basic education at no cost and occupational skill training at subsidized tuition rates at public institutions but pays full tuition costs, less BEOG's, at private institutions. By carefully selecting its enrollees, Montgomery County negotiated $3,000 tuition costs for 26-week high-technology programs at a private university and a private technical school, while a CBO had been charging $4,000 for training in much lower-skill occupations. Occupational training at a community college was obtained for $1,000 per enrollee, while non-skill training consisting of English as a second language, basic education, and assertiveness training for women ranged from $800 to $1,800 per person.

In general, costs appeared in line with costs of occupational training outside CETA. Allowances were the major additions over the costs considered standard to training institutions. They were a necessity for many of the low-income clientele, but some of the non-family heads probably could have managed tuitionless training without stipends, had such allowances not come to be expected. However, Montgomery

County had tried nonstipended training and had ended by serving non-family heads from households at the upper socioeconomic levels of CETA eligibility. Dallas had managed a compromise, paying stipends at an hourly rate that was an average of 80 cents below the federal minimum. A persuasive case can be made for changing the allowance structure to prevent those stipends becoming a major incentive for enrollment. A major cost for CETA has been the decision to set the training allowance at the minimum wage for the hours attended, plus add-ons for training expenses and dependents. Those training for low-skill occupations may actually have a higher take-home pay during enrollment than after placement, making many reluctant to leave the shelter of the program. Since total allowance costs are determined by duration of training, whereas training costs fluctuate to some extent by occupation and by institution, allowances vary from about 40 percent to about 60 percent of total training costs. Because length of training is the major determinant of both training cost and occupational level, the highest-cost training tends to prepare enrollees for the best jobs.

3. Quality of Training

There are no simple criteria for measuring the quality of training; in fact, there is much mystique in the concept. Effectiveness might be conceptually easier to measure, but the data do not exist. Placement does not measure effectiveness unless compared against controls because the state of the local labor market may be the more critical determinant.

Many factors enter into an assessment of training quality: the adequacy of facilities, equipment, and curriculum; the competence of the instructors; the appropriateness of the training occupations; the adequacy of training duration; and the quality of the needed supportive services provided. The characteristics of the clients and the supportive services they require also affect the quality of training provided. The management of training, including the linkages among services and with employers, may affect outcomes no less than the training itself. Of course, costs are both a determinant of quality and a yardstick against which to measure effectiveness.

Institutional Capacity

Because of the limited resources available to them, the prime sponsors included in this study were dependent upon the quality of the training institutions in existence. They were in no position to create new ones. Prime sponsor staff could only demonstrate acumen in choosing between alternatives of higher and lower quality. The quality of the available institutions in rural Maine, Michigan, North Carolina, and Utah was generally good, and the prime sponsors utilized the available resources. In some isolated areas of these states, however, there were no training institutions available. In those situations, the choices were to rely on work experience or on-the-job training (though potential host employers were also scarce) or to pay costs of transportation and lodging at a distant site. In each of these cases, at least some moneys were allocated to institutions of lesser quality for political reasons, to maintain a range of alternatives, or because of the particular attachments of institutions to race, sex, or other groupings among the eligible population.

The types of training institutions have been described but can also be ranked according to quality. The best institutions were those that were created to appeal to the broader, non-disadvantaged population in the community. Private proprietary trade schools depended upon a combination of high-quality training and good placement rates to maintain a clientele and make a profit. Attractive facilities, up-to-date equipment, high-quality staff, sound and motivating curricula, and high placement rates were all necessary to continue to attract tuition-paying customers. However, this quality came at high cost to CETA, both in budget dollars and selectivity of enrollees.

Few CETA enrollees could meet the entry requirements of proprietary schools on an individual basis. Pressures from the Federal Trade Commission to advertise their placement rate make such schools reluctant to accept the hard-to-place. The Montgomery County experience of screening 1,100 CETA eligible applicants to find 33 persons acceptable to a technical school for a biomedical technician program has been noted. On the other hand, the San Francisco experiment with placing a class-size project in a private business school, where the instructional and administrative staff was never able to establish rapport, illustrates the difficulties for such a school in seeking to adapt itself to an unfamiliar clientele.

There are, however, private institutions capable of serving a broader portion of the CETA population, as illustrated by the ABC Trade School in Tucson and the Beal and Hudson Colleges in Maine. For the CETA-eligible persons who can qualify, these appear to be good investments because they train for the mainstream labor market, their training lasts for longer periods of time, and they provide access to jobs that pay enough to assure economic independence. But selection must be made with care, and the prime sponsor should maintain a liaison with and access to external supportive services to increase the chances of enrollee survival.

Community colleges, technical colleges, and area vocational schools rank next in quality. In recent years these institutions have experienced a vast expansion and qualitative upgrading. The facilities and equipment are generally of high quality, and the occupational offerings tend to be broader than at the proprietary schools. Some CETA prime sponsors may be overly attracted to such institutions because of the comparatively low cost. Most CETA enrollees can gain entrance, but the challenge is to survive. The institutions have adapted to the needs of the average high school graduate. They rarely have available remedial adult basic education, English as a second language, close counseling support, and other supportive services likely to be needed by the CETA population. CETA referrals who can survive in that setting are likely to be brought into contact with the primary labor market. Most such schools have informal and formal employer contacts. The enrollee emerges from a mainstream institution rather than from a stigmatized federal program. The enrollee may well be inspired to a higher self-image as well.

As the case studies illustrate, some of the survival problems for CETA enrollees in these mainstream institutions can be minimized by the prime sponsor staff working closely with the training institutions. The options are to persuade the institution to mount its own supportive services activities, allow the stationing of agency personnel at the training institution to provide the social services, or arrange to provide access to supportive services external to the training institution. North Carolina has attacked the problem with its 8-week human resource development program, given prior to enrollment in occupational skill training.

The third institutional tier appears to be the skill centers. They are typically designed around an open entry-open exit concept in which an enrollee can enter regardless of background, obtain remedial education and advocacy counseling, enter individualized training without waiting, progress through a modularized course sequence, and seek employment upon attainment of a skill. They may also leave when they have reached their learning capacity or upon becoming financially pressed. All the necessary remedial and supportive services, including placement services, were designed to be available onsite from skill center staff or outstationed staff of other agencies. The survival chances of the less-qualified CETA eligibles are enhanced in the skill center environment. However, the facilities suffer in quality and tend to be limited to occupations in which entry for a disadvantaged person can be attained in 6 months or less of training.

The training provided by community-based organizations offers the fourth tier in quality. As usual, there are exceptions. As noted above, the Seattle OIC occupies modern training facilities and provides superior training. That is a unique case, however. CBOs generally operate out of haphazard facilities, just as skill centers do, and, although high quality training can occur in a substandard facility, there is at least an image handicap. The comparative advantage of a CBO is racial and ethnic identity. The few CBOs that offer occupational training tend to depend upon the charisma and commitment of staff, but the overall performance is spotty.

Contracting with CBOs for CETA services involves more than straightforward judgments of training quality. Aside from political considerations, which may be controlling, CBO personnel can provide the enrollees with a sense of identity and can offer the program greater visibility in the community. In some localities this may be sufficient reason for funding groups that mix training with a good dose of advocacy. In general, the messages of these case studies suggest that it is best to leave to CBOs the primary functions of outreach and intake, remedial components, and affirmative action sponsorship on behalf of their particular clientele. Since these activities are generally new to everyone in the community, a CBO can mount them as effectively as any other available institution. Also, the CBOs are more likely to be aware of the needs of the eligible population, and they have greater flexibility than the educational institutions. Occupational training is, however, at its best when assigned to schools or employer settings with satisfactory facilities and recognized competence.

The case studies demonstrate that the paucity of funds for facilities and equipment is a distinct obstacle to CETA training. The institution acting as contractor to provide training normally furnishes its own facilities and equipment. DOL pressures are against providing sufficient funding to upgrade facilities and equipment, and prime sponsors are reluctant to use scarce funds for these purposes. Private schools, of course, charge enough for their training to cover amortization. Public educational institutions provide a substantial subsidy to CETA through free use of facilities and equipment as well as through tuition charges that are well below costs. Skill centers and CBOs must negotiate with prime sponsors for sufficient funds to improve their facilities and upgrade their equipment but have had to overcome prime sponsors' resistance to cost increases.

As noted, prime sponsors lack the resources to provide training in areas where no effective training institution exists. The differences were critical in two of the three Penobscot consortium counties, in some of Utah's isolated areas, and in Ottawa County. The choice left to the prime sponsor in these areas was to make do with the available institutions, limit the program to work experience, or train applicants at some far-away institution involving travel expenses and living costs.

Curricula and Staff

The quality of occupational skill training curricula appeared to be generally good, though each institution was being forced to adapt materials prepared for the mainstream. A system of sharing curriculum within CETA training circles would have been of considerable value.

Curricula for remedial adult basic education are now reasonably well developed and available "off the shelf" from several commercial publishers and educational systems. English as a second language is approaching that status with an informal network of exchange among practitioners. Fortunately, a separate curriculum does not seem necessary for each language. San Francisco, where all ESL instructors share community college certification, has its own multilingual informal interchange, while ELS materials for Spanish-speaking trainees have been circulating since MDTA began. Vocational English as a second language (VESL) seems to be the code term for this growing multilingual interchange. San Francisco, Seattle, and Tucson offered the best training noted in this field, although no case study author identified ESL as an area of curriculum weakness. The anxiety of the immigrant enrollees for progress and the ethnic identification of the instructors are undoubtedly positive qualitative factors.

In contrast, limited curriculum material seems to have been designed for orientation, motivation, and various coping skills such as grooming, personal finance, and how to gain access to public services. The goals of orientation are not clear nor do we know how to motivate employees, as the experience of high-priced consultants to industry clearly illustrates. Job search training is too new to have developed a widely acceptable curriculum. Most of the literature in the field, developed in support of career choice and access to professional jobs by college graduates and displaced executives, has limited relevance to a CETA-eligible population. Consulting firms have begun to compete vigorously for assignments from CETA prime sponsors, but many unresolved methodological and conceptual issues concerning curriculum approaches remain. Quality at this point is likely to rest more with the charisma and good sense of the workshop leader than with curriculum content.

Staff development seemed to be a serious problem in the CETA training system. For institutions outside the training mainstream, including skill centers, there is ordinarily no requirement for preservice teacher training and no linkage to ongoing inservice teacher training and staff development systems. There are no funds or provisions in CETA contracts for upgrading contractor personnel. There is none of the leisurely pace of public education. Instructors are paid by classroom hour and have no built-in incentives for self-development. The generally high quality of instruction must be attributed to personal dedication rather than to institutional incentives. Formal staff development ought to make it even better. North Carolina went furthest of the 12 case studies in attempting to meet that need but the full potential effectiveness of its state-financed Employment and Training Institute was thwarted by political infighting. Still, it is a model worth consideration, since it is close enough to the local level to allow general staff attendance and onsite assistance, yet has a large enough scope for economies of scale.

Occupational and OJT Quality

The training occupations available to CETA enrollees are limited by the policy of keeping per-capita costs low and, therefore, training of short duration. The average classroom course length is 5.5 months, although the law permits programs of up to 2 years. Nonetheless, all of the prime sponsors indicated the imposition by regional officials of more stringent *de facto* limitations, which prime sponsors tend to enforce in response to pressures for maximum enrollments. In effect, therefore, CETA training is limited to 1-year programs even though some prime sponsors, notably Penobscot, enrolled their participants in 2-year programs, with the understanding that they had to pay their own way the second year. The availability of basic education opportunity grants facilitated this approach, and the grants were used extensively in several locations to reduce the cost of the initial support. Enrollment of 1 academic year or less in a low-tuition occupational program in a public institution seemed to be generally available for those meeting both CETA eligibility and the institution's entry requirements, but the number who could qualify was limited, except in San Francisco, Seattle, and Utah—areas with a generally high average level of education—which generated waiting lists of qualified applicants.

Occasionally prime sponsors attempt to generate class-size CETA projects within mainstream training institutions. Examples include Montgomery County's biomedical technician program, electronic technician, computer operation and programming courses in North Carolina, Penobscot, Worcester, Baltimore, and Dallas. Most of these advanced projects were funded under the skill training improvement program, which had its own separate, more-generous funding and less-restrictive eligibility standards than the run-of-the-mill CETA training.

The skill center programs offer occasional departures from the standard meager menu because of the special and temporary employer need, but the pressures for short training time, low costs, and immediate placement create a centripetal force back to the basic grouping. Tucson's electromechanical assembly and bank teller programs, air conditioning installation courses in Dallas, and Seattle's addition of maritime trades to the skill center's offerings are examples of efforts to meet special local needs. The difficulties of recruiting and retaining a sufficient number of eligible enrollees qualified for the training outside of the customary clerical, health, automotive, welding, machine operations and food and building service are illustrated by the class-size computer programming and operation courses in Baltimore and at the Dallas OIC.

Little is known about the quality of on-the-job training. CETA prime sponsors are usually one additional step removed from OJT employers. As noted, the prime sponsor contracts with a CBO, the local public job service, or the National Alliance of Business chapter to contact employers and place CETA-eligible enrollees with them. Some subcontractors make periodic visits to employers and some do not, and prime sponsor staff also make spot checks. But the staff making these checks are not training experts. OJT can range from formal inplant courses to working under the watchful eye of a supervisor or being assisted by a fellow employee. The first issue is, did the employer hire a CETA-eligible person because of the training subsidy rather than an employee not eligible under CETA who would otherwise have gotten the job? The payoff is whether the enrollee is retained in an unsubsidized job. The fact that such retention occurs in most cases undoubtedly explains the highly attractive benefit-cost ratio documented in the national review.

Supportive services are an essential ingredient of CETA training that affects its quality. MDTA pioneered in the development of client assistance—child care and transportation—to ease participation in occupational skill training. CETA continued to provide these services, although other programs have shared in the responsibility for their funding. Even more than MDTA, CETA has emphasized acquiring the personal attributes of employability, whether or not the client participates in occupational training.

Counseling remains a supportive service whose value is taken on faith in the absence of any strong evidence about the extent to which it makes a difference in participant outcomes. The same applies to training for job search, which is a more recent development without an articulated common curriculum and to orientation and motivation activities, which are too diverse and amorphous to make assessment of these approaches any more than a matter of faith.

Need for transportation assistance was significant only in Dallas and Penobscot. Most child-care facilities and services were provided by non-CETA agencies and did not appear to be a serious problem to prime sponsors. In general, the non-training supportive services have been taken over by other institutions during the past decade, while the nonoccupational labor market skills such as job search have exceeded them in importance within the CETA program.

Linkages and Sequence

A significant consideration in assessing the quality of a CETA training program might be the degree to which it is linked with other CETA components, with programs in mainstream education institutions, and with employing organizations. The scarcity of such linkages was one of the disappointing findings of the study. An advantage of decentralized administration should be the ability of the prime sponsor to orchestrate passage of the eligible enrollee through a sequence of locally available services, starting from the enrollee's initial need and completing with having attained employability and a job. Such sequencing was rare, however. Only three of the 12 prime sponsors centralized their total intake, and two others did so for part of their clientele. The norm was for a service deliverer to be responsible for its own recruitment, selection, and assessment of clients whose access was limited to the services provided by that contractor. The general tendency was to make one program referral per enrollee and provide nothing further, except perhaps placement services after completion.

There is no legal or regulatory obstacle to starting an individual in ESL and adult basic education at one institution, moving to skill training at another, followed perhaps by an on-the-job training stint and job search training from another institution, as needed. The obstacles are conceptual, logistical, and financial. Prime sponsor staff generally lack interest in and capability to design comprehensive delivery systems, to chart client flows, and to generate realistic and meaningful employability development plans. A systematic client tracking system is necessary to monitor the enrollee's progress, and it is difficult to assign accountability and measure contractor performance in an interdependent system. Reporting requirements further discourage mixing components. The financial drawback is the amount of money to be spent per individual. The longer amount of time necessary to traverse the complex programmatic terrain increases the amount spent for allowances.

The standard practice of the prime sponsors studied was to provide no employment and training services directly. Only the skill centers and the North Carolina community colleges and technical institutions provided both nonoccupational and occupational training within the same training institution. Most other institutions performed only one or a limited range of services. Absent centralized intake centers, there were no means of arranging a needed sequence of services to be supplied in turn by service deliverers. Each contractor had every incentive to keep its applicants inhouse and little or no incentive to refer them to other institutions for alternative or supplemental services. But centralized intake is not enough. There must be some means of assessment to determine enrollee capability and need.

There were some exceptions to these generalizations about sequencing and relations with the education community. Penobscot operated its own intake and assessment centers and tried to develop a realistic employability development plan for each participant. It was able to determine who needed adult basic education, refer them to that service, and then on to occupational skill training when the desired level had been achieved. Through the assessment process, only those with good work habits were referred to OJT. PSE was visualized as being OJT in the public sector with persons referred there first to learn and practice skills and then to be referred to either classroom training or private sector OJT. Penobscot was the only prime sponsor studied that seemed to be able to use the employability development plan as an instrument for sequencing individuals through multiprogram involvement.

Despite operating its own intake centers, there was little attempt in Baltimore to provide sequential services beyond the first referral. Dallas had contracted with a CBO for a centralized intake and assessment center but there was no continuing linkage between that center and the organizations to which the individuals were referred and no arrangement for later sequential referrals. The Washington state employment service operated a well-staffed assessment center to recommend choices among OJT, individual referral, the skill center, and occupations within them. Tucson had considerable movement of individuals from adult basic education and ESL and other nonoccupational activities at CBOs into occupational training at the skill center. This was accomplished by allocating a fixed number of slots at the skill center to each CBO that assumed the responsibility for allowance payments and placement efforts on behalf of those individuals. The skill center then provided vocational assessment to help in the choice of training occupation. Beyond these examples, assignments were based upon availability of openings or enrollee choice.

Except in Seattle, all skill centers studied were units of the public education systems. Yet the latter invariably treated their skill centers as stepchildren and established few, if any, linkages.

Tucson and Baltimore seemed to have the most significant linkages with the employer community. In Tucson, a joint and overlapping economic development council, prime sponsor advisory council, and private industry council was a useful device for program planning and for development of linked classroom and OJT programs but not for direct placement. Baltimore, more than the other sponsors, seemed to have worked out effective continuing program planning and marketing relationships for direct placement with cooperating employers.

By and large, CETA appeared to be a mechanism for placing resources into the hands of training institutions and channeling eligible individuals into training programs. However, with the possible exception of Penobscot and to a lesser degree Tucson, nowhere did any of the 12 prime sponsors studied develop the institutional arrangements that are necessary for a sequential training system.

The Quality of Evaluation

The 12 case studies indicate that federal administrators displayed little concern about training quality and few prime sponsors appeared to have staffs qualified to assess the quality of training offered and to recommend improvements in it. The only prime sponsor staff with a continuing assignment for direct onsite observation are the program monitors, but theirs is an entry level position characterized by high turnover—either up or out—which prevents the accumulation of experiences upon which to make valid judgments. Training quality appeared to be more often an accident of institutional availability. Fortunately, the accident happened more often than not, so that one can report favorably on the general quality level of CETA training, including the facilities, equipment, curricula, and staff.

But what about the results? Regrettably, the information does not exist to measure accomplishment at the local level. Not one of the prime sponsors studied could produce reliable and comprehensive statistics proving the long-run results of their training efforts. All maintained placement and positive termination rates and pre-entry/postparticipation wage rates because those were required by the DOL reporting system. A few maintained followup data for up to 6 months after training, but most did little followup. Baltimore had the most extensive evaluation program of the 12, with a separate office of program evaluation and research to carry it out. Rather than evaluate on a contract-by-contract basis, the evaluations were structured around service components in order to ascertain which are most effective for whom. However, the evaluation effort necessarily relied upon measures of short-run rather than long-run gains. Dallas is an example of a prime sponsor which contracts for 3-, 6-, and 12-month followup, but obtains no information on program impact. The purpose is to assess contractor performance but not to test the worth or outcomes of the program. Penobscot follows up its enrollees but does not record results separately for each service component.

Completion rates were generally reported by the prime sponsors to be in the 80 and 90 percentiles, a remarkably high achievement if the data are correct. Placement rates typically were reported to range from 65 to 85 percent, but was the determining factor the quality of the training program, the state of the local economy, or the competence of the job development and placement functions?

No prime sponsor had conducted any controlled study to determine how the gains to the participants fared compared with those experienced by a like group of nonparticipants. Only San Francisco had attempted to calculate cost-benefit ratios to be used as a management tool for the allocation of funds among contractors and services. Participant costs were compared to the annualized first postenrollment placement wage. In some of the ESL programs particularly the gains were spectacular, but hardly surprising considering, for example, a Cambodian pre-entry wage compared with a San Francisco post-participation wage. Since the ESL placement rates were consistently over 80 percent and retention rates even higher 6 months later, there is no reason to doubt the positive thrust of the findings.

Even excluding the unique San Francisco situation, the average wage gains were significant, considering that many participants had to settle for jobs in secondary labor markets. The boosts in average hourly rates from $3.36 to $3.97 in Dallas and from $3.60 to $4.25 in Baltimore are typical examples.

The natural concern of a prime sponsor is the relative effectiveness of service alternatives—does classrom training, on-the-job training, work experience, or some other alternative service provide the most placement per dollar of expenditure? Whether the unserved did as well as the served was a question which they felt no obligation to answer. Involved as they are in day-to-day operations, prime sponsors do not place high priority on determining whether the benefits from CETA services exceed the costs of those services. Process evaluation of the CETA system is considerable, perhaps too much so. Outcomes evaluation at the local level is rare and the national system, though thorough, involves long-term lags. Because they were limited to immediate placement data, prime sponsors are often led into less than cost-effective strategies. Work experience and short-duration training produce equal immediate placement rates at lower costs in comparison with longer-duration training, which is nonetheless shown by the national longitudinal data to have the greater ultimate payoff.

4. The Management of Training

The CETA system involves a partnership of federal, state, and local governments, with advice from other labor market participants, for the delivery of services designed to improve the employment and training experiences of eligible unemployed and economically disadvantaged persons. While this study focuses on training, it is necessary to assess how training fares in this milieu. Understanding and appraising the system in which training decisions are made requires an examination of the decisionmaking process.

The Decisionmakers

The CETA decisionmaking process involves elected officials, prime sponsor staff, advisory bodies, contractors and subcontractors, client groups, and the public at the local level, all interacting with state officials and agencies, federal Department of Labor officials, and, ultimately, the Congress. Each has varying impact on the nature and quality of the training delivered, but not necessarily on the outcomes.

Elected Officials

Few elected officials were deeply involved in the dozen cases under scrutiny. Some ignored CETA's existence. Some asked for periodic briefings to assure that no unforeseen political dangers were lurking within CETA's complexities. Only one, the mayor of Baltimore, perceived CETA as playing any significant role in his plans for his jurisdiction and administration. For him, CETA was a key resource for services to his constituents, a welcome linkage between social services and economic development activities, and its director was a valued lieutenant in his administration.

Most chief elected officials were satisfied to leave the management of the prime sponsorship to the staff, provided that CETA operations did not cause political embarrassment. In the two cases where the governors were the chief elected officials, their role was even less than that of mayors and county officials. Since decisionmaking was largely decentralized to associations of government in North Carolina and Utah, the systems may simply have been too amorphous for the governors to have means for participation. In Utah, the previous governor had resolved to shift from intense personal involvement to extreme decentralization, and the incumbent governor had not reversed that trend. In North Carolina, CETA has often been a political issue, but no governor has been much concerned with its substance. Two-thirds of the North Carolina county commissioners involved would have preferred the abolition of CETA, which seemed also to be the preference of the Dallas city council.

The finding that the elected official's involvement is not crucial to effective CETA administration does not mean that the role does not exist. Elected officials were interested and evident where political sensitivities were at stake. They occasionally overruled their directors after counting political costs. That meant, however, that their interest level was likely to be high in relation to public service employment and low in relation to training.

The Staff Directors

The key decisionmaker in a local CETA system is the prime sponsor staff director. This official is most often the prime determinant in deciding how the local prime sponsorship will respond to the local political, economic, and demographic conditions in the usage of CETA funds. From the 12 case studies, it is possible to derive a profile of the effective staff director. Yet there is no evidence linking that profile with outcomes of the program, as measured by employment and income gains of participants. Of the 12 prime sponsors, four stood out as the most effective leaders, whereas two others were so new that there was inadequate evidence of their eventual effectiveness. What marked the leadership effectiveness of these four was their ability to conceptualize the CETA system for their locality, derive a set of objectives consistent with the local economic and political mix, design a realistic program consistent with those objectives, and then direct the human and financial resources of the prime sponsorship toward the achievement of those directives. The conceptualization might not be that which was in the minds of CETA congressional authors, and the objectives might not be those espoused by the national and regional offices. However, survival demands objectives and approaches that are realistic and desirable within the local context.

Considering the long-run interests of the CETA-eligible population, an effective program is one in which (1) appropriate priorities are made for specified reasons among those eligible for service; (2) the barriers impeding the employment of individuals in the target groups are identified as clearly as available data make possible; (3) a mix of services is explicitly selected which takes into account the needs of the target group, the capabilities of potential service deliverers, and the realities of the labor market; (4) service deliverers are chosen on the basis of their ability to deliver quality service; and, (5) the outcomes are as favorable as the state of the labor market and the nature of the employment barriers allow. The staff director must be sensitive to outside pressures and constructively accommodate the prime sponsor's objectives with the mix of political interests dominant on the local and national scene. Effectiveness in each situation must be judged in relation to alternatives that the prime sponsor might have adopted. Cross-prime-sponsor comparisons are of limited value because of the widely varying circumstances.

Baltimore, San Francisco, Penobscot County, and Tucson are examples of prime sponsors operating under strong and effective leadership. Sex certainly was not the determining factor. Two of the four more-effective leaders were women and two were men. All four have a clear vision of what they believe CETA objectives to be, how much can be accomplished within their political, economic, and budgetary constraints, and are aggressive in pursuing their aims.

The stability or the strength of the political leadership does not create the staff leadership. Only Baltimore of the four cited prime sponsors could claim an elected chief executive concerned enough with the employment and training arena to contribute to the creation of a leader in his own image. The San Francisco staff director had served under three mayors, none of whom were especially enamored of CETA or deeply involved with it. The Penobscot director served under a corporate leadership of nine county commissioners, none of whom loaned substantial strength to the CETA operation. One Tucson mayor spanned the entire CETA experience, supported his staff director, but did not involve himself in CETA affairs. Except in Baltimore, the chief elected official never added to or subtracted from the effectiveness of the staff director. The Baltimore staff director could undoubtedly carry the load by herself but has been aided by the strengths of her mayor.

On the other hand, political leaders established a climate in North Carolina and Dallas, Texas in which no strong leader could have or would have persisted. Eight successive directors served the former, usually until abruptly removed.

The pattern of the latter was to view the role as a temporary assignment to be moved beyond as soon as possible. In other cases, the political environment was essentially neutral.

Leadership can drag a program down as well as build it up. Both the Utah and Seattle prime sponsors began under nationally recognized leadership and their programs were considered among the best in the nation. The original Utah leadership left when the governor backed away from support of a strongly centralized state program. The Seattle director left because he felt the Congress and the incoming administration in 1977 was unduly restricting local autonomy. He has not been replaced by leaders of equal stature as the Seattle program subsided into mediocrity.

Concern has been expressed about the staff director's stability of tenure. However, these case studies should be reassuring. No strong and effective staff director was replaced as a result of a lost election, though some were removed in internal political squabbles. On the other hand, those with effective leadership in the small group of cases have never experienced a change of political party in an election or have been protected by a consortium structure in which all of the principals did not change simultaneously.

Academic credentials appear to be irrelevant and experience seems to be paramount. All four of the most impressive leaders preceded CETA passage in their manpower program involvement. Typically, the less-effective leaders were more recent entrants, leaving one to wonder whether experience built strength or only the strong survived.

Salary and job security are not the explanation of strong leadership, though they may often encourage its absence. CETA directors and staff seem more responsive to challenge than to salary. But why would an effective leader accept the CETA assignment? The rewards are totally in a sense of service. CETA salaries are usually no more than and often less than those for comparable jobs in state and local governments. Why would persons give up other alternatives to function in the unstable and uncertain world of CETA? The motivations appear primarily intrinsic and often seem to involve a commitment to improve social conditions and contribute to the alleviation of unemployment, poverty, and discrimination. The answer may have to come from a psychiatrist, but even in these cynical times dedicated people can still be found.

That leaves a conundrum: How can a program attract strong leadership? Must it remain a happy accident? The search must be for independent spirits with sound administrative skills. They will always be scarce but not nonexistent. Ultimately, for a system to survive, the extrinsic motivations must be strengthened to support the intrinsic ones.

Staff

Conventional wisdom has it that one of CETA's major problems is the high turnover of prime sponsor staff. The 12 case studies do not support that generalization. Of the 12, all but two, Dallas and North Carolina, had in fact experienced remarkable stability, considering the limited access to the customary devices for job security. In fact, the Dallas CETA staff were city merit-system employees and that seemed to contribute to, rather than minimize, turnover. Two prime sponsors, Montgomery County and Seattle, had each experienced a substantial one-time turnover consequent to changes in directors but had experienced staff stability before and after. Utah experienced a major turnover in the leadership of its pioneering state manpower planning effort, but that was on the eve of CETA passage and stability had prevailed since. All of the others had experienced continued stability in all of the key management and technical levels. Turnover of lower-level and nonpolicy staff occurred but did not significantly affect policy or operation. Possibly one major contribution to staff stability has been the fact that over the first 6 years, CETA was a growth industry and able staff members had ample opportunity for upward mobility within the system.

Dallas reflected a hostile political environment where political leaders apparently wished that CETA went away, and at least on one occasion the city council narrowly defeated a proposal to refuse CETA funds. A CETA assignment was just another job to staff who expected to be promoted and transferred soon, and many were. There was no noticeable commitment to the CETA mission. North Carolina has suffered from fluctuating political perceptions of what CETA could and should be and failure of anyone to visualize a consistent and viable mission for the sprawling balance-of-state structure. Yet the high turnover was limited to the director with the staff experiencing no higher turnover than typical in state and local government.

On the other hand, stability existed in situations with and without merit-system protection, with low pay and high. Two situations seemed to contribute to staff stability: (1) effective staff directors and an organizational sense of mission—being part of an effective and committed organization was apparently attractive enough; and, (2) an abundant supply of the college-educated who depended upon CETA for scarce job opportunities. Utah and Ottawa County were examples. The living environment was attractive and there were few alternatives for college-educated people without technical and professional skills. That does not mean these staffs lacked competence. They were able people but without a notable sense of mission. Dependence of staff stability on leadership strength and agency commitment is in some ways a disappointing, though not surprising, finding. Putting in place higher salaries, job security, or a training program for staff development is much easier than finding and developing competent leaders or generating from the top down a sense of mission.

Not turnover but accretion had been the staffing problem of the 12 prime sponsors. All the prime sponsors report rapid increases in staff following the passage of the Youth Employment and Demonstration Projects Act in 1977; it was not unusual for the prime sponsor staffs to increase fivefold or more within several months of enactment.

Advisory Councils

The case studies were reassuring as to the role and contribution of the advisory councils mandated by CETA law, again in contrast to what has been reported from other CETA studies. In about half of the prime sponsors studied, staff followed the advice of the advisory councils on most issues. In fact, a council vote was considered the final word by several prime sponsor staffs. The conditions that divided the prime sponsors into two groups on this issue are instructive. The effective leaders seemed to put the greatest responsibilities on their advisory councils, and advisory councils seemed to respond when they had decisionmaking power.

Councils did not generally work well where the CETA operations were spread beyond the local community lines, as in Ottawa County, North Carolina, and Utah. However, the Penobscot staff director had been able to develop a useful council role by having three councils, one for each county in the consortium, and some of the separate advisory councils to substate planning regions have worked effectively in North Carolina. Advisory councils also did little where their function was not considered important by the chief elected official and staff, or where their advice was ignored, or where little of significance was happening under CETA.

Council subcommittees were active in recommending the relative priority to be given to the various target groups and in reviewing and ranking program proposals, but had no means for judging quality by other than gross outcomes. They supplied a buffer for the staff in a politically sensitive function. They tended to show sound judgment and firmness in choosing and rewarding contractors and programs capable of demonstrated effectiveness, as measured by costs, placements, and other outcomes. They were not sufficiently knowledgeable to judge the quality of program content and conduct.

By design, the case studies paid little attention to youth programs and the youth advisory councils established by the 1977 law. In general, it appears that these councils had not found a meaningful role, Private industry councils had a more programmatic than advisory role, but were relatively new when the case studies were prepared. A problem was the lack of rationale for three councils per prime sponsor. The Tucson model, which effectively combined the prime sponsor advisory council and the private industry council with the local economic development advisory council, seemed to have the most to offer.

A persisting controversy in CETA has been whether representatives of service delivery agencies should be allowed to serve on advisory councils, which make recommendations concerning choice among service delivery agencies. This controversy involves particularly the job service and community-based organizations. To avoid conflict of interest, federal regulations forbid representatives of organizations that deliver services to vote on decisions affecting their own funding, but membership on advisory councils is not forbidden. Most of the prime sponsors studied had taken steps to limit the proportion of service deliverers among advisory council membership, and at least one relegated them to nonvoting status. However, the restriction did not prevent the representatives of service deliverers, particularly private contractors, to affect decisions by lobbying council members and elected officials. The job service and the public education officials were sometimes not sufficiently interested to pursue a role aggressively, or in other cases appeared to consider such pursuit demeaning.

In general, private service deliverers, by aggressive lobbying, were able to preserve roles for themselves as long as they were at least moderately effective in performing their responsibilities. Eventually, all the prime sponsors in the cases studied tended to "bite the bullet" and dumped clearly ineffective contractors, despite political pressure. Marginal contractors, however, were often continued rather than do political battle over debatable issues.

The Feds

The prime sponsor perception of the federal role in CETA ranged from highly to mildly negative. Few favorable comments were heard concerning any federal decision. That many of the decisions complained about were products of congressional action, not the U.S. Department of Labor, did not appear to be recognized by many at the prime sponsor level. However, it appeared to be universal judgment that the department's regulation writers tended to compound congressional restrictions. The national office was perceived as having no concept of the impact of its administrative decisions at the service delivery level. Meddling threats—rarely carried out, but disruptive of operations—rather than technical assistance appeared to the prime sponsors to be the preferred remedy for any apparent transgression.

Judgments as to national office competence and intentions were no less harsh in Labor Department regional offices than in the offices of the prime sponsors: "They don't know what they want or what life is like outside of Washington." A particular complaint of regional staff and a source of derision from prime sponsor staff was that any subscriber of the national reporting services knew of Washington decisions days to weeks before the word reached officially the regional offices,and the latter could not (or would not) take action until informed through formal channels. Then, higher regional levels were perceived as compounding the delay by rewriting the national directives into regional directives before sending them on to the field, often, it was claimed, distorting the meaning and compounding the confusion in the process.

One must interpret such complaints with care. It is to be expected that subordinate agencies and staff will complain about those who set the rules and hold the purse strings. It is also to be expected that national oversight agencies will consider the subordinate as insubordinate and incompetent, especially to the extent those who oversee have more responsibility than authority. Nevertheless, there does appear to be a real problem in contrast with the past. In pre-CETA days, a substantial number of federal operatives at regional and national levels had "come up" through the federal-state employment service and through state vocational education agencies, which were also the major providers of federally mandated services. No important national office positions are currently held by former members of prime sponsor staffs. The same is true, by and large, at the regional level, though a few are beginning to emerge at the lower levels there. Thus, the federal staff is responsible for functions they have never performed and that are foreign to their experiences. When the alternatives are remedial technical assistance or threats, they are incapable of offering the former and resort to the latter.

For the prime sponsor, the visible test of federal competence is the regional office field representative—in CETA parlance the "fed rep." This individual, who is expected to provide onsite supervision and technical assistance is at the bottom of the regional office hierarchy, rarely has any previous relevant experience, and is given little helpful training. In the 12 case studies, only one "fed rep" gained praise—from the North Carolina observer—as a consistently positive influence on the prime sponsor. Two other prime sponsors felt encouraged that after a long series of bad experiences, new fed reps appeared more helpful than those of the past. Significantly, in one of the latter cases, the federal representative had come to that post after several years with a competent prime sponsor. Otherwise, the strongest praise was "he doesn't bother us very much."

After North Carolina, the most sanguine of the prime sponsors in their attitudes toward the fed reps and the regional offices were the Baltimore, San Francisco, and Utah prime sponsor directors. The first two both had the security on the local scene and the reputation nationally to feel invulnerable to regional criticism. Both also were sufficiently close to the national scene to realize that Congress and the Washington officialdom were the source of unwise decisions rather than the regional staff. In Utah, the state CETA office shielded the associations of government, responsible for program operations, from direct federal contact.

Just where the balance of truth lies in the federal-local and national-regional relationship may be difficult to ascertain, but the relationship is clearly not a productive one. The Dallas case study provides a summary of intergovernmental relations that characterizes well the frustrations of the current situation.

A study made from the prime-sponsor and national-office levels can provide little insight into the congressional decisionmaking process. However, it may be useful to contrast apparent congressional perceptions of the local decisionmakers with those gained by knowledgeable observers making indepth studies. Common complaints against Congress included: (1) overloading the system with too much public service employment too fast before the prime sponsor system was securely in place; (2) adding to that overload a continuing stream of complex new programs; (3) compounding program complexity by the detailed 1978 legislative requirements; and, (4) being invariably late with its appropriations.

The latter presents a serious obstacle to businesslike operations. A prime sponsor must plan for a year's service delivery without ever knowing within even a reasonable range what the funding levels will be. To have contracts in place by October 1, the start of the federal fiscal year, a prime sponsor must begin the planning process by January or February. The Labor Department promises budget estimates and national policy constraints by May 15 but almost never delivers on that promise. When the funding estimates arrive, they are no better than a prime sponsor could do from reading the national reporting services.

The Labor Department appropriation is almost never in place before the start of the fiscal year, with continuing resolutions governing for one, two, or three quarters or even through an entire fiscal year. But that is not the end of fiscal uncertainty. Deobligations of unspent funds make redistribution possible throughout the year. New congressional initiatives often provide supplemental appropriations. The Labor Department persistently vacillates over whether and how much of the carryover funds from the previous year the prime sponsor will be allowed to spend. Only after the fact can the prime sponsor determine how much money has been available.

Planning and Performance

This does not mean that CETA planning does not exist. Planning is the management function that sets the direction for future activities of the organization. Like Moliere's hero who spoke prose all his life and did not know it, prime sponsors must and do plan whether they know it or not. But it is contingency planning, fraught with uncertainty and laden with frustration. In addition to the delays in key data elements, the compliance review system and the geographical scope of the prime sponsorship present formidable obstacles to prime sponsor planning.

Ironically, the formal planning document submitted to the regional office may have little relation to the prime sponsor's realistic intention. A persistent complaint is that the Labor Department denies itself any meaningful oversight of program substance by fractionalizing the programs. At the regional office, pieces of the local planning document are distributed for checking on compliance, but not for its coherence or substance. It is inevitably approved conditionally and then frequently rejected for some procedural technicality. Meanwhile, the prime sponsor's real plan has been written into the contract documents with service deliverers, which specify who is to be served, what services are to be delivered, and what the performance criteria are to be.

The Montgomery County case study provides an example of a situation in which the regional office failed to take official notice year after year not only of poor plans but also of poor performance. As long as the form was observed, the substance was ignored. Only when the prime sponsor failed to spend its full allocation because it was incapable of serving the more-disadvantaged population mandated by the 1978 amendments did the regional office blow the whistle. Then, rather than offer technical assistance to solve the problems, the response was a punitive restriction of funding flows, which made planning and administration even more difficult and certainly did not help the population entitled to the services.

The experience seems not to be uncommon. The regional office reviews annually the operations of each prime sponsor. The published "report cards" offer a revealing assessment of what is deemed important by the national administrators. The fiscal 1980 Title IIBC review revealed that 28 prime sponsors experienced "serious problems," involving "major barriers to the accomplishment of program goals." Seattle and Ottawa were included in the list. The latter rural county was found guilty of not assigning a staff person to perform EEO functions—not discriminatory action—and for not having taken "corrective action regarding outreach, training and advancement of the handicapped." Seattle was cited for having "difficulty in operating the eligibility verification system . . . ." Nationally, training quantity was mentioned as a source of difficulties in five cases. Of these, three prime sponsors had not spent 15 percent of Title IID funds on training. Another was faulted for inadequate IIB performance *reporting;* and the fifth prime sponsor was apparently guilty of underutilizing vocational education setaside funds. By comparison, inadequate EEO compliance systems (again, not necessarily lack of actual performance) were mentioned nine times, and 21 of the 28 sponsors were cited for inadequate monitoring or eligibility determination systems. The quality of training was not mentioned as a serious problem for any prime sponsor.

The priority concerns of the Department of Labor are reflected in the point values assigned in the 1981 assessment package for IIBC:

Management	
Independent monitoring unit	6
Eligibility determination, verification, and tracking	6
Financial management	8
Planning (composition of council and process, only)	4
Subagent management	8
Equal opportunity	6
Complaints	5
Corrective action	7

Program Design	
Recruitment and selection of participants (says nothing about assignment)	7
Assessment and employability development plans	7
Job development and transition services	7
Services to youth	4
Program activities (assess two categories)	18
OJT	(9)
Classroom training	(9)
Upgrading and retraining	(9)
Work experience	(9)
Corrective action followup	7
Numerical Performance Indicators	
Positive termination	5
Entered employment	8
Indirect placement	10
Private sector placement	5
Cumulative enrollment	5
Cost/positive termination	4
Cost/entered employment	4
Cost/indirect placement	4

The message the prime sponsor receives is that quality, especially of training, as well as long-run results, has a relatively low priority and may not even enter into the determination of the report cards that the feds issue to the prime sponsors. The possibility of negative local publicity is more of a driving force than any available rewards for good management or quality programming. Yet advance indicators of training quality are not readily available or easily derived. To prescribe input measures would limit diversity. Ultimately, long-run outcomes will have to be the basis for judgment.

Geographical Scope and Economies of Scale

The original CETA legislation provided a bonus to encourage adjacent jurisdictions to combine into labor-marketwide planning units. It is not working and the studies document some of the reasons. One is simply the value of the incentive. Tucson City and Pima County, Arizona lost less than 2 percent of their combined budget when they split up as a consortium. It was not a sufficient threat to dissuade the county supervisors from seeking control of their proportionate share of the remaining funds. Money is power, and the exercise of power is what politics is about. If consortia are desirable, the incentives must be commensurate with their worth. Baltimore County and Snohomish County (adjacent to Seattle) both withdrew from consortia even though surrounding counties remained in. The benefits of consortia were not enough to outweigh the attraction of autonomy. The Labor Department claims to be neutral as to the choice between consortia and individual prime sponsors, but the labor market planning concept would require positive encouragement of consortia.

San Francisco, Seattle, Worcester, Baltimore and Indianapolis came nearest to having jurisdiction over entire labor markets. The results seemed positive for the first two, but of no particular significance for the others, which made no special efforts to adapt their operations to special local conditions. Tucson and Montgomery County had jurisdiction over less than a labor market. The loss did not seem serious in the case of Tucson, which drew enrollees from the city but prepared them for jobs in the suburbs as well. However, it unduly limited Montgomery County, which had to compete for access to jobs, training institutions, and employers with other prime sponsors in a complex metropolis encompassing the District of Columbia and a dozen political jurisdictions in Virginia and Maryland. The

Penobscot consortium administered jointly and planned separately for each of three rural counties, and the results were impressive. Ottawa lacked training institutions and a budget to offer adquate training.

The two statewide operations made no attempt to plan for or administer programs for the areas covered. They delegated most planning and administration to local associations of government, which left too few and fragmented resources to obtain optimal results. Apathy at the highest state levels appears to be the primary explanation for the unimpressive performance by Utah. The North Carolina balance of state just seemed too massive and complex to be manageable, even had there been the will to do so.

Planning and related decisionmaking is another matter. A state, at least those as geographically large and diverse as North Carolina and Utah, is not a labor market. No single plan is likely to rationalize such diversity. Since the balance-of-state concept eliminates the major employment centers, employment and training planning is unlikely to produce a basis for sound decisions. Breaking up the less populous areas into labor market watersheds surrounding major employment centers might be more effective. Such an approach could probably be accomplished with adequate consortium bonuses and encouragement, but state staffs would have to develop the necessary expertise to provide sound guidance.

Related to the issue of geographic scope are potential economies of scale in staffing, planning, evaluation, management information systems, public relations and other functions. In 1980, 77 percent of prime sponsors received less than $5 million in Title IIB funds, 75 percent had less than $3 million of Title IID funds, and 82 percent received less than $5 million from Title VI. Of the remaining prime sponsors having higher funding, half were balance-of-state prime sponsors with some of the problems noted above. More aggressive promotion of consortia would help meet the economy-of-scale criteria as well as further the concept of labor market planning.

The Decisions

So much for the decisionmakers and the decisionmaking process. What can be said about the quality of the decisions themselves? As noted, those can be generally categorized as: Whom to serve; what services to deliver; and, to whom to assign service delivery responsibility.

Whom to Serve?

The whom to serve decision is resolved through an interaction of law, regulation, politics, and objective judgments, probably in that order. The legislation confines eligibility to the "economically disadvantaged," representing a persistent tradeoff between concentrating resources on those most in need at the cost of imposing a negative image on some programs. Department of Labor regulations do not direct priorities among the "significant segments" eligible to be served by CETA, nor do the feds direct priorities for fund allocations for the groups who should share in the distribution of those funds. Among the prime sponsors studied, the aggressiveness and power of target-group members in the pursuit of services was a major factor in determining the racial and ethnic mix of trainees.

Since they were a higher proportion of the CETA-eligible population, minority groups were overrepresented in all cases. However, how high their enrollment was in relation to their proportions of the eligible population seemed to be dependent primarily upon the effectiveness of the organizations representing each group. CETA staffs seemed to respond to groups that applied pressure, thereby leaving less resources for those that did not. In Worcester, for example, black enrollments in IIB exceeded the proportion in the population by a factor of 10. Since no one represented the nonminority poor, they received less than a proportionate share of the resources. Seattle, early in its CETA history, designed a system based on relative need and probability of success, but the effort was abandoned with changes of staff.

In most cases, local chapters of national organizations carried the battle for allocation. For poorly organized groups such as native Americans and, in some locations, Asian refugees, other organizations with service-delivery ambitions often pursued the fight. San Francisco is a unique example of a CETA scene dominated by homegrown community-based organizations without national affiliation—as evidenced by the success of gays and lesbians, as well as foreign language groups, in gaining special attention. Aggressive and sophisticated, these local CBOs have been extraordinarily effective both politically and as service deliverers, and the system has responded accordingly. Seattle also had effective homegrown CBOs, but they were less numerous and, therefore, less obvious than in San Francisco. Advisory councils, in most prime sponsorships, were involved in conflicts over the distribution of slots among the eligible populations, and settled potential political conflicts in a setting shielded from the public gaze.

Youth everywhere obtained a high proportion of the available program resources. However, this was not a function of organizational pressures, but of legislation and federal regulation. Youth had all of Title IV to themselves plus a federal regulatory requirement that the proportion of youth prevailing in Title II before the passage of the Youth Employment and Demonstration Projects Act of 1977 be maintained. Since youth unemployment had been recognized at the local level as a serious problem before the passage of the youth legislation, prime sponsors had been allocating resources heavily in that direction. Most were therefore locked in with around one-half of their IIB slots reserved for youth. In general, the experience had been that expensive investments in training for youth below age 18 were not justified by their placement and retention rates. Therefore, the tendency was to relegate them to work experience programs, absorbing IIB resources that would probably have otherwise been spent on training.

There was a wide range of responses to selectivity by education. Areas like Utah and California with relatively high proportions of high school graduates tended not to use education as a selection criterion except in occupations where course content or licensure seemed to require education. In contrast, Baltimore, with a relatively low average of high school completers, was the most selective for its classroom training programs. The intent was to train those most likely to profit from the expenditure, relegating the less-educated to a work experience program containing its own remedial training components. As a result, classroom training concentrated on a higher level of skills. In general, however, the tendency was to spread the training across the educational range, referring the high school graduates individually to ongoing vocational and technical training programs and to OJT, with the lesser-educated concentrated in class-size projects. Given the additional need and cost of remedial education and the propensity of this population to drop out, this policy tended to restrict the deficiently educated population to short-term, entry-level preparation.

In line with legislative requirements, it appears that prime sponsors carried out the intent of the law and drew enrollees from low-income families, although violations occasionally occurred and were played up in the media. With its generally favorable labor market, Dallas was most notable in concentrating its CETA training efforts on an extremely hard-to-employ population. It was also apparent throughout the range of prime sponsors that the causes of disadvantage were many and that a wide range of competence and motivation existed among the eligible populations. It was no surprise to find that immigrants were most likely to combine income eligibility with potential for labor market success. It takes more careful screening to find that combination among the broader CETA population, but there are people who need only a boost to become economically independent.

The Service Mix

The prime sponsor has discretionary authority to allocate Title IIBC funds for training, work experience, or supportive services. None of the 12 prime sponsors utilized all the training funds allocated under the public service employment titles. Vocational education allocations through the governors' offices were a significant factor in promoting training, but no use was being made of the upgrading options of Title IIC. Since no separate funds were available for that purpose, there was no incentive to use the existing pool for upgrading the employed in preference to training the unemployed. The targeted jobs tax credit was also not popular in the 12 areas studied, though the Penobscot private industry council promoted it aggressively during the summer of 1980. Lack of understanding by employers was the usual explanation of the neglect.

The need for minimum reading ability and arithmetic comprehension made it essential to include adult basic education as an integral part of IIB training. The flood of immigrants into many of the jurisdictions was the major factor for the growth of ESL. The need to provide a transition service for PSE enrollees as shrinking funds led to terminations, as well as the low costs and high placement rates associated with job search training, served as the motivations for the addition of that component.

Throughout, however, the prime sponsors, while declaring their preference for employability development, seemed to feel obligated to maintain balance among the full range of alternative services. They were under more pressure to spread the funds among familiar service deliverers than to adjust the service mix either to client need or to demonstrated effectiveness. Few prime sponsors had developed the technical capability to defend any other alternative.

Most of the prime sponsors tended to be more responsive to enrollee need than to labor market demand. Baltimore was the notable exception. Through an extensive system of employer advisory councils, demand was determined and training planned accordingly. The underlying rationale was that there were more eligible applicants than training slots and that no one can profit from training in an occupation that is not in demand by employers. Therefore, the CETA-eligible population is best served when employers are best served.

The high proportion of clerical and health care occupations in the training mix of all prime sponsors was probably both a symptom and an explanation of occupational choice. Since such jobs were available, planners tended to choose those occupations in making training decisions. However, the high proportion of women applicants also pushed planners in the same direction. Efforts to place women in nontraditional jobs were few and limited to special projects for that purpose. Little success could be claimed. Training for male oriented jobs seemed to be more strongly supply-centered. That is, there appeared to be a greater tendency to search out occupations in which men might be trained and placed because there were fewer occupations where the demand for men was obvious.

The Service Deliverers

Prime sponsors must choose among a variety of deliverers of a variety of services. This report is concerned only with the choice among deliverers of training-related services. For classroom training, the prime sponsor usually has few options. No CETA prime sponsor has the necessary funding to create training insitutions. If a skill center is left over from MDTA days, it is used. If not, or in addition, individual referral occurs wherever there are institutions willing and able to accept CETA eligibles at reasonable cost. Where there are CBOs with any political clout, they are used unless they prove to be incompetent. Use of for-profit firms depends upon their costs and their aggressiveness. Nevertheless, within the limits of the availability of institutions, the studies demonstrate that prime sponsors do drop incompetent service deliverers and continue on a small scale and at the margin to add and test new deliverers. They respond to political pressures, but persistently they tend to expand use of the most cost-effective and shrink use of the opposite (to the extent they have dependable measures), all the while sensitive to the need to maintain diversity in offerings and institutions.

The most marked changes have been the strong shift to individual referral and to private proprietary schools. Another marked change has been the enlarged training role of organizations that are not schools. For the most part, this is both a cause and a consequence of the growth of nonskill training. Community-based organizations and consulting firms live or die by their ability to sell their services. They tend to be much more aggressive than tax supported institutions or proprietary schools, which appeal to a broad population. They push their wares by resorting to lobbying and salesmanship, thereby expanding their role beyond what sheer competence would have won for them.

The on-the-job component has undergone little change. Few employers have ever been interested in participation. An intermediary is necessary—a job service office, a community-based organization, or a prime sponsor itself—to contact employers and persuade them to accept the subsidy of one-half the enrollee's wages, which has become standard. Favorable responses generally come from small, struggling employers to whom the subsidy is attractive and larger firms who use CETA OJT as a recruiting source to meet affirmative action requirements. Whether the establishment of private industry councils will be able to generate more OJT remains problematic. Based on early experience, there is little reason for optimism.

5. Lessons Learned

The purpose of the case studies was to gain insight into the CETA system, not to evaluate the performance of the 12 prime sponsors. The studies illustrate a fascinating diversity. Penobscot showed the co-existence of strong staff leadership, minor political involvement, effective advisory participation, a weak economy, and limited service options, inducing the prime sponsor to expand its training capacity. Worcester was characterized by prosaic leadership in a revitalized high-demand economy, but with a modest placement record despite the favorable economic environment. Baltimore offered strong political and staff leadership, responsible for holding on to a consortium and making good use of generally mediocre service institutions in a redeveloping economy. Montgomery County was in transition from strong but misdirected leadership to a more promising combination in an economy of plentiful jobs usually requiring credentials.

North Carolina had a sprawling service area and diverse administrative problems too challenging for its politically burdened leadership, but was helped by the availability of sound training institutions. Dallas had a most favorable economic situation with a potential for becoming a CETA showcase, but was thwarted by political leadership that just wished CETA would go away. Indianapolis was putting itself back together after an initially mismanaged and difficult period, but was still operating at high unit costs. It relied almost totally on individual referral to community and private colleges to do so. Ottawa County lacked the training institutions to provide a comprehensive program. Utah was characterized by unaggressive leadership, but a strong economy and sound institutional support shored up the agency.

Tucson had strong continuous leadership and sound institutional support in a low-wage economy. Despite effective training, it was unable to demonstrate success measured by earnings gains for lack of evaluation followup. San Francisco had enjoyed strong staff leadership over the years, was highly politicized, but by organizations that were also capable service deliverers. It had a favorable job market for women but not for men. Seattle had based a strong, but expensive, program on individual assessment by the state employment service, individual referral to community colleges by one CBO, and classroom training at a skill center run by another CBO.

The System in Capsule

To the extent these prime sponsors are representative, the CETA system clearly can and does serve its clienteles reasonably well and has generally adapted its operations to local social, political, and economic conditions. Yet a number of shortcomings reduce the total payoff. There is considerable operational planning in the use of each year's budget, but not much strategic planning relating the use of CETA resources to the broad and long-term needs and objectives of the areas served. However, the uncertain annual funding process makes the operational planning also contingency planning, as prime sponsors are forced to live with uncertainty and adapt to changing priorities directed from Washington.

Political and administrative pressures lead to minimizing per-enrollee costs, despite evidence that longer-duration training tends to pay off better than that of shorter duration.

Based on immediate postenrollment observations, results of work experience compare favorably with those from training programs, yet national longitudinal data disclose that the former has long-run negative, and the latter positive, results in cost-benefit terms. OJT payoff is generally highest in the long run but the prime sponsor is rarely aware of this fact. The available evidence of short-run social benefits and individual gains is not sufficient to overcome marketing difficulties and to attract employers.

Local decisionmakers are prone to perceive the weaknesses in the system as being primarily federal in origin. It is true that the federal managers of CETA lack the necessary expertise to provide guidance and technical assistance to prime sponsors and have tended to emphasize bureaucratic processes rather than encourage creativity and provide substantive leadership. A more concerted effort is needed to exchange federal and prime sponsor staff to familiarize each with the other's roles and problems. It is also essential that persons with training background be brought into the decisionmaking system at both levels.

As the intergovernmental system is presently structured and functioning, the regional office has no meaningful role to play in the system. Its personnel have little policy discretion, even if they knew what was best for the program. Regional offices are merely a poor link in the communication chain from the national to the local level since there are so many routes for information in both directions that bypass the regional office.

At the top levels of the Labor Department's Employment and Training Administration, CETA administration began under the guidance of leaders who understood and were committed to the philosophy of the system. National leadership dissolved into confusion and was just beginning to get itself together again when the 1980 election results introduced uncertainty not only about the future directions of the program, but its very survival.

The Congress appears to be committed to local decision-making only in its rhetoric. It wants to handle the helm and leave the locals to respond, disregarding the administrative consequences of its constantly changing priorities.

Local Staff Development

The key determinant of CETA effectiveness is the strength and ability of the prime sponsor staff director. The attention of the elected officials can never be held for long, and when they do focus on the employment and training programs their primary interest is to avoid political embarrassment. Capable staff is essential but an effective leader will attract and develop a competent and stable staff. However, the measure of a leader in the prime-sponsor context is the ability to accommodate a wide range of diverse social, political, economic, and personal interests, not all of which are consistent with maximum payoffs in terms of employment and income gains for the CETA client population.

Of course, good management can be assisted to become better, and staff development can be institutionalized to speed and improve its effectiveness. Labor Department regional training centers have been useful occasionally in providing logistical support for recordkeeping and compliance with (frequently unnecessary) regulations, but they have not been conducive to sound management, planning, and policymaking. Universities, on their own initiative or in response to institutional grants, have put together degree granting programs for preparing entrants to the field, but opportunities during recent years have been too plentiful in human resource activities, especially in managerial roles, for large numbers to enter the CETA system. Even where they did, preentry preparation can never obviate the need for on-site staff development.

The National Association of Counties' manpower unit has played a significant leadership and staff development role, as have the national mayoral and gubernatorial associations to a lesser degree. Attachment to these local and state associations has impeded the emergence of a CETA-wide professional association, which could set professional standards and promote their attainment. There is badly needed a mechanism through which experience can be shared, technical assistance can be provided, and staff can be developed by the only ones who know how—those who have been through the mill and have learned their lessons.

Experimentation is currently underway of a prime sponsor-to-prime sponsor technical assistance and training system. This approach has promise for training prime sponsor managers. The rising stars, trained by effective managers, are the most promising source for leadership in lagging prime sponsorships. The process already works to some degree. Efforts to institutionalize such relationships should be encouraged.

The federal officialdom needs training no less than the prime sponsor staffs. The feds are caught between Congress and the locals without the competence to respond adequately to either. There is need for a more effective focus for joining key prime sponsor staff with the federal executive staff in setting overall national directions consistent with local challenges. Only a national/local consensus on mission goals and objectives can serve as a lasting framework for local decisionmaking and as a basis for assessing prime sponsor performance. The compliance issues could be presented to a CETA-wide professional leadership group who could design means of accomplishing the goals without interference with performance. The Employment and Training Administration sponsors a CETA director's work group which is convened as a sounding board. Orchestrated by the feds, the local administrators are invited to listen to what is going to happen, but are not invited to suggest alternatives. Congress, too, could be more effectively educated and influenced by such an organized body. There is need to work upon and develop the inherent common professional interests that exist between national and local staff, substituting it for the adversary relationship which has emerged during the CETA years.

Curriculum Development

Sorely missed on the CETA scene is the federally contracted but privately operated technical assistance and staff training system, which once developed and disseminated curricula throughout the MDTA system and trained local staff. Times have changed, and different arrangements are needed to take the place of this defunct institution. A possibility to be explored is a computer-assisted and computer-managed instruction being successfully promoted in general education and in Job Corps centers. Terminals linked to national or regional sources could offer access to common curricula in remedial education, English as a second language, and vocational instruction related to "hands-on" training. But that would meet only part of the need. Person-to-person relationships are also essential. Whatever approach proves best, there is a crying need for a positive technical-assistance-and-guidance approach to replace the adversary relationship, which has grown between prime sponsor and federal agencies.

Such a system need not reduce local autonomy and discretion. Unlike regulations handed down from above, technical assistance is neither arbitrary nor compulsory. Prime sponsors remain free to accept or reject. But given the hunger for leadership and direction, most prime sponsors would accept help without considering it a threat.

Management Information

Related is the need for a common, computer-linked management information system. Prime sponsors could feed in day-to-day operational data allowing constant monitoring of the system's inputs and outputs without the burden of useless reports. Performance standards and records of individual progress could both be incorporated. The local operators could call up national comparative data to test their own performance, as well as storing their own information for future recall. The same facilities could serve the curriculum and management functions at lower long-run costs than the current inadequate information flows.

Structure and Planning

Judging from the 12 cases, prime sponsors cannot respond solely to the needs of either the local labor markets or the CETA clientele. Rather, there must be a delicate balancing of the political needs of the chief elected official, the directives of the federal funding source, the needs and desires of the eligible population, the demands of the organizations that represent (or claim to represent) the clients, the marketing pressures from the alternative service deliverers, the limited cooperation available from employers, and the personal predilections of the prime sponsor staff. Judged, however, against the complexities of the environment, the fact that 12 prime sponsors could respond with acts that do accommodate the diverse, and frequently conflicting, interests and still achieve benefits that exceed the costs, is little short of remarkable. But that does not deny that there are a number of potential improvements suggested by the data, which can provide promise of improved performance without denial of any legitimate interest.

The key problem remains that of setting priorities among competing objectives in an uncertain environment with numerous special interest groups demanding attention. Only strong, well-trained, and secure management can meet this challenge. Elected officials seem to play a limited role, but since the alternative within a decentralized system is a rigid and arbitrary bureaucratization, there appears to be no better alternative than the present delegation of authority. When given the opportunity, advisory councils can become active and positive forces. However, three separate advisory councils are too much of a good thing and there is a need for consolidation. More important is the need to organize prime sponsors to cover complete labor markets rather than on the basis of a fragmented political jurisdiction. The consortium incentives need strengthening until they outweigh the political temptations to fragmentation.

The state level organization is inherently troublesome. While state participation in policymaking makes sense, most states are too diverse for the planning and delivery of services to local labor markets. The balance of state is a residual concept with no rationale to support it and every experience to cause doubt about its effectiveness. An alternative approach might be to assign states the responsibility for helping political subdivisions to deliver CETA services on a labor-market basis. This would require subdividing states into areas surrounding major concentrations of population for program delivery, but maintaining a state role in coordination among these units. No simple block grant can encompass the complex relationships between local and state governments.

A Two-Tiered Training System

There are and will probably always be more eligible disadvantaged workers willing to be trained in a stipended program for low-level entry occupations than there will ever be funding to support. There will also be a continuing flow of those who, at low per capita cost, can be made more employable by remedial education, English as a second language, and job search training. Many of those may not have the capability, endurance or resources to undergo more extensive training for high-level occupations. Yet there is evidence that there are many within the currently eligible population who could and would profit from the more extensive training, and at higher social benefit-cost returns.

Involved are two sets of institutions, or at least two sets of institutional services. Some eligible enrollees are capable of undertaking occupational training. Others need a remedial stage to prepare for the advanced training. These latter, as well as those only capable of entry-level work, need the variety of supportive services described earlier, which are not readily available in mainstream training institutions.

There should be a two-tiered system. The system would provide short-term remedial and entry-level training accompanied by supportive services available to all who need them. This entry/remedial stage could be affected either by specialized or mainstream institutions. The equivalent of 1 academic year, 36 weeks, should be generally sufficient for this stage. The second-tier of the system would offer the opportunity for extended career training to those initially ready for it or who successfully complete the entry level. It would be offered in mainstream institutions and would require only an additional year's tuition to implement the 2 years now legal, but never provided.

Closely related is training allowance reform. Training allowances at the minimum wage level distort the incentives of training participants. Who is enrolled for the training and who for the stipend? Training allowance might be divided into three components: (1) reimbursement of training-related expenses; (2) a subsistence stipend based on family income; and (3) a motivational component based on performance.

On-the-Job Training

OJT is the most effective of all for those who have access to it. Increasing that access depends upon attracting more employers by reducing their reluctance to hire CETA-eligible applicants. Aggressive marketing that places the enrollee on a "tryout" basis should be explored to encourage employers to hire disadvantaged applicants. During this period of 3 to 6 months, the prime sponsor would provide a stipend to the employer in lieu of wages.

Future Directions

The CETA training activity, in general, seems to be an effective amalgam of the MDTA inheritance, the local vocational training system, the inputs of community-based organizations, and the coordination and direction provided by local and state prime sponsors. It is strong in some places and weak in others, but there is no reason to think any centrally derived pattern could work more effectively than the local designs. It is not the whip but guidance that prime sponsors need. There is no indication of reluctance to accept knowledgeable and positive direction. Technical assistance from successful prime sponsors could strengthen the locally weak systems. Some staff development and technical assistance can be centrally provided, but much will have to be brought to the local scene. Centrally developed curricula could be locally adapted without reducing local discretion.

Centralized information does not necessarily threaten local initiative. Specific problems can only be solved at the local labor market level.

The temptation for radical surgery as part of CETA's reauthorization in 1982 should be resisted. One luxury CETA has never enjoyed is stability. There is no need to change the basic structure of the system, though there is need to delineate the roles and relationships of the players and the parameters of their managerial responsibilities. That does not preclude changing the service mix or eligibility criteria, but the basic delivery system relationship should remain in place long enough for capacity building to take place in a relatively orderly environment.

As a national policy, there needs to be more thought to a human capital development approach to CETA training. Concern for productivity, energy, and "reindustrialization" are refocusing attention on developing and upgrading the work force. The rapid fall-off in the number of youth entering the labor force during the 1980s will make each new entrant that much more valuable. If they turn out to be supplemented by a continued immigrant flow, the latter, too, will require an increased investment.

There are other systems for other components of the human resource pool. CETA was designed to aid the disadvantaged, but overall national objectives are best accomplished when the disadvantaged enter the mainstream. The prime sponsors in the 12 case studies experimented with a number of approaches, including a hard-nosed selection process that relates the abilities of the potential enrollees to the requirements for training in particular occupations, and a lengthy sequencing of remediation skill training and low- or high-support on-the-job training. Each of these approaches appeared promising depending on local situations. Prime sponsors or their successors should be encouraged to continue with their efforts since ultimately programs will have to be developed for upgrading the labor force in their communities. The federally funded CETA system or its replacement can play a major role in achieving this goal.

However, since the study was completed, the federal government has opted for cutting fiscal 1982 CETA training funds by more than a third, while totally eliminating PSE as a training option. The record of the training in the 12 prime sponsorships, as well as the national evidence of participant income gains, does not justify the cut. On the contrary, when the national productivity growth has almost ground to a halt, a program that returns $1.14 on every dollar invested in institutional training and several times as much on OJT is a wise investment worth preserving and nourishing.

We should have learned from 20 years of employment and training experience that institution building is a slow and painful process. In many ways, demographic and economic developments are recreating the issues out of which MDTA emerged in 1962. Technological displacement and plant closings were major motivations for the legislation, which was directed toward "retraining." All of today's robots and computers were on the horizon, but the entry of the babyboom generation and their mothers into the labor force made available an ample supply of low-wage jobseekers, encouraging more labor-intensive processes. Now the economic and demographic conditions portend a swingback to a more capital-intensive level.

Intensified international competition and technological advances again threaten increased plant closings and the need for worker relocation. All the signs are for continued influx of immigrants. Geographical barriers will become more, not less, serious for central city residents, even as their numbers decline. Youth entering the labor force, though in shrinking numbers, will require more, not less, training. At the other end of the age spectrum, delayed retirement will be more likely to involve second careers and retraining than continuation of the old jobs. The displaced homemaker has not disappeared from the scene.

Clearly, the demographic portents of the 1980s are for increased training needs if we are to revive the growth in productivity and prepare the labor force for the inevitable changing technology in the years ahead. Disbanding a system which took 20 years to build, inadequate as it still is, is likely to prove in a few years to have been shortsighted and costly.

A Review of CETA Training

Robert Taggart
Youth Knowledge Development Project

Alternatives for the "Leftovers"

There are, at a minimum, four million persons age 16 and over whose employment and earnings problems are so serious that they cause economic hardship. The structural problems of these low earners, totally and intermittently unemployed, involuntarily part-time and discouraged workers, are only modestly alleviated by economic growth and tight labor markets. Millions of individuals lacking education, skills, experience, equal opportunity or good fortune will be "leftovers" under any reasonable economic projections for the foreseeable future.

There are several options for dealing with these "leftovers." They can be ignored and left to make do with what is available in the labor market and income maintenance programs. Alternatively, the "safety net" of transfer programs can be improved to reduce the hardship resulting from their employment problems. Financial incentives and appeals to corporate conscience may be used to encourage employers to reach further down the labor queue. Job placement and economic development strategies might try to better match these workers with available jobs. Subsidized jobs may be created for them. Finally, training may be provided in order to improve their ability to compete in the labor market.

Job Creation and Training Levels

Since the Great Society, and particularly under the Carter administration, active efforts to address the causes and alleviate the symptoms of these structural problems increased exponentially. Employment and training activities have been a major growth area of social welfare policy. In constant 1980 dollars, total expenditures rose from next to nothing at the beginning of the 1960s to the billion dollar level in fiscal 1965; they doubled again within the next year; redoubled by 1972; and then tripled between 1972 and 1978, before dropping precipitously at the close of the decade. Training expenditures rose, in constant dollars, from near zero at the start of the 1960s to $650 million in 1968 and to $1.9 billion in 1980.

The relative emphasis on training and employment approaches has fluctuated, but training has declined as a proportion of combined expenditures, representing the predominant activity until the War on Poverty, declining to 63 percent in 1969 and to only 15 percent of expenditures in 1978. Despite the rapid growth of real training expenditures and the multi-billion dollar pricetag, remedial efforts for the "leftovers" in the labor market represent only a small share of our nation's total education and training activities and reach only a small portion of the universe of need. Public expenditures for higher education and vocational education in 1980 were twenty-five times those targeted to persons at the end of the labor queue. In 1980, new participants in targeted training represented only 1 percent of the labor force. The average monthly enrollment in training programs represented less than 5 percent of average unemployment.

Training Approaches

The Comprehensive Employment and Training Act is the legislative umbrella for most of the employment and training programs for the disadvantaged. Under a complex array of separate categorical authorizations, it provides funds by formula to states and localities for activities they design and manage within the framework provided by federal law, regulations and oversight. It also funds national programs for special needs groups, as well as the Job Corps, a nationally-operated residential training program for severely disadvantaged youths. CETA provides four categories of training: (1) Job Corps is a structured program of vocational instruction, basic education, work experience, counseling, health care, and living experiences in a residential center; (2) local classroom training is a full-time activity, which includes occupational instruction as well as basic education and other remediation in an institutional setting; (3) on-the-job training is a full-time activity, where a participant is hired by an employer and trained primarily at the worksite, with public funds covering the extra costs of supervision and training; and (4) supplemental training is a part-time or short-term activity enhancing subsidized work experience or a limited intensity service to help in the transition into the labor force.

Job Corps is the most comprehensive and intensive program and focuses on the most disadvantaged among those in need—young school dropouts from poor families. It cost over $13,000 a training year in fiscal 1980. Local classroom training, which is nonresidential and deals with a somewhat more employable group, had a cost of $8,000 per year. On-the-job training serves the most employable of those in need and had a cost of $6,000. Supplemental training for participants in subsidized public service employment (PSE) cost $2,700 per training year. Transition services—largely for in-school youth—averaged $800 per service year.

The Nature of Training

CETA training is typically short-term, aimed to prepare the participant for entry level occupations or to provide basic educational credentials or English competency. Job Corps is most ambitious, with an average duration of stay for *completers* of 1.2 years. However, there is a high early dropout rate with 40 percent of participants leaving before 90 days and another 30 percent leaving before full completion, so that the average duration of stay is 6.0 months. Local classroom training averages 5.5 months for completers, but because of early dropouts, the average duration of stay is around 5.1 months. On-the-job training averages 4.3 months.

Job Corps vocational training is concentrated in the construction trades, automotive and machine repair, health and food services, and clerical occupations. Local classroom training is predominantly in the clerical, craft, and service fields. Local on-the-job training is mainly in the clerical, operative and nonconstruction craft occupations.

All Job Corps participants receive basic education or GED preparation along with vocational training and a comprehensive array of manpower and supportive services. A fifth of local classroom trainees are exclusively in education activities and another fifth are in a combination of vocational and educational activities. There is very little preparatory work for OJT, since the training mostly occurs at the worksite. Half of classroom trainees and a smaller portion of OJT participants receive a much more limited level of such services.

Who is Trained?

Job creation receives priority over *training* under CETA. Classroom training was available for less than a fifth of new enrollees in local programs in fiscal 1980, or three in ten excluding the summer program, while OJT was available for less than one in twenty, or 8 percent excluding the summer program. Enrollments in Job Corps accounted for only 5 percent of youth enrollments in CETA local programs.

	Total Participants (in thousands)
Primarily Training	
Local classroom training	750
OJT	181
Job Corps	95
Supplemental Training	
PSE training	250
Transition services	116
Job Creation	
Summer youth employment	705
In-school and out-of-school youth employment	330
PSE	870
Adult work experience	400

The chances of assignment to a training component rather than a work component vary significantly among different groups in the CETA eligible population. Local classroom training is most often used for persons of the most limited employability. Females, Hispanics and "other" minorities, dropouts, single parents and persons with inadequate English-speaking ability, have above average chances of assignment to classroom training, while younger and older participants, whites, males and high school graduates are more likely to receive other assignments. In marked contrast, on-the-job training slots are more likely to go to the most employable among the CETA population—whites, males, graduates, and parents in two-parent families. Job Corps is restricted to poor youth age 16 to 21 who are from deprived backgrounds so that they need residential treatment. To some extent, Job Corps is the "program of last resort" for youth who have dropped out of school (85 percent of enrollees), been rejected by the military (one of every four) or had trouble with the law (two of every five). Those new enrollees in Job Corps in 1980 who had less than a high school diploma represented one-third the enrollments of poor dropout youth in all CETA local programs.

Earnings Impacts

Studies of the categorical programs which preceded CETA generally found that classroom training increased the post-program earnings of participants, typically between $250 and $300 in the year after termination. Studies of OJT usually estimated a high payoff, typically ranging between a $400 and $900 increase in annual earnings. Past assessments of Job Corps reached very mixed conclusions, while studies of adult basic education documented increased earnings.

New evidence is available concerning the post-program earnings relative to control groups for 1977 Job Corps participants and fiscal 1976 local CETA participants. Classroom trainees earned $350 more in the year after leaving than a comparison group, an increase of 10 percent in annual earnings. On-the-job trainees gained $850, an 18 percent increase. These post-program earnings gains were in contrast to the patterns for fiscal 1976 work experience participants who, at best, broke even relative to like nonparticipants.

Social Security Reported Earnings Levels Relative to Comparable Nonparticipants (Fiscal 1976 Entrants Terminating in Calendar 1976)

	1977	1978	Change 1977 to 1978 (adjusting for inflation)
Classroom Trainees	$347	$442	+18%
On-the-Job Trainees	839	574	-36
Public Service Employment Participants	261	326	+16
Work Experience Participants	-149	-187	-17
Participants in Combinations of Activities	356	164	-57

The procedures for selecting the comparison groups and for measuring post-program earnings using Social Security records were as rigorous as possible and generally conservative so as not to exaggerate impacts, yet there are many technical issues inherent in the ex post facto matching of participants with nonparticipants, and in the use of Social Security data to estimate earnings. Nevertheless, the results are confirmed by follow-up interviews of the participants in different components. Comparing second-year post-program earnings for second-half fiscal 1975 CETA entrants, and adjusting for differences in measurable demographic characteristics and pre-program experiences, classroom trainees gained $588, and OJT participants gained $965 relative to adult work experience participants, or roughly the same relative magnitudes as estimated for 1978 by matching 1976 participants with controls. It appears, then, that earnings impacts are substantial for both classroom training and OJT, and that they *increase* over time for classroom training while declining for OJT.

Estimates of Job Corps impacts are more rigorous because the comparison group could be more carefully selected. Job Corps increased the civilian earnings of 1977 participants by $209 above those of the comparison group in the first post-program year and $487 in the second year. This represented an 8 percent earnings increment in the first year and a 13 percent increment in the second. Job Corps also increased military enlistment substantially, so that the total earnings impacts were even greater.

Who Benefits From Training?

Based on the evidence for 1976 local CETA participants, it appears that all race, sex and age groups benefit significantly from on-the-job training when compared to like nonparticipants. Female participants, persons with low or no earnings before entry, and middle-aged participants did particularly well in classroom training. The measured gains from classroom training increased substantially between the first and second post-program years, particularly for females. All groups gained more from OJT than work experience, and all except minority females gained more from classroom training than work experience (although this judgment about the relative payoffs of work vs. training is hedged somewhat by technical issues about the measurement of earnings of work experience participants getting jobs in the public sector).

Female Job Corps participants gain more than males in terms of earnings, although males gain slightly more in terms of hours of employment. Females without children do somewhat better than females with children.

The Anatomy of Gains

Increased *employment* rather than increased *earnings rates* account for most (though certainly not all) of the real earnings gains. For fiscal 1975 classroom trainees, over four-fifths of the increase in real annual earnings from the year prior to entry to the first year after termination resulted from a rise in the percent time employed. Comparing the pre-entry to the second post-termination year, increased employment accounted for three-fourths of the real gain. Approximately half of classroom trainees with employment before and after participation had lower real hourly wages in the second post-termination year than in the year before entry. For fiscal 1975 OJT participants, increased employment accounted for all of the real earnings gain in the first year and four-fifths of the gain between the pre-entry and second post-termination year. Among on-the-job trainees, however, two-thirds with previous earnings kept ahead of inflation in their hourly wages. Fiscal 1977 Job Corps participants earned 11 percent more than controls in the first two post-program years but worked 16 percent more hours; in other words, *all* their gains came from increased worktime. These averages are the result

	1977-1978 SSA earnings relative to controls for 1976 classroom trainees	1977-1978 SSA earnings relative to controls for 1976 classroom trainees minus earnings relative to controls of work experience participants	1977-1978 SSA earnings relative to controls for 1976 on-the-job trainees	1977-1978 SSA earnings relative to controls for 1976 on-the-job trainees minus earnings relative to controls of work experience participants
White Male	$ 832	$1,757	$1,363	$2,288
Minority Male	349	450	1,675	1,776
White Female	1,220	1,221	1,102	1,103
Minority Female	1,178	442	1,924	1,188
17-18	413	184	1,932	1,703
19-21	225	1,017	1,335	2,127
22-25	326	831	1,194	1,699
26-29	453	1,685	1,159	2,391
30-44	2,310	2,944	1,541	2,175
45+	1,043	-322	1,680	3,045

of many individuals moving up in wages, some moving down, with a greater likelihood that more marginal participants will find employment but at low wages. It appears that employment gains are more pronounced immediately but then lead to higher earnings rates gains as individuals prove themselves or use their skills in their new jobs.

The increase in employment, in turn, appears to result more from increased labor force participation than from reduced unemployment. Among local classroom trainees in second half fiscal 1975, the increase in the percentage of time in the labor force from the pre-entry to first post-program year equaled two-thirds of the increase in percentage time employed for all trainees, while the increase from the pre-entry to second post-termination year accounted for half the employment time increase. Three-fifths of the net increase in time employed from the pre-entry to second post-program year for classroom trainees was accounted for by individuals who had zero earnings in the pre-entry year. For OJT participants, two-thirds of the employment gains in the first year were also explained by increased participation, and zero earners before entry accounted for 45 percent of the net increase in percent time employed from pre-entry to the second post-termination year. For 1977 Job Corps participants, increased labor force participation over the two post-program years also accounted for two-thirds of the increase in employment.

Success Factors

The impact of institutional training is determined by the duration of stay and placement. All of the post-program earnings gains for 1976 classroom trainees were accounted for by the group entering employment on terminating the program. While it is not surprising that those immediately employed had higher near-term earnings relative to controls or relative to other participants not placed, it is significant that the differentials remained substantial two years later, even after refined adjustment for most of the observable differences between those placed and not placed.

The earnings impacts of training increase more than proportionately with its length. The estimated annual earnings gains of 1976 classroom trainees staying one to 20 weeks were only one-sixth those of participants staying 40 or more weeks.

	1978 Earnings Gains of 1976 Classroom Trainees
Stayed 1-10 weeks	$ 83
Stayed 11-20 weeks	224
Stayed 21-40 weeks	832
Stayed over 40 weeks	1377
Placed	1209
Not placed	8

Job Corps males who stayed less than 90 days, and those who did not continue to completion were earning the same as controls during the period 12 to 18 months after termination; in contrast, those completing a vocational program earned $1,250 more on an annualized basis. Early female dropouts gained $300 on an annualized basis, partial completers $750, and full completers $1,500.

Trainees who stay longer are also more likely to be placed. Several factors are involved which cannot be clearly separated. Sorting occurs in that those who stay longer have measurable characteristics that are predictive of post-program success. The sorting is greater in Job Corps, where only three of ten participants are full completers, compared to local classroom training where three in four complete the usually shorter duration assignments. Yet for both Job Corps and local classroom training, the effects of duration of stay and placement remain significant after adjustment for the differences between dropouts and completers.

Moreover, the dropouts and short-stayers earn much the same as their controls over the long-run, so that sorting of the "winners" and "losers" is not an explanation of the substantial gains of completers. Completion itself appears to be a substantial factor. Those completing local classroom training have a high probability of being placed whatever their duration of stay. Those who complete Job Corps training gain substantially more and are more likely to be placed than participants who stay as long but do not complete. Corps members who secure a GED earn more than matched individuals who do not. Finally, the effect of duration of stay is strong even when placement is used as an additional control variable in regression analyses of earnings gains. All this supports the conclusion that training increases human resource endowments and employability, and that those trained longer are more likely to obtain certification which in turn improves the chances of finding employment or being placed.

Training Occupations and Occupational Mobility

Training tends to move individuals from the secondary labor market and irregular jobs into low level but more regular jobs. Among 1976 classroom trainees with previous experience, a fifth had worked primarily as garage attendants, transportation operatives, laborers, farm workers or private household workers. Only a tenth of trainees with work after termination held such jobs. The share working as craftsmen and welders increased from 11 to 17 percent, while clericals rose from 20 to 27 percent.

Among on-the-job trainees, over a third were placed in the same broad occupational categories in which they had previously worked, while over a fifth were assigned to training positions in a lower occupational level. Comparing the occupational distribution before and after training, the proportion working as laborers, transportation operatives, garage workers, farm laborers and private household workers actually *rose* from 13 percent to 15 percent.

A third of Job Corps entrants have had no regular work experience and the remainder have largely worked in menial "youth" jobs. Job Corps training helps them secure entry level "adult" jobs although only one in seven participants ends up as a completer with a training-related job. The bulk of "placements" are in manual, entry clerical and entry health jobs secured by the participants mainly through their own initiative.

Little is known about the "best bets" for training. Most females in local classroom training are in clerical and service occupations (usually health). While 17 percent of all 1976 classroom trainees with a job before entry worked in female clerical occupations, 35 percent of trainees were in female clerical occupations and 25 percent of those with a job after training remained in these occupations. Three-fifths of participants trained in clerical work who subsequently got jobs ended up in training-related work, as did two-thirds of those trained in service jobs. The rates of training-related employment were much lower for trainees in other occupations. For instance, nonconstruction crafts are a frequent training cluster for males, but the batting average of this training appears low in terms of subsequent training-related employment. While OJT participants are more likely to find employment in the occupation of assignment, those "trained" as service workers, laborers, garage workers, farm workers and transportation operatives are less likely than other OJT participants to stay in the same occupation, probably because they are able to find something better on their own.

In Job Corps, the best bets for completion, placement, and higher wages for males are manual occupations—forestry, gardening, construction and industrial production; for females, forestry, gardening, construction and health are the best bets. Over the longer run (12-18 months post-termination), however, persons trained in these occupations are *less* likely to register gains relative to controls than those trained in some other occupations including transportation and service for males and the clerical field for females. In other words, the training that looks good in the short-run does not look as good in the long-run. Also, some occupations such as construction increase wages but not employment, while health occupations increase employment but not wages.

Educational Competencies and Employability Skills

In addition to occupational training, the other ingredients in local classroom training and in Job Corps include remedial instruction, basic life skills training and attitudinal or motivational improvement activities. Even less is known about the effectiveness of these efforts than about occupational training. While the measurement tools for assessing maturity, socialization and job readiness are crude, it appears that changes *do* occur, at least in programs for youth (who may be most malleable to such interventions).

The "intangibles" are a major factor behind the Job Corps' success. Tests of social and attitudinal changes, health care, and job-related knowledge and behavior suggest that participants in Job Corps for over 90 days experience significant gains along all the social-attitudinal dimensions. These measured changes are reflected in a dramatic drop in arrest rates over the first year out of Job Corps (10.9 per hundred compared to 16.7 for controls according to the follow-up of 1977 participants), delays in marriage and childbearing, reduced out-of-wedlock births, increased mobility, and increased matriculation in college and postsecondary training. However, Job Corps achieves these changes by creating a 24-hour a day structured environment away from other influences. The supported work program that provided well-organized and well-run full-time employment opportunities for youth, but did not remove them from home environments and did not include counseling, recreation, motivation, student government and the like, did not produce positive changes in criminal behavior or drug abuse, nor did it significantly increase post-program employment constancy.

School-based programs aiming to improve "employability skills" through instruction and activities designed to expose youth to work settings and requirements are able to change tested vocational attitudes, job knowledge, job holding skills, work relevant attitudes, job seeking skills, and sex stereotyping in career goals (although not, apparently, changing self-esteem). However, these attitudinal and skill gains do not alter post-program labor market or educational behavior except when combined with substantial job development activities so that employers recognize that the changes have occurred, and unless the activities are targeted to youth who plan to immediately enter the full-time labor market after graduation rather than continuing their education. Moreover, gains are not realized in summer programs which have about half the treatment hours, suggesting that intensity and continuity are necessary to change attitudes and skills. On the other hand, short-term interventions that provide a helping hand at the point of job search can substantially increase the immediate chances of employment with little or no effect on measured employability.

Education gains are easier to measure. There is clear evidence that a variety of alternative methods can increase the functional academic competencies of even the most educationally disadvantaged, with learning rates far exceeding school norms for such individuals. Participants in

Job Corps, who have an average tested reading level of 5.6 years at entry, gain 1.5 years in 90 hours of instruction and 2.2 years in 150 hours. The key is a self-paced, individualized approach with the flexibility to be delivered a few hours daily in combination with other activities. Few of the disadvantaged and dropout participants are seeking or wishing to accept full-time academic instruction. Computers simplify delivery of these self-paced, individualized materials, increasing the gain rates, helping to standardize curricula, reducing paperwork, and facilitating delivery in a variety of settings.

Finally, CETA eligibles can benefit from more advanced education but will not participate unless extended a helping hand. In May 1981, 2,000 of the 42,000 Job Corps members were enrolled in post-secondary institutions with the help of Job Corps. The retention rate of those enrolled the previous year was 70 percent. These youth would not be in college without this assistance. Less than half a percent of a comparison group for 1977 Job Corps participants were in college in 1979. In a structured experiment to test a GI-Bill voucher approach as an alternate treatment strategy for CETA-eligible youth, only half of the control group attended college the next year, compared to nine-tenths of those provided tuition and expenses, as well as counseling and other assistance. Among the experimentals, four-fifths of those who attended college were still enrolled through three semesters compared with only half of the controls who originally matriculated. Those experimentals who were in the cohorts receiving educational and personal counseling had better retention than those simply provided financial support.

Work as Training

One justification for *work experience* is the claim that a period of subsidized, sheltered employment might serve as preparation for later unsubsidized employment, resulting in increased post-program earnings. The evidence suggests that this is only true for certain target groups and only if the work experience is structured in certain ways. The post-program earnings of 1976 adult work experience participants were apparently no higher than those of matched nonparticipants, while participants in public service employment experienced a gain between $250 and $750 in 1977. The differential between PSE and work experience outcomes is explained by the relative likelihood of post-program employment in the public sector. *All* of the increase in employment from pre-entry to the first year post-termination for 1976 PSE participants was due to increases in unsubsidized work in the public sector.

The supported work experiment carefully tested the impacts of well-operated work experience projects structured to provide increasing responsibility, close supervision and peer support. It found little or no post-program earnings effects for dropout youth, drug addicts or ex-offenders, but a statistically significant impact for long-term AFDC recipients, which resulted entirely from increased post-program employment in the public sector.

The Ventures in Community Improvement experiment used worksites as a classroom for training in construction trades, with journeymen instructors, linkages to unions, and structured skill progressions. Even though there was also substantial output from VICI projects, the aim was to teach as much as to produce, and those participants who did not accept the "real-life" performance requirements were more likely to be terminated than in most youth work programs. The resulting placement rates in construction, in unions, and in high wage jobs far exceeded those for comparable work projects that did not emphasize training, even though there were very modest differences in positive termination and placement rates.

Where participants receive work and training combinations, they appear to benefit more than from work experience alone but less than from classroom training or OJT. In fiscal 1976, only 6 percent of participants in nonsummer local CETA activities (excluding direct referral) received sequences of primary activities such as work and then classroom training or work and then OJT. The net gains for multiple-activity participants equaled the weighted average of the impacts estimated for the separate components, suggesting that when work and training are combined, the post-program earnings effects will be largely determined by the amount of training provided.

Summer employment for disadvantaged teenagers modestly increases the likelihood of returning to school and the probability of part-time employment in school. The employment effects are concentrated among the 14 and 15 year-old participants, particularly minorities and females, i.e., those least likely to secure employment in the absence of the program. On the other hand, there are no measurable gains in job knowledge, vocational attitudes, jobseeking or job holding skills, relative to control groups. Apparently, a first work experience provides a "taste for earnings" or helps to overcome fears about work without markedly altering attitudes or employability skills.

In summary, work experience can be useful for young people in advancing workforce entry. It can be combined with training activities in a sequence, with benefits roughly proportional to the degree of training. A worksite may be structured as a training site and can yield some of the benefits of classroom and on-the-job training while producing useful output, but this model is the exception rather than the rule in local work experience programs. In most other circumstances, the subsidized work will only have post-program impacts if it serves as a tryout or on-the-job training mechanism for an existing unsubsidized job in the public or nonprofit sector. This does *not* mean that work experience and public service employment are bad investments. If $1.00 in output is produced for every $1.00 in cost, then *any* post-program earnings increases or in-program benefits (such as reductions in crime) represent a positive return on the outlay. However, if the aim is to alter future employment prospects, work is only effective when properly targeted, designed or linked to unsubsidized employment.

The Return on the Investment

The public investment in training for persons of limited employability is profitable, as best this can be judged by benefit-cost analysis. According to the most reasonable (and purposefully conservative) assumptions about the fade-out of earnings gains measured in the two post-program years, about the dollar value of nonearnings impacts, and about the appropriate discount rate, Job Corps provides social benefits with a current value of $1.39 for every $1.00 invested. Utilizing the same assumptions and the estimated post-program earnings gains for 1976 local classroom trainees, CETA training returns $1.14 in benefits for every $1.00 invested. The estimates for OJT are less precise (because of a more complicated estimation methodology); but the range is from a low of $1.26 to a high of $5.93 in benefits for every dollar invested, with a "best" estimate of $2.18. Thus, on-the-job training pays off most, Job Corps ranks next, and local classroom training follows. Obviously, the three interventions serve different client groups and produce different patterns of benefits. Job Corps has noticeable earnings impacts but the "socialization" effects are equally significant. Indeed, the reduction in crime is so substantial during participation and in the year after, while the costs of crime and its treatment are so great, that the present value of the crime cost savings is about equal to the present value of the earnings gains per participant from local classroom training.

Even though the increase in post-program earnings per dollar of investment is greater for classroom training than for Job Corps, the total payoff is less because there are minimal effects on crime or dependency.

The "public" includes participants as well as the taxpayers who pay for the program. Social benefit-cost calculations exclude transfer payments from costs and count as benefits all increased earnings. From the taxpayer perspective, transfers are included among costs and the benefits are not the post-program earnings gains, but rather the taxes they generate as well as the resulting reductions in dependency. Taxpayer benefit-cost ratios are, therefore, lower than social benefit-cost ratios, and though the latter are a more appropriate consideration from a social policy perspective, the former will more likely concern the voters in a period when taxes are a major concern. Job Corps has the highest taxpayer benefit-cost ratio because the crime reductions are a savings to taxpayers; there is a return to the taxpayer of $.91 for every $1.00 invested according to the most reasonable, albeit conservative, assumptions. The intermediate estimate for OJT is a return of $.72 for every $1.00 invested. Local classroom training returns $.60 for every dollar. Such recondite analysis hardly figures in the political equation, but it certainly justifies the solid political support for Job Corps and the preference for more OJT in the local activity mix.

Benefit-cost analyses of pre-CETA institutional and on-the-job training programs generally found that benefits exceeded costs. Estimates for Job Corps varied considerably, with several suggesting benefits less than costs (in part because they excluded the substantial crime and dependency reduction benefits and in part because they looked only at the short-term earnings which are depressed during the transition period immediately after termination). Using standardized assumptions which focus only on earnings effects, the benefit-cost ratios calculated from current impact studies of Job Corps and CETA classroom training are in the high range relative to past estimates, while the ratios calculated from recent OJT impact experience are in the mid-range relative to past estimates.

An Interpretation of the Evidence

The Role of Training

If all persons available and looking for work were ranked into categories based on prior experience, education, previous training and other measurable characteristics used by most employers in setting job requirements and in ranking applicants, CETA enrollees would be concentrated at the low end of the distribution. The same standards used to establish eligibility for CETA, and the same problems which lead applicants to choose this option, are among those used by employers to rate individuals as high risks. Nevertheless, there is very significant diversity in employability among CETA participants. At one extreme, CETA may serve a single mother with a college degree reentering the labor force or a machinist displaced from a job in a one-industry town; at the other extreme, the participant may be a mentally retarded young person who has never held a job, or a school dropout who has spent the last five years in prison. Each set of characteristics can be assigned "batting averages" which are statistically valid predictors of outcomes in most settings. The mother and the machinist are good bets for training and for subsequent placement. The dropout or the handicapped youth are poor bets. Yet there is also much unexplained variance reflecting chance but also the wide range in potential among individuals sharing any set of characteristics. Some dropouts may be both motivated and intelligent, having left school because of family responsibilities. Others may have dropped out because school was too slow and regimented, although they have now matured. Some may have very serious behavioral problems which are not recorded. Most failed in school because they simply were not as good in academic areas as those who passed. Five years in the future, these subgroups among the dropout population are likely to have quite different average success rates int he labor market. But it is impossible or at least difficult to identify the differences in potential which will produce these differences in outcome. The differences emerge only when the individuals are "tested" by some common experience.

Employers must make hiring decisions based on characteristics they can measure and on the "batting averages" for persons with these characteristics. Available jobs at any point can be ranked into categories according to their hiring requirements, i.e., how much prior experience, education, previous training and other desirable characteristics the employers require. The distribution on the supply side of the labor market ranking the available workforce in terms of employability, is paralleled on the demand side by the distribution of available jobs according to the minimum employability they will accept in applicants. Some jobs are always available for even the most unskilled, but generally there are more available workers in the low employability categories than there are jobs willing to employ such workers. Hence, the most disadvantaged individual could usually get a job if he or she really tried, but the rewards are meager relative to the effort, and all such individuals could not find employment if they looked at the same time.

Among jobs with equal hiring requirements, there is wide diversity in career potential. Some entry jobs are dead-ends while others can be first steps on career ladders. For the available worker entering the hiring door or reading the want ads, it is in many cases impossible to distinguish between jobs with career potential and those which lead nowhere.

The labor market functions by iterative matching of workers and jobs. An individual with low potential hired into a job may soon be fired or quit, or will be satisfied with menial work. One with high potential will either retain the job or look for another that provides more career opportunity. Eventually, he or she will find a career ladder and will move up, stay with a job long enough to be considered more employable, or acquire a credential in college or apprenticeship which documents to employers a set of skills or characteristics they desire. This individual will, then, move up the queue at the next point of availability for employment. Whether bouncing from job to job or remaining in dead-end employment, he or she will become identifiable as a "loser," moving down the queue in the eyes of employers at the next point of availability for employment.

Classroom training can impact on employment chances in several distinct ways: First, the training can serve as an experiential sorting mechanism, not improving skills or credentials, but rather identifying those participants with more potential and motivation. Employers will want to hire them instead of others with the same external characteristics because they know them to be better risks. Second, the training activity may serve as a way of gaining access to jobs without necessarily improving skills or credentials. This may occur through the institutional leverage of the delivery agent or by helping participants to find employment. Third, the training may be able to sort both individuals and jobs, matching persons who have been identified as having greater potential with entry jobs identified as more promising. Fourth, the training may improve potential by increasing motivation, employability skills or academic competencies, without providing credentials that employers will accept in the labor market. Fifth, the training may provide a demonstrable skill or a certification which is accepted in the labor market. The distinction between these effects is of more than academic interest. For instance, the second impact process may produce measured gains in earnings relative to nonparticipants, but will do so largely by reducing the chances of the nonparticipants. The process will have no impact on skill shortages and the participants will benefit only to the extent their job search is shortened. The fourth process increases performance in a job once secured, but does not increase either the chances of employment or the quality of the first job. Only the fifth process fills skills shortages and improves employability as assessed by employers who have no link to the training activities and are not leveraged by the delivery agent.

The Impacts of CETA

The evidence suggests that local classroom institutional training for those at the end of the labor queue functions in all these ways. In general, however, the training is not of long enough duration to increase competencies to the point where they can be certified and documented. Only a small proportion of participants get a GED, sheepskin, or certificate indicating the completion of apprenticeship. There are very few occupations where skills can be taught in short order than can be certified or tested at the hiring door, and where a large number of jobs are available. Clerical training is one of these occupations, and it tends to work best where those who are trained are mature and have adequate academic competencies. Judging from the concentration of earnings gains among 30-44 year-old classroom trainees, women, and those previously out of the labor force—i.e., the groups most likely to be assigned to clerical training—there is little doubt that this occupation accounts for a substantial portion of the total gains from training. In some other occupations such as welding, basic skills can be taught quickly but lead to jobs for only a minority of trainees. For most occupations, long-term training is needed to gain useful skills or certification that is recognized in the labor market. Only the few classroom trainees who stay long-term acquire these skills and certifications, so that they need the placement leverage of prime sponsors in order to realize gains.

Likewise, just a small proportion of Job Corps participants complete advanced training or get a certification of competency (for instance, 5 percent complete a GED). Placement assistance is concentrated on this minority, with little help provided to noncompleters. The overall gains produced by the program are largely the result of improved "potential" manifested in greater stability of labor force attachment and employment, i.e., changes in motivation and socialization are rare, achieved in less intensive and less targeted local classroom training. The jobs which are secured by Corps members, most often by their own initiative, do not pay more and are not much different than those which could be secured without participation.

The sorting that occurs in local classroom training appears to be modest as judged by measured characteristics, but certainly the most employable within those entering training are likely to complete. Those who are *placed* among those who stay longer or complete are even more employable. It is impossible to determine how much the sorting identifies the persons with greater potential within any set of measured characteristics. It is likely that this occurs, but probably more through the placement process than the enforcement of completion standards. Those placed are the "best" both because they include individuals with initiative to get a job and those who are helped by the delivery agent. The fact that the impact of placement continues over time suggests that these individuals placed are indeed "better" after controlling for measurable differences and/or that jobs accessed for them are "better" in terms of stability and career potential. The gains registered by those placed who do not have long-duration training and have not, therefore, received certifying credentials, are probably a combination of these two factors. The converse of this observation is that sorting does not occur that will be accepted by the labor market in the *absence of CETA leverage.* The distinction between completers and noncompleters is not very specific in local classroom training, and only a minority of participants even know if they complete. An employer is not likely to give much credit to participation alone without knowing the standards for completion and whether these standards are enforced.

Job Corps sorting *is* much more significant because completion standards are competency based, the educational and vocational achievements are documented and the residential experience itself tends to separate the mature from the immature. Those employers regularly hiring from Job Corps know the difference. Some use the achievement records. But the completion standards and the competency measures are not recognized by most local employers unfamiliar with the program, so that if a youth does not get a job through the program, he or she is unlikely to get credit and must prove himself or herself once hired.

The primary impact on local classroom trainees, particularly on those staying less than 90 days, is to help them get a job either by providing job search assistance, a staging ground, or actual job access or leverage. The modest gains for short stayers could be explained by just a few finding jobs more quickly than they would without participation. It is important to stress that the short stayers in local classroom training include a disproportionate number of dropouts, so those *scheduled* for short training are averaged in with the dropouts. The evidence suggests that short-duration job-search assistance and "hand-holding" for both in-school and out-of-school youth can increase short-run employment chances. It is likely, then, that such activities combined with traditional labor market exchange functions may work to modestly increase post-program employment chances without really improving the types of jobs secured, the participants' skills, or their long-term prospects.

On-the-job training involves these same processes, but their relative importance is different. Sorting is much more predominant. The CETA decisionmaker can and does screen more candidates than a typical employer interviewing for a job, since all CETA applicants are assessed and usually the most employable are assigned to OJT. Because OJT is rarely a "piggyback" on other treatments, the sorting must occur basically on measurable employability characteristics rather than potential as demonstrated in prior participation. Judging from the wage change patterns, the occupational distributions and mobility patterns, it does not appear that there are wide gaps between experience and job requirements in the OJT match-ups of workers and jobs, or that extensive training is necessary, but the gaps may still be greater than usually exist for entry employees. Rather, the try-out period, then, offers an opportunity to determine whether the somewhat higher risk trainees, particularly those who have been outside the labor force and those who have lost their last employment and therefore may be of uncertain quality, will adjust to the job and normal entry instruction. This may mean the chance at more stable and better paying jobs for those whose careers have been disrupted, or an opportunity for entrants and reentrants into the workforce—albeit those with more education credentials—to get a chance to prove themselves. From this perspective, OJT is more of a screening device than a training ground. The one of three participants who are *not* hired permanently are those who fail in the try-out or find that the assignment does not meet their expectations. Yet, the *decline* in the earnings gains from the first to the second year after termination, in contrast to the *increase* for classroom trainees, suggests that some of the OJT participants lose their jobs and the "training" is not transferrable, while the control group of equally employable individuals is able to eventually secure its own jobs with time. The provision of an immediate job is particularly important to reentrants or entrants who are more likely to remain in the labor force when they immediately get work than when they must search for their own employment.

Implications of the Interpretation

The interpretative framework, and its component concepts such as sorting, credentialing, job access, and try-outs, as well as documented vs. potential employability, are important because of their broader policy implications. First, these concepts suggest why OJT is so hard to market to employers. Participants are referred and the employer must choose among them on the basis of documented employability dimensions, i.e., they are risky to the extent that on average they have characteristics which would usually rank them below normal entry employees and their potential is uncertain because they do not follow the normal entry routes, for instance, being recommended by other employees. With the hire, the employer assumes the risk that the individual cannot "pick up the job" in the way normal hires do, and the subsidy must cover this risk. To the degree the job requires substantial training as opposed to mere orientation, the employer assumes an even greater risk. To overcome the employers' reservations, the delivery agent is inclined to screen participants as much as possible so that they meet the usual employability requirements of the job. Unless the best of the referrals is within the "risk range" covered by the OJT subsidy, the employer will not even participate. But given the difficulties of finding OJT slots and the clear evidence that they help participants, the delivery agent may not want to jeopardize future placements and may provide referrals well within the risk range—providing windfalls to the employer—in order to assure future cooperation and to get immediate results for their participants.

If the public accepted the initial risk by payrolling the participant during a limited try-out period, the employer would have to be subsidized only for extra training costs rather than the hiring risk. The extra training costs for the individual could be better determined because there would be some experience. It would be possible to take greater risks. It would also be easier to piggyback on experiential sorting in work or classroom training programs, since the delivery agent would not have to *convince* the employer that prior sorting had occurred, but rather could let him see for himself during the try-out. This approach would also permit a better identification of what was actually occurring on the worksite in terms of training and relative to the capacities of each trainee.

Second, the placement effect differs but is important under all these processes. If classroom training does not lead to credentials or measurable skills, like typing speed, that can be tested by employers prior to hiring, its effectiveness rests on placement leverage as well as the training institution's reputation, which in the short-run may be affected by publicity and linkage efforts, but over the long-run depends on the performance of the trainees that are placed. If there is no sorting of completers and noncompleters based on demonstrated acquisition of specific skills, then over the long-run the placement leverage and reputation will erode and individual participants who perform most effectively in training will not be able to translate their hard work and ability into commensurately better jobs.

Improving potential but not documented employability will help when and if the participant gets a job, but pays off more certainly when there is placement, particularly when this accesses jobs with career potential where the individual's abilities and newly acquired skills can be fully utilized.

Placement should become less necessary to the degree that training can provide accepted credentials or measurable skills; however, these are likely to be discounted unless the individual shares the characteristics and experiences usually associated with these credentials and skills, or has other impediments to employment. This will be particularly true where an individual makes a "quantum leap"—for instance, the dropouts who entered Job Corps and were trained as customer engineers. It may be necessary even if there has been substantial sorting, training and certification, to provide for a try-out or to exert a special effort to secure placement so that the skills and credentials are accepted at face value.

Third, credentials require longer training than is usually provided, and more sorting as well. In order to avoid hurting those who lack the potential for a major advance, the obvious solution is to use a base-level training activity to provide worthwhile aid to large numbers while identifying participants with the greatest potential for long training in a second tier of activities. Placement in the first tier, for the majority not moving on to the second, would continue to find "better" jobs for those who are "better" but not good enough for advanced training, while helping the remainder to simply find employment more quickly. In the second tier, where the number of entrants and completers would be much smaller than in the first tier, substantial placement efforts would and could be exerted to assure employment in training-related jobs in order to assure that the intensive investments paid off.

Fourth, improved skills mean little if not recognized and utilized by employers. Recognition depends on identification of competencies acquired, documentation of the quality of the inputs which went into the preparatory experience, proof that standards were maintained, and recognition that the skills and competencies needed for specific jobs were, in fact, provided. If there are no "graduation" standards, if the certification is nothing more than a claim that some training occurred, if the quality of the training is suspect, or if the competencies taught bear little relation to what employers really want, the payoffs of training will be reduced, particularly over the longer-run when jobs will depend on acceptance of the credentials rather than the leverage of the CETA hiring subsidies and placement efforts.

Fifth, the future implications of these interpretations are even more significant. The size of the available workforce at any point in time, especially at the lower end of the employability distribution, is largely determined by the number of entrants and reentrants into the labor force. This number will decline dramatically relative to total employment as the post-war babies age into the prime working years and the participation rate of women levels off. The annual rate of growth of the civilian labor force age 20 to 24 is projected to fall from the 2.7 percent annual growth rate for males in the 1975-1979 period to -.1 percent annually between 1979 and 1985, then declining -2.9 percent annually in the 1985 to 1990 period. For all women, the rate of increase in the labor force will decline from 4.1 percent to 2.9 percent and then to 1.9 percent. Employment grew 2.7 percent annually over the second half of the 1970s, and 2.1 percent over the entire decade. Anything close to this job growth would drastically exceed the 1.9 percent total labor force growth projected for 1979 to 1985 and the 1.3 percent rate for 1985 to 1990.

The impacts will be greatest at the entry level. While there may be large numbers of relatively well-educated thirty-year-olds and women competing for mid-career advancement, the pressures at the career entry door will be reduced, as well as the competition for menial and casual jobs. Illegal or legal immigrants may fill the latter need, but they are unlikely to be allowed full access to the career-entry opportunities. The result is that many employers whose hiring policies are now structured to take advantage of the excess supply of entry applicants will either lower their usual entry standards, regularize the career ladders so that the promise of a future can be used to attract entry workers, initiate their own intensive preparatory programs, work more closely with public institutions, recruit from areas with excess workers, increase the pirating of trained employees and further protect their own workers by compensation provisions and advancement opportunities tying them to the firm. Past experience during the tight labor markets of the 1960s and current experience of industries and labor markets having trouble meeting manpower needs, suggests that a combination of all these strategies will occur if labor market conditions change in the expected directions.

If more firms provide their own training and have to reach into the high-risk pool, they will be much more responsive to preparatory activities by public institutions that screen and provide some of the basic skills. More firms will be willing to specify their requirements and work *with* institutions to develop training programs targeted specifically to their needs. Since they will have to take more chances in hiring, they will be more receptive to a try-out approach which protects them from some of the risk. Persons who are trained and credentialed are more likely to find jobs at higher levels and have their credentials accepted even if they lack some of the other characteristics now expected in applicants for these better jobs. As more firms train, there will be an increased concern with other firms stealing their employees, and a desire to limit this if possible.

The degree of change depends on many things including immigration policies, military manpower needs, technological change, foreign competition, and national and world economic conditions. There is no crystal ball which can accurately project these developments. But all else being equal, the labor supply changes that can be projected with some certainty are massive. Employers will not alter their behavior overnight, and the degree of change will vary by industry, region and type of firm. But the market is enormously adaptable and the directions of change should work in favor of training which sorts and improves potential as well as more ambitious efforts to provide quantum leaps in documented skills. On the other hand, training that simply accesses low-level, menial jobs will be relatively less necessary or useful.

Management, Delivery and Decisionmaking

Local Variability

The local delivery system which accounts for nine-tenths of trainees and more than seven-tenths of training expenditures under CETA is characterized by enormous diversity. There were 481 state and local jurisdictions designated as "prime sponsors" for CETA in fiscal 1980, that is, receiving funds by allocation, planning for the use of these funds, contracting and managing activities, monitoring compliance, and reporting to the federal government. Under the "comprehensive" component of CETA (Title IIBC) which finances most local OJT and classroom training, prime sponsors have broad discretion to choose the types of participants and the types of services.

There is substantial variability in how they exercise this discretion—particularly in choosing between job creation and training—as well as in the results they achieve. The standard deviation measures the variation around the mean; there is a two in three chance that any point in a given data set will fall within a standard deviation on either side of the mean. The coefficient of variation is the ratio of the standard deviation relative to the mean and is an indication of the relative dispersion of different data sets. A higher coefficient implies more relative variability in one data set than another. For almost all statistically measured dimensions of prime sponsor decisionmaking and performance, the coefficients of variation are large.

	Average	Standard Deviation	Coefficient of Variation Among Prime Sponsors
Classroom trainees as share Title IIBC participants	50%	22%	43%
OJT participants as share Title IIBC participants	11%	8%	74%
Total trainees as share Title IIBC participants	64%	21%	34%
Classroom training cost per participant	$1328	$580	44%
OJT cost per participant	$1130	$697	42%
Percent Title IIBC participants entering employment	40%	14%	35%
Cost per placement Title IIBC	$6308	$4572	70%

The enormous variability in prime sponsors' emphases on training is not explained by the variability in economic conditions or in the participants who are served. The two factors expected to have the greatest impact on local decisions would be the unemployment rate (which should affect the availability of OJT assignments, the jobs which could be secured through classroom training, and the relative attractions and need for job creation) and the youth share of Title IIBC participants (since youth are usually offered short-term subsidized jobs and are underrepresented in local classroom training and, even more so, in OJT). Regression analysis provides a way of determining how much one factor is affected by changes in another variable when the remaining factors are held constant. It also provides a way of assessing the amount of the variance in the one factor which is explained by the variability in all the other factors within a data set. Regression equations which measure the relationship between the emphasis prime sponsors place on classroom training (as measured by the ratio of trainees to total fiscal 1980 Title IIBC participants) and their unemployment rates and youth shares reveal that prime sponsors with significantly above average unemployment rates or significantly above average youth shares are slightly less likely to emphasize classroom training. But these two factors together explain little of the variability in classroom training emphasis. Neither do these variables have much relationship to, nor explain much of the variability in, classroom training expenditures as a share of total expenditures, OJT participants as a portion of total participants, or combined OJT and classroom training enrollments as a share of total enrollments. To the degree a relationship exists, prime sponsors with higher unemployment rates tend to undertake more OJT and more total training (hence less work experience) than those with lower unemployment. By the same token, the unit costs of OJT and classroom training are only marginally related to unemployment rates or youth shares. Prime sponsors with high unemployment rates do not have to pay substantially more to access jobs for OJT, and the duration or intensity of classroom training which is related to the cost per participant, is not substantially greater in high unemployment areas nor substantially lower when more youth are served.

The factors which do seem to make a difference, even after regression controls for unemployment rates and youth shares, are the type of governmental unit making the decision, its size and regional location. Smaller prime sponsors with a labor force of less than 200,000 and state government sponsors are more likely to emphasize OJT under Title IIBC. Smaller primes (100,000 or less labor force) and the large cities (500,000 or more labor force) are more likely to emphasize classroom training, while states are less likely to use this approach. Expenditures for training as a portion of Title IIBC expenditures are lowest in the South and Northwest. The cost per participant in classroom training is highest in large cities, counties and consortia, reflecting cost-of-living differences probably as much as intensity differences. OJT costs are lowest for the smallest prime sponsors and for states. Prime sponsors which place a heavy emphasis on training under Title IIBC also emphasize training under their structural public service employment and youth programs.

Differences in participant mix and in economic conditions are much more powerful in explaining the variability in outcomes than the variability in training emphases and costs. Differences in participant mix—age distribution, race, sex, and welfare recipient shares—differences in area conditions—unemployment rates, economic growth rates and quit rates—and differences in activities—on-the-job and classroom training shares, average lengths of stay and costs per enrollee—explained almost two-fifths of the variance in prime sponsor placement rates under Title IIBC in fiscal 1980. Of these factors, the activities dimensions—training shares, lengths of stay and unit costs—had the least impact. For instance, more OJT contributed to higher placement rates but a standard deviation increase in the OJT share was associated with less than a fifth of a standard deviation increase in the placement rate. In contrast, a standard deviation increase in the unemployment rate was related to a standard deviation decrease in the placement rate. Yet the fact remains that the placement success of a prime sponsor is not foreordained by participant characteristics, economic conditions or service patterns. Three-fifths of the variance in placement rates was not explained by detailed regression equations including a diversity of variables, suggesting that much may depend on the management of and emphasis on placement at the local level.

The Delivery Level Perspective

From the prime sponsor's perspective, the benefits of classroom training vs. work experience are not as apparent as the national impact studies would suggest. Prime sponsors do not undertake long-term follow-up, nor do they attempt to secure comparison groups in order to measure net impacts. They focus, instead, on short-term outcomes and the gains from entry to exit. Immediately at exit from CETA, the employment rates for 1976 work experience participants were *higher* than for classroom trainees (52 compared with 29 percent). At the three-month follow-up, the differential was still in favor of work experience (52 to 46 percent). Even though the work experience group was more likely to be employed a month before entry, its *gains* from entry to exit were significantly greater than for classroom trainees, and from entry to three-month post-termination they were about the same. Work experience is also shorter and less costly per person year, so more people can be served by the work approach. At the same time, the public gets back a useful social product and locally-financed transfer payments may be reduced during the period of participation since wages offset welfare benefits while allowances do not. In other words, the benefit-cost calculus is different at the local level, and the emphasis on work experience is rational even if not socially optimal.

Likewise, the case for long-duration training is not as compelling from the local perspective. In the first quarter after termination, the percent of time employed for second half fiscal 1975 classroom trainees who stayed between half a year and a year was 46 percent, compared to 43 percent for those staying 30 to 90 days. The differential was 57 vs. 47 percent over the entire post-termination year and 66 vs. 54 percent in the second post-termination year. In other words, a 90-day follow-up would not show the greater relative gains made by the longer-term trainees. Based on prime sponsor placement rates for trainees of varying lengths of stay, and assuming costs proportional to length of stay, the cost per placement recorded by the prime sponsor for the 30 to 60 day training would be three-tenths that of training activities of over half a year's duration. With local pressure to serve more individuals, and Department of Labor pressure to reduce unit costs, it is not surprising that shorter training is emphasized.

Federal Rules and Oversight

The prime sponsors operate within the framework of federal regulations and federal oversight. The "feds" review the activity plans prepared each year by prime sponsors, but leave to local decisionmakers the choice among allowable activities and among different subgroups in the eligible population, as long as specified procedures are followed. The exception is the youth share requirement. The Youth Employment and Demonstration Projects Act of 1977 required that prime sponsors maintain youth service levels under Title IIBC at the pre-YEDPA level. Guidelines were introduced to enforce maintenance of effort, and these reduced the downtrend in youth shares which had been occurring each year since the implementation of CETA. The regression results suggest, however, that there is very little statistical relationship between prime sponsor youth shares and their overall emphasis on classroom or on-the-job training, and the impact results provide no reason why jobs should be preferred over training for youths. There is still significant local choice in the degree of emphasis on training.

The Department of Labor seeks to achieve year-to-year improvements in placement rates and unit costs in negotiating plans, but prime sponsors may justify exceptions in the plan or may seek modifications during the year. Apparently, there is not too much pressure since the planned Title IIBC placement rate approved for fiscal 1980, after the modification process had occurred, was below the level in fiscal 1979 and only 1 percentage point above the level in fiscal 1978. The variance in *planned* placement rates or the training shares is almost the same as the variance in *actual* placement rates and training shares.

The stick necessary to give leverage to the annual plan approval and goals-formulation process is the performance review at the end of the year. After a top-to-bottom assessment which considers goal attainment in the previous year, prime sponsors are rated as either eligible for immediate funding, as needing corrective actions over the next year, or as having serious problems that must be solved before funding. Unfortunately, the quality of training is given minimal weight in this assessment and no prime sponsor in 1980 received a serious problem rating because of training. The only enforcement occurred when vocational education set-asides were grossly underspent or training requirements under IID not met, i.e., quantitative requirements established in the law; but such issues involved only three of the 69 prime sponsors rated overall as having significant problems. Process issues such as equal opportunity enforcement and monitoring procedures have been the major concern of end-of-year reviews and thus receive predominant attention by prime sponsors.

The federal regulations do not preclude long-term training. The regulations suggest that length of training should be determined according to guidelines provided in a Bureau of Labor Statistics publication detailing requirements for different jobs. This source suggests that six months is the minimum training period for almost any occupation in which classroom or on-the-job training occurs under CETA, and even in these cases there is a presupposition of basic competencies which are frequently lacking for CETA participants and which would require extra time in addition to the vocational preparation. Since less than 1 percent of fiscal 1976 classroom training entrants stayed in CETA for more than 450 days, the two-year limitation of training introduced in 1978 (which allows for six months further of unstipended training) cannot be considered an impediment to longer courses.

The regulations *do* limit on-the-job training. In terms of costs, outcomes and public perceptions, OJT is desirable from a local perspective. While prime sponsors have varying success in securing employer cooperation, even the most successful would probably like to do more. If a standard proportion of IIBC participants in OJT were increased by a standard deviation, i.e., to a level now achieved by the best one-sixth of prime sponsors, there would still be less than a fifth of Title IIBC participants in OJT. The problem, then, is not so much the management of the component, but its design. Quite simply, the payments to the employers do not compensate for the risk in hiring someone of less certain qualifications and the paperwork involved. An experiment with alternative subsidy levels for the hiring of disadvantaged 16-19 year-old students has demonstrated that employers are responsive to higher subsidy levels, and that the response rate escalates when the participant is payrolled from CETA for a try-out period rather than hired first by the employer. The evidence strongly suggests that a redesign of the OJT regulations would be productive.

Federal Leverage Mechanisms

The federal measures which have most affected the level and duration of classroom training are the supplemental vocational education set-aside (6 percent of Title IIBC funds), the legislatively mandated training requirement under public service employment (which was 15 percent of Title IID PSE expenditures in fiscal 1980), and the HIRE and Skills Training Improvement Programs (STIP) which provided funds for on-the-job training and long-duration classroom training respectively, but only to those prime sponsors who could use the money and meet requirements. The increase in the vocational education set-aside from 5 to 6 percent in the 1978 amendments, the operation of the STIP program (supported with discretionary funds) and the PSE training requirements, also implemented in 1978, accounted for all of the increase in local classroom training activity between fiscal 1978 and fiscal 1980. The Private Sector Initiatives Program which established local Private Industry Councils (PICs) and set aside funds for "private-sector" oriented activities has increased the share of funds going to training, simply because work experience is deemphasized in the funds allocated for PICs. The early results suggest that the PICs are not having an easier time marketing OJT than prime sponsors, and, hence, turn to classroom training and transition services. The expectations that business participation in decisionmaking and the intermediation of a business oriented group in the delivery process would make OJT more attractive, placement easier and employer cooperation much more likely were unquestionably exaggerated. PICs may do marginally better than prime sponsors, and the increment may be worth the cost, but more fundamental changes in policies and practices will be necessary to improve the effectiveness of local programs in private sector placement.

Lessons from Job Corps

The Job Corps, operating under national direction and drawing participants from all areas of the country, offers several important lessons for the design and management of training activities:

First, intensive investments per individual are only likely when there is clear authorization and are only justified when the clients are extremely disadvantaged and are provided opportunities for significant gains. To achieve these ends, it is necessary to clearly specify both the service mix and the eligibility focus in the law and regulations, and to shift more responsibility to the national or perhaps state level rather than locally, where there are so many pressures to both dilute service intensity or to "cream" whenever significant opportunities are provided. The demography of Job Corps participants has changed hardly at all over the years and the legislative stipulation of services has thwarted the attempts by budget cutters and critics of intensive investments to trim the sinew and bone rather than the fat from the program.

Second, one of the most important factors behind the Job Corps' impact is mobility. The program draws individuals from areas of greatest need—usually where institutions are overburdened or nonexistent—and provides exposure to alternatives as well as a sense of independence. The number of intercity moves for job-related reasons is more than twice as high for Job Corps participants as for controls in the 18 months after termination. Job Corps is the only CETA program which is not localized. Most "national" programs funded under Title III of CETA provide extra service and delivery options which augment local activities but involve neither recruitment from multiple prime sponsors nor mobility of participants.

Third, three-fifths of Job Corps centers are operated on a contract basis by private corporations or nonprofit organizations. Competition provides options. Where a contractor performs poorly, another can be selected. In contrast, it is extremely difficult to suspend decisionmaking and management authority of a local government unit. It is particularly difficult to fire the local bureaucracies directing the programs. And where the same government units are responsible for decisionmaking and management, they are likely to choose the approaches which are easiest or safest to manage, rather than what may be best for participants. Private sector management per se is not necessarily more effective—at least this has not been the case in Job Corps, where nonprofit and public managers of contract centers have done as well as private corporations—but the competition provided by the contract approach, the flexibility to hire and fire, the separation of program decisionmaking and program management, have all proved beneficial. By the same token, there are economies of scale and the potential for specialization of staff and standardization of management approaches which result where private or nonprofit contractors operate multiple sites. Operation of the larger Job Corps centers is as complex as management of local employment and training activities (the annual budgets are larger for some Job Corps centers than for many prime sponsors), and the option is certainly one that should be utilized where local public sector management has been deficient.

Fourth, the Job Corps system provides a complete spectrum of opportunities ranging from special aid to the learning disabled all the way to college options for Corps members who advance rapidly, from vocational training in janitorial work for persons unable to perform any other jobs to multi-year training as computer customer engineers. If individuals cannot be served appropriately at one center, they can be moved to a component at another. Instruction is individualized and self-paced, while achievements are recorded and rewarded. The standardized educational programs are based around a diagnostic, prescriptive and progress measurement system. Most available public and private sector materials have been screened and cross-referenced to this system, so that there are a number of options to suit the interests and needs of each individual. Likewise, training offerings are based around competency-based achievement standards for each vocation, with a record of progress for each individual. Thus, enrollees are placed according to ability or interest, can advance as rapidly as possible, and can compete for advanced opportunities available within the system based on performance within the system. Financial and nonfinancial incentives based on measured accomplishments increase the effort of Corps members. This approach is in marked contrast to CETA which offers a "one-shot" treatment in most cases, with few incentives for performance, no record of achievement, and limited opportunities for "quantum leaps."

Fifth, all activities in Job Corps operate under detailed national standards dictating minimum qualitative and quantitative inputs. On-site reviews can then assure that input standards are met. The use of a standardized competency assessment and progress systems for the vocational and educational components allows comparison across centers. Because there is the same essential mix of services from center to center, enrollee surveys can be and are used to identify potential problems in components. Most critically, with costs negotiated and itemized by detailed component, and with components relatively standardized, outcomes relative to national norms can be used to assess performance. Because the service mix and intensity of local CETA operations is so variable and because there are no qualitative standards, it is difficult to get the same torque on performance measurement systems. Not surprisingly, the coefficients of variation in Job Corps outcome measures from center to center are far smaller than those for prime sponsor operations. The poor performing center operators have few excuses, and hence low performers are subject to greater pressures and are more likely to improve over time.

Sixth, recruitment and placement are the weak links of nationally-directed programs such as Job Corps, and they require more attention. Job Corps recruits through its own system of contractors, usually state Job Services. Few prime sponsors use Job Corps as a treatment alternative on a regular basis. Some enrollees could be better served in local programs, while many participants in local CETA activities should be in Job Corps. Job Corps also has its own largely separate placement system that works in getting completers into jobs, but does not help dropouts and partial completers for the most part (in contrast to local classroom training where placement is more often provided to participants whatever their duration of stay). As a result, many Corps members have depressed earnings during the first month or so after termination even though they eventually break even or surpass like nonparticipants. This transition could be eased if local prime sponsors had the responsibility of placing individuals sent off to Job Corps for training and subsequently returning to the locality without a job, and if they were notified immediately or even before scheduled exit. In other words, local activities must be better linked with nationally-operated programs. They must begin to operate in tandem as a system rather than as isolated activities.

Improving Policy and Programs

Needed Directions of Change

The detailed analysis of all the facts and figures on training and its impacts reduced to some rather simple conclusions: CETA (or its successor) should be putting more emphasis on training rather than work experience or job creation. On-the-job training, in particular, needs to be expanded and the duration of institutional training should be extended. Placement efforts should go hand-in-hand with this training, with a focus on training-related placement, particularly when there are substantial training investments. Competency attainment should be emphasized and standards should be maintained for participants. Career opportunities should be available for those who prove themselves in the system.

The CETA system is not now designed or managed to achieve these ends. This is a statement of fact, not a critique. CETA's mission over the last decade has been, first and foremost, to create jobs, which was probably appropriate as the economy strained to absorb the exponentially increasing numbers of youth and female labor force participants. Evidence in support of new missions and approaches has not been available until recently. The decline in the number of labor force entrants which will provide the imperative for change are only beginning to occur. Yet if past patterns are justified, they also offer clues concerning the changes in policy and practice most likely to move the system along the paths which are, in light of new evidence and emerging labor market trends, now more appropriate.

Guidance for Local Decisions

Decentralization and decategorization were initiated under CETA in the belief that decisions about services, delivery agents and participants could best be made at the local level in response to local conditions. Diversity was both expected and desired. A planning system and procedural rules were formalized to assure a fair and reasoned set of decisions, placing primary reliance on an analysis of labor market conditions as a guide to local decisions. It would be expected, then, that areas with similar economic conditions or similar target groups would tend to adopt similar choices among intervention alternatives. Recognizing the crudeness of area data as well as participants, service mix and outcome measures, it is still surprising that the service patterns which vary so markedly bear little relation to either area unemployment rates—the primary consideration in planning and allocation—or to the proportion of youth served—the participant mix variable expected to have the largest impact on the choice of local service strategy. The local factors which seem to affect decisions most are the structure of the decisionmaking unit and the historical patterns rather than the problems which are addressed. Certainly the findings eliminate many of the most common excuses of prime sponsors, i.e., that training does not occur because the "feds" force too many youth to be served or that below average OJT enrollments are necessitated by high unemployment, or that placement rates cannot be improved because of the participant mix or area conditions.

A basic issue is whether local decisionmakers know best what should be done in light of local conditions, and whether priority should be placed on adapting to these conditions rather than helping to move people where jobs and better training are available. A rational local decisionmaker conscientiously assessing placement rates, costs and three month follow-up results might rationally decide to emphasize work experience, or to put two people through 20-week training rather than offer one participant 40 weeks of training. From the local viewpoint, the effectiveness differentials do not square with those estimated by the "ivory tower" national impact studies. If the rational decision based on local evidence is also expedient—for instance, helping to meet public needs and reducing local payrolls through an emphasis on work experience rather than training—all the better! If residents must be placed in local jobs and if these are scarce, the training options or payoffs may be limited so that job creation and short training for menial positions is most effective. It is not a condemnation of the quality of local decisionmakers to suggest that they *may not know best* in certain contexts because their perspectives are in some cases too limited, and the contexts may not be most appropriate for the individuals who are served.

Refocusing Federal Oversight

Because of the difficulty in pinning down activities, services, or outcomes, much less the interrelationships between them, performance monitoring has been basically a ritual exercise. Where the diversity is so great because of local flexibility and the lack of federal standards, it is difficult to second-guess any local decision or to judge local outcomes. Unlike Job Corps, where one center is very much like another, and the activities are defined by a set of detailed requirements for each element, the descriptors for local activities which are used in the federally-mandated management information system are not very specific and the content standards for activities are almost nonexistent. "Classroom training," even in a single prime sponsor, may range from a few hours of motivational and character development activities to full-time occupational training for a year or more. Outcome measures are not even tied to these broad categories nor are the individuals identified who participate in any specific activity. The outcome measures are also so vague that they tell very little about performance; it is doubtful whether a "positive termination" really means anything and impossible to tell whether a "placement" is training related. Without the ability to measure what activities are occurring, without standards about what should, as a minimum, go into each of these activities, and without outcome measures available by characteristic of participants and services received, it is impossible to make judgments about whether the activities are adequate or the outcomes appropriate. Hence, the federal oversight system focuses neither on inputs and their quality, nor on outputs and their meaningfulness, but rather on processes. Acceptable processes do not guarantee and in fact may not even promote wise decisions or positive results. For instance, the summer programs operated by prime sponsors were acceptable until recently as long as plans were filed and the numbers of participants counted. Yet inadequate worksite activities, poor supervision, and slack worksite standards were found in recurring assessments by the General Accounting Office. Beginning in 1978 the Department of Labor began to specify standards about what was required in worksites, provided models, demanded specification of activities in worksite agreements and used these agreements as an instrument in massively expanded on-site monitoring. There were substantial improvements in the quality of worksite activities as a result of this emphasis on quality and on-site monitoring. These improvements were documented by the GAO but were no more visible in the management information collected by the Department of Labor than were the earlier shortcomings. In fact, unit costs rose noticeably as a result of increased management and monitoring efforts and more enrichment of worksite activities.

In a system which focuses on aggregates, and on quantity over quality, there is little incentive for the prime sponsor to develop high quality, intensive components. If these served only a small proportion of participants, their effectiveness would be completely hidden in a mass of numbers under the current management information system. Likewise, the "feds" could not easily assess intensive investment programs locally. Despite the massive paperwork requirements on local systems, the management information system does not collect the *right* information needed to support local or federal management, or to promote either long-term training or the progression of individuals in an orderly way through the system.

The "bogeyman" of the heavy-handed federal government squelching local creativity and dictating decisions turns out to be a pussycat. There is no evidence that the federal regulations or the federal oversight restrict the amount or duration of classroom training undertaken by prime sponsors. The law clearly allows for two-year training courses, but local pressures result in the broadest distribution of limited resources. OJT is restricted because what is allowable is difficult to market, but federal oversight is certainly not the reason many prime sponsors do so little OJT. Yet if the federal presence is largely neutral concerning the exercise of local discretion over activity mix and design, the oversight is not benign. It focuses attention on ritual processes while providing no direction as to what is important. If the "feds" cannot or do not say what works or what the standards should be, nor do they review quality, neither can the local decisionmakers when dealing with politically connected local delivery agents. Why create new training institutions or approaches when existing deliverers are clamoring for support and there are no incentives and few performance or impact standards for justifying alternatives? Why concentrate resources when low costs and services for more participants are favored by both local politicians and federal monitors? Why worry about relocation (which usually results in an outcry from some local residents and politicians) when planning is focused on local opportunities, and procedural requirements are focused on choosing between local delivery agents? It takes all the ingenuity and resources available to the prime sponsor to avoid the process pitfalls that will be scrutinized in federal review, and to generate the plans and modifications that have little to do with operational realities.

If more and longer classroom training is needed as well as more OJT, past experience provides examples of how this can be accomplished—to a large extent simply by articulating what is wanted in sufficient detail, utilizing performance measures which can identify whether it is being accomplished, and providing funds specifically for the desired purposes. More classroom training can be accomplished by expanding the state set-aside or targeting local resources that can only be spent on training (i.e., the PSIP approach), by requirements for training under work experience as in PSE, or by an overlaid competitively-funded program such as STIP. Longer training can be accomplished by duration specifications for these earmarked and extra dollars, by emphasis from the federal level, and by the use of management information system descriptors that identify costs for specific types of services so that false economies are not achieved by simply shifting to less intensive activities within broad service descriptors. Marginally more OJT can be accomplished by guidelines, set-asides or competitive funding to areas able to move OJT dollars, but the real answer is to change the formula to provide for "try-out" employment before a hiring decision or training contract is signed with the employer.

These actions would focus federal policy, but would not represent a reduction in local control, since there are already copious set-asides, categorical titles, minimum spending requirements and the like. The key is to align these requirements so that they achieve a coherent policy and provide clear guidance.

The real issue, then, is whether a consistent national policy can be developed and sustained. Currently the local CETA system tries to do everything it is told to do, and make the most rational decisions based on the evidence at hand, but the directions are not clear and the locus of decisionmaking inappropriate. The answer is not a new program model, or more vigorous performance monitoring, or redistribution of decisionmaking authority, although all these steps may be required. The need is *rather* to determine what we are trying to achieve, to set long-range goals, and to choose the next steps that will, with the least rupture to the present system, move it in these directions.

The dramatic decline in labor force entrants projected for the next two decades will create shortages of entry workers, increasing the importance and potential of training. The ends and means of the CETA system or its successor should be reoriented in light of future prospects and the evidence that long-term training pays off most. Training rather than job creation should receive priority. Where jobs are provided, they should be combined with and lead into training. Participants willing and able to make a "quantum leap" should be provided the opportunity. Placement must be emphasized, particularly for long-duration training. Mechanisms are needed to facilitate mobility from high unemployment and poverty areas.

Sagging productivity during the 1970s and the decline of our relative economic growth taught us the dangers of short-term perspectives, inadequate and erratic investments in capital and equipment, and wasteful use of scarce natural resources. The lessons are equally applicable to human resources. The future of the economy and the social fabric depends in great measure on our willingness to initiate and sustain policies which will develop of those who have traditionally been discarded and ignored, but who will be needed more in the coming decades.

At least on this one issue, the prescriptions to achieve equity and efficiency are coincident. Those who preach the supply-side Gospel, as well as those concerned with mitigating the inequalities which have proved resistant to short-duration interventions, should be able to find common ground in support of more intensive training investments for persons of limited employability.

Case Study Summaries

Baltimore, Maryland
The Rewards of Sound Management and Planning

Gregory Wurzburg
Youthwork, Inc.

Introduction

The most important theme to emerge in the last decade of evaluation and research centered on employment and training programs is that the nuts and bolts of delivery mechanisms can be as important as program design in determining the ultimate usefulness of labor market interventions. To be credible, an analysis of training programs needs to examine what happens as well as why and how it happens. This point has been driven home again in evaluations of labor market programs operated by local prime sponsors under the Comprehensive Employment and Training Act (CETA). The variations in outcomes between different training strategies that labor economics has taught us to expect have been swamped by variations in management styles and a host of environmental factors.

This evaluation of CETA training in the Baltimore Metropolitan Area Manpower Consortium attempts to analyze the context in which training is done and the relationship between that and the quality of training.

The Baltimore Metropolitan Area Manpower Consortium is almost legendary in the short history of CETA. It has a reputation for competence, effectiveness, and innovation. On closer inspection, this author finds some blemishes, but is convinced that the federal employment and training system has a showcase in Baltimore that offers some valuable lessons for other CETA prime sponsors. Accordingly, this report does not consider details of every aspect of the prime sponsor's training operations. The scope of the description and analysis was narrowed where it was logical and did not jeopardize the important themes.

The report focuses on "adult" training, which is to be distinguished from training provided under separate CETA youth programs. Although the report recognizes the broad definition of "training" that Baltimore uses—a definition that encompasses almost every activity allowable under CETA—the main emphasis is on occupational skill training; the important exceptions are noted. Finally, the report looks primarily at only the consortium-wide programs, excluding certain smaller programs run within individual counties.

The author is grateful for the cooperation given by the consortium managers and the various service delivery staffs; it was essential. He is especially indebted to Marion Pines, Director of the Mayor's Office of Manpower Resources, and her staff—Mark Horowitz, Joel Lee, and Marguerite Walsh in particular.

The Prime Sponsor Area

The Baltimore Metropolitan Area Manpower Consortium comprises Baltimore City and four surrounding counties: Anne Arundel, Carroll, Harford, and Howard. The prime sponsorship serves an area of about 1,646 square miles and a population of about 1.5 million. The population by jurisdiction was:

Jurisdiction	Population
Total	1,506,200
Baltimore City	789,700
Anne Arundel County	361,200
Carroll County	92,500

Harford County	146,200
Howard County	116,600

An estimated 12 percent of the population was eligible to receive CETA services in fiscal 1979. Nearly 8 percent of the population was receiving AFDC, state or local public assistance, and approximately 13 percent of the population in the area was from families whose income was less than the OMB poverty guideline. A quarter of the total population was nonwhite, while slightly more than half of the city's population was nonwhite. No figures were available for the Hispanic population.

The Economy

The city of Baltimore and northern Anne Arundel County are heavily industrialized and Howard County is becoming increasingly developed with light industrial parks. Carroll, Harford and southern Anne Arundel Counties are still largely rural and mostly bedroom communities. The overall character and well-being of the economy, however, is a function of Baltimore.

It has experienced a renaissance in the last decade, thanks to creative and energetic local leadership and a massive infusion of federal money for mass transportation, urban renewal, community development and manpower development. It is no boomtown by sunbelt standards but in comparison to other large northeastern industrial cities, its economy has been doing well. Unlike those other northeastern urban areas, Baltimore's growth over the last 30 years has been steady and positive.

Baltimore's steady growth in labor market opportunities belies the dramatic shifts in the composition of the labor force, however. In the last thirty years, employment has shifted away from manufacturing towards more service and government dominated occupations. This trend, which mirrors national patterns, is expected to continue.

Political Governance

The relationships among the different political jurisdictions comprising the Baltimore Metropolitan Area Manpower Consortium are fairly typical of the kind of relationships found in other CETA consortia. However, the institutional setting of the city's manpower operations, which is integral to the nature of the consortium's managment, is atypical.

Baltimore City is the political hub of the manpower consortium. While the resources available through CETA are important to Anne Arundel, Carroll, Harford, and Howard Counties, the programs are not as visible nor are they of as much strategic importance to the local political decision-makers. Representatives of the counties participate on the advisory council to the consortium and are especially active on the council's steering committee. But, by virtue of the agreement under which the consortium was established at the inception of CETA, the counties grant a great deal of authority to the Mayor's Office of Manpower Resources (MOMR) in the day-to-day operations and in longer term planning and direct contact with the Department of Labor. Each of the counties receives a share of services and individual allocations from the consortium's pot of money. But, whether it is because the counties want to avoid the potential embarrassment of running CETA programs, or because manpower development simply is not high on their local agendas, the counties' manpower administrators and executives are willing to stay out of the limelight.

The consortium balance of power that has been dictated by the formal agreement of delegation of authority has not been without costs. Baltimore County withdrew from the consortium at the end of fiscal 1979 after years of concern over equitable distribution of funds and disagreement over MOMR decisionmaking practices, strategies, policies, and programs. But so far, the other counties seem to be content with the status quo.

One question raised by the Baltimore Consortium's experience with the internal balance of political power is whether consortiums can work when more than one participating jurisdiction has an aggressive CETA agenda. Although MOMR staff argue that the views and policies of all jurisdictions are accommodated, Baltimore County's withdrawal from the consortium at the end of fiscal year 1979 indicates that there are limits to how well the consortium can accommodate more than one jurisidiction with clear ideas on how to spend CETA dollars. If this is true of other consortia, it certainly raises questions about the merits of independent consortium management relative to those models dominated by a single jurisdiction, and tradeoffs between interjurisdictional peace and strong leadership.

CETA Funding

In 1979 only six other non-balance of state prime sponsors received CETA allocations exceeding the Baltimore Consortium. The consortium received a total of $82,899,520 in new obligational authority under formula allocations and $1,112,918 in discretionary funds. The consortium has also received more than $42 million in obligational authority to operate a 2½ year guaranteed job program for in-school youths and high school dropouts living in certain areas of the city. Baltimore also receives money from the governor's office for individual referrals to programs outside the usual training network (Table 1).

Table 1 CETA Funding for Fiscal 1979, Baltimore Metropolitan Area Manpower Consortium

Source	Unspent from previous fiscal year	1979 New obligational authority	Unspent at end of fiscal year
Title IIA, B, C	$2,293,110	$16,368,046	$2,664,729
Title IID	—	22,042,044	2,106,427
Title IV	1,735,563	4,683,551	982,981
Title VI	—	39,156,212	854,744
Title VII	0	649,667	544,734
Discretionary			
Governor's money	429,048	1,112,918	
Skill training and improvement program (STIP)	3,558,219	0	1,156,279
HIRE	756,105	0	488,696
Title IV—Youth incentive entitlement pilot project (YIEPP)		(a)	

a. $42,826,314 total obligational authority through September 30, 1980; $22,000,000 spent as of September 30, 1979.

Influences on CETA Operations

Two sets of variables affect training policies and practices in Baltimore: those external to MOMR and beyond its control—mostly relating to governance—and those internal to MOMR and within its control—those relating to planning, development, and implementation.

External Factors

Some of what is good about the Baltimore training operations could not be transplanted to other prime sponsors because it reflects a combination of governance arrangements that are rare, if not unique to Baltimore. Probably the single most important factor is the consortium's locus of political power, which is based squarely in the city of Baltimore. MOMR, exercising administrative and representational powers liberally delegated by the four counties in the consortium, is most directly accountable to the mayor of the city of Baltimore, an activist committed to improving the quality of life in Baltimore. This works to the advantage of MOMR because Baltimore has a "strong mayor" system of government granting the mayor authority over all city agencies, including the public schools. The mayor also virtually controls the "independent" city agency responsible for approving all contracts. The mayor is interested in the employment and training programs and is not about to let them be subordinated to narrow political interest, and sees more political mileage in well-run programs. While the governance arrangements in the Baltimore consortium work to MOMR's advantage, for sponsors where similar conditions of political control and accountability could never be achieved, this fact may simply underline the influence of politics on the effectiveness of CETA. Moreover, this very strength in Baltimore could also be its Achilles heel. MOMR operates at the pleasure of the mayor and his goodwill undergirds MOMR's operations. But, just as MOMR has benefited from the good graces of what might be termed a benevolent despot, it could suffer badly at the hands of a less enlightened city leader. The enormous degree of flexibility which permits MOMR to capitalize on creative thinking and dynamic leadership could also lead to swift disintegration following a change in local political conditions.

The Baltimore area political environment's influence on MOMR also highlights the tradeoff between organizational fluidity that permits rapid adaptation for good or ill and institutionalization that may rigidly preserve the good with the bad. MOMR's organizational fluidity has served it well during its evolution. However, it is not so clear whether

MOMR's ability to change will make it resistant to the vicissitudes of the Baltimore City political agenda.

Other aspects of the governance arrangements also affect the stability of the Baltimore Metropolitan Area Manpower Consortium, although the relationship is not so clear. The consortium, which was set up at the inception of CETA, depends heavily on the Mayor's Office of Manpower Resources having a dominant central role. On one hand, Baltimore City's interest in participating in the consortium seems to be premised largely on MOMR's having the authority generously given it under terms of the delegation of authority agreement signed by consortium members. On the other hand, it is not clear how viable MOMR would be were it not for the resource base available to it, thanks to the consortium. In other words, the critical mass of administrative resources (staff, money, political discretion) have required a scale of operation that is feasible only with the involvement of other jurisdictions, which have been willing to give up administrative resources and a degree of authority over how "their" share is spent, in return for the savings and convenience of having someone else do the lion's share of the work associated with running CETA programs. This raises another question about the value of the consortium in Baltimore or any prime sponsor area, and the forces which hold it together.

Consortia have been encouraged by the Congress and the Department of Labor because it has been assumed that, though political jurisdictions are not necessarily conterminous with labor markets, federal labor market interventions would be more effective if they were. Creation of consortia are encouraged as a way, therefore, of encouraging delivery of CETA services on a labor market-wide basis. Economic theory, however, has not provided the glue to keep corsortia together. Consortium bonuses and a readiness on the part of some jurisdictions to sacrifice some degree of control for the sake of administrative convenience are just two factors that appear to be instrumental in holding jurisdictions together. The implication is that if national policymakers consider changes in consortium incentives, they should not underestimate the importance of either of these factors, especially the latter, in contributing to consortium stability.

The idea of the necessity of a "critical mass" of administrative capacity makes it more desirable for federal policymakers to rethink the system of incentives for forming consortia. Amendments to CETA have consistently increased administrative burden without always increasing the resources to shoulder that burden. Since the scale of much of that burden has not been related to size (all sponsors must establish independent monitoring units and meet the same reporting requirements, for example), economies of scale are likely within consortia. Lacking a dramatic reduction in administrative burden, federal policymakers might attempt to create more compelling incentives for jurisdictions to form consortia, or at least differentiate administrative burdens according to prime sponsor size. This might include, for example, scaled down or less frequent reporting requirements.

Internal Influences

Many other variables internal to MOMR and under some degree of MOMR control are more instructive about what makes for effective prime sponsor training policies and practices.

The MOMR Management Style. MOMR's style of control and policy is perhaps the most pervasive ingredient in MOMR's overall operations: there is a reason for practically everything that is done and the way it is done. The planning, contracting, and general management procedures and the organizational structure have evolved to serve particular purposes. When changes are made, results are evaluated. If they are not what was expected and are not wanted, more changes follow. Where there are unanticipated spillovers, they are considered and the original decision may be reevaluated. What is important is that a deliberative process is followed before decisions are made; there are procedures for executing decisions and there is follow-up to assure implementation and assess consequences.

Management Amid Crisis. The difficulties that prime sponsors encounter in planning are practically germane to CETA. Uncertainties and delays associated with authorizing legislation, appropriations, and publication of regulations all create a climate in which it is defensible and occasionally prudent for local administrators to make no decisions or defer them until the latest possible moment. MOMR must live with the same vicissitudes, but managers cope better than most other prime sponsors by preparing contingency plans and hedging bets. It is a riskier style of operation than the wait-and-see approach found in more conservative sponsorships, but it has the support of the mayor, no doubt partly because it has not yet led to any major calamities.

Yet MOMR is the exception that proves the point that uncertainty in the CETA system must be reduced. MOMR is able to cope only because of somewhat extraordinary staff competence, a supportive political environment, and probably, luck. Taking away any ingredient leaves a situation in which CETA can become a political liability that is tolerated, and whose damage is minimized by keeping it at an arm's length from the political center of power. To the extent CETA is used as a countercyclical tool, life for prime sponsors is likely to be as uncertain as the economy. But stability is possible in other areas—as observers have stated repeatedly—through multi-year funding for the non-cyclical

CETA activities and a greater sensitivity in Washington to the perils of playing "Crack the Whip" with changing regulations and budgetary brinkmanship.

The Importance of a Local Sense of Direction. Local control (and good management sense) is not enough, though. Another important factor in MOMR's training operations is substantive policy content. MOMR's sense of mission goes beyond either narrow political interests or compliance with the plethora of mandates from USDOL. Organizational goals and policies provide a frame of reference for interpreting mandates from both local and federal authorities. The Baltimore prime sponsorship does not have a reputation for being responsive to whims of the USDOL regional office because there are in-house agendas that also must be met. By the same token, the prime sponsorship has been able to withstand certain local pressures by countering them with well-articulated policies and procedures.

Not only are there *reasons* for resisting outside pressures, there are also means. MOMR is staffed and led in a way that encourages decision and policymaking on the basis of merit. Staff is enormously important in permitting this because it is well-qualified and experienced. Half the senior staff have worked together in the Mayor's Office of Manpower Resources since before enactment of CETA. Individually they almost all have firsthand experience in administration, planning, and direct client services. There is fairly good stability at lower staff levels as well. The reasons given for the stability are interrelated and might be both causes and effects of stability; they include good morale, competitive salaries, opportunities for career development, and a sense of professionalism.

These are not the kinds of ingredients that can be transplanted readily to other prime sponsors. But they are worth noting because they go hand-in-hand with the kind of institutional stability that is possible only over time and only in an accepting political climate. Federal mandates can help buy stability with stable funding. But to the extent the federal hand causes institutions to be out of step with local priorities, local political support is jeopardized, and with it, the opportunity for institutional continuity.

Aside from the style and philosophy of MOMR's management, other factors especially important in affecting the prime sponsor's performance include: what training is offered, who provides it, who receives it, and how those decisions are made; curriculum; job placement; and relationship with the Department of Labor (Table 2).

Table 2 Enrollments for Fiscal 1979, Baltimore Metropolitan Area Manpower Consortium

Source	On board Sept. 30, 1979	Cumulative new enrollment fiscal year 1979	Enrollees carried over from previous year
Title IIA, B, C	2,115	13,383	2,058
Title IID	3,519	4,646	654
Title IV	1,407	2,322	1,734
Title VI	2,978	4,882	360
Title VII			
Discretionary			
Governor's money	310[a]	245	277
STIP	188	202	252
HIRE	73[a]	109[a]	45
Title IV—YIEPP	5,152	13,895[b]	

a. As or September 30, 1979.

b. Includes enrollments since start of program in early 1978.

Training Decisions

MOMR's training decisions revolve around three questions: what training is to be provided, who is to provide it, and who is to be trained? At any one time MOMR offers training in roughly 25 occupational areas as well as in basic educational skills and job search/retention. The list of occupational areas has approximately doubled since the inception of CETA, partly in response to shifts in the occupational mix of the Baltimore labor force. The Skill Training and Improvement Program (STIP) and the private industry council (PIC) spending CETA Title VII money have been instrumental in permitting MOMR to extend the occupational skills repertoire into new and growing occupational areas by providing net new funds for training and increasing MOMR's contracting with for-profit training firms.

MOMR has expanded its training offering into higher technology occupational fields in response to changing labor market demand, a management philosophy that has encouraged flexibility, and federally imposed incentives which have encouraged training in occupational areas where placements are more likely. The continuing high placement rates experienced by MOMR trainees—usually exceeding 75 percent—reflect the quality of training programs' curricula and placement efforts. But the direction of change is necessarily requiring more highly qualified trainees. It also seems likely to be pushing MOMR more directly into a position of duplicating training offered by proprietary institutions. The increasing presence of such institutions as training subcontractors to MOMR bears this out. One implication of this trend is that if MOMR is not providing services that are unavailable otherwise, it becomes more important that MOMR assure that the services go to clients who might otherwise not receive them.

Another lesson from MOMR's experience is the importance of new money in producing change. Even in a system as flexible and receptive to new ideas as MOMR, the expansion of occupational offerings has been the product largely of new money. Net additional funds available under STIP, Titles VI, and VII, for example, have provided the resources which have permitted new kinds of training without cutting back training in more established areas.

What Training is Needed?

In deciding what training to provide, staff utilize the usual sources of labor market information such as the Employment Service and the Bureau of Labor Statistics to determine the occupational areas in which labor market demand justifies training. Another important source of intelligence on labor market conditions is the network of labor market advisory committees which represent, among others, employers, unions, and trainers. Those committees—one for each occupational area or clusterings of related occupational areas—advise on the nature of the market demand for new workers and the kind of training that is appropriate. Since the introduction of the Skill Training and Improvement Program (STIP) and the increase in private sector involvement through Baltimore's private industry council, changes in MOMR's offerings of occupational training have needed to be more open-ended to branch out into new occupational areas. To meet this need, MOMR has turned to rely increasingly on requests for proposals to stimulate new ideas from the training community, instead of approaching possible training contractors on the basis of a pre-established agenda.

Though federal pressures for greater use of requests for proposals were not a credible framework for justifying new policies (and different deliverers), it is not unlikely that the use of such open bidding processes can also ease the pressure for reconsidering established policies.

Who Should Train?

MOMR contracts with private nonprofit, private forprofit, and government agencies (including community colleges) to provide training. There is no evidence of MOMR attaching a great deal of weight to the type of deliverer, *per se,* but because of certain other MOMR policies, the bias at the margin favors for-profit deliverers. In a machine skills program, for example, MOMR made a point of contracting with a private firm because it is a major employer in the Baltimore area. More generally, though, the bias favors for-profit deliverers because they dominate the training field in the newer, "high-tech" occupational areas into which MOMR is trying to expand.

From year to year, the choice of service deliverers is premised on the assumption that unless evidence based on MOMR's performance indicates otherwise, trainers can be assured of continued business. The funding level is not guaranteed; but the assurance of continued funding at some level—contingent on satisfactory performance—helps build stability and continuity into the training infrastructure.

Who Should be Trained?

In certain respects the choice of who to train is given the most attention in MOMR. Enrollment in the occupational training program is selective; would-be trainees must meet entrance criteria for reading and math skills as well as some specialized criteria needed for particular training programs. MOMR takes pains to assure that the criteria are valid and relevant to the particular training regimen. But, in fact, between the criteria and the fact that trainers can screen out half of the qualified clients referred for training, the occupational skill training programs prove to be fairly selective in who they accept. Clients in the occupational skills training programs have higher levels of educational achievement from those in other activities and better work histories (measured in terms of length and wages of previous employment).

There are three reasons for the selective enrollment policies that MOMR practices in its occupational skills training programs. First, MOMR managers will not indiscriminately enroll anyone in skill training; would-be trainees cannot learn new skills if they are functionally illiterate, for example. Second, MOMR is selective because it uses performance contracting for most of its occupational skills training. When contractors are paid on the basis of absolute performance—placement of trainees in jobs—and not relative performance—gains in skill performance, for example—they have a compelling interest in "creaming" referrals to select the most qualified, motivated, and job-ready. The Department of Labor's emphasis on absolute outcome measures reinforces MOMR's performance standards. Third, MOMR's willingness to be selective about who gets into occupational skills training also stems from its efforts to please employers, because such training is geared more to meeting employer needs than to meeting clients needs.

MOMR compensates for selectivity in the occupational skills training programs by referring some clients with low skill levels to PSE jobs that can impart skills. The rationale is that the PSE jobs have training content which, though less structured, is better adapted to the needs and capabilities of clients functioning at low levels of educational achievement. Other clients with low levels of educational achievement or barriers to employment are referred to job search/retention and basic educational training. But the clients referred to training other than occupational skills training clearly are at a disadvantage. MOMR's own evaluations show that these clients do not fare as well as those going through the classroom training and on-the-job training. Moreover, MOMR has no systematic approach to channeling the lower achieving clients into occupational skill training, once they have had more basic assistance and are capable of learning more sophisticated job skills.

Though plans call for providing a sequence of activities for more MOMR clients, certain factors work against it. Both work experience and public service employment are now integral components in MOMR's overall training offerings because they are important developmental steps that provide progressively more structured training to clients needing the most help. Unfortunately, statutory restrictions on length of client enrollments in these activities prevent their use as one link in a long term training plan. Consequently, MOMR can offer only a limited sequence and duration of developmental services; this might be satisfactory for clients close to being job-ready, but it is likely to be insufficient for clients with multiple barriers to employment. Furthermore, the USDOL's use of per-enrollee and per-placement costs as the basis for evaluating costs favors minimization of those costs and hence discourages long term participation by the most disadvantaged clients.

MOMR's policies regarding what kinds of clients receive what kinds of services can be seen as a rejection of the popular assertion that CETA is for the worst-off. In fact, while MOMR's policies do not hew to the rhetoric associated with CETA, they are very responsive to the incentives and disincentives built into DOL's management of CETA. If the Congress and Department of Labor are serious about CETA serving clients with severe or multiple barriers to employment, both statutory and regulatory changes are needed to permit prime sponsors to choose between providing limited services to large numbers of eligibles, and providing more intensive services to smaller numbers. At a minimum, limitations on duration of participation must be relaxed when services are provided as part of a planned developmental sequence. At the same time, the basis for evaluating prime sponsor costs should be changed from per-enrollee to a per-period of service basis. Client outcomes should also be evaluated in terms of relative gains and not absolute outcome measures, as they presently are.

'Twixt the Cup and the Lip: The Matter of Execution

Planning in MOMR is more effective and useful than usual because it is articulated with operations. The top managers' experience in both functions has prevented "planning" from becoming an isolated function; plans are turned into a contract package which becomes the basis for negotiating services and monitoring deliverers' performance. This arrangement has more firmly institutionalized MOMR's past planning efforts to unify planning and program development in a way that forced program implications to flow from what otherwise could have been rather dry and abstract plans. Finally, MOMR's use of performance contracting creates a "market" for training program output; by making payment contingent on successful completion by trainees and placement in jobs, MOMR is able to reinforce the connection between planning and implementation.

It is hard to argue with the success of MOMR's planning and development practices. For that reason alone they deserve scrutiny. But they are also noteworthy because they are somewhat at odds with much of the conventional wisdom about what constitutes "good" CETA management.

First, MOMR's planning is mostly incremental, accepting previous policies and practices unless there are compelling reasons for changes. But the policy of minimal change does not reflect a lack of affirmative policymaking. Rather, it attempts economy of motion in a state of local CETA practice in which fine-tuning rather than massive overhaul is more appropriate. MOMR top management deliberately avoids an annual top-to-bottom review of all aspects of operations because it is felt that labor markets, contractor capacity, and resource levels will not change dramatically from year to year.

After the federal government's bad experiences with annual top-to-bottom planning under zero based budgeting, public administrators have learned that incremental planning does have some virtue. For example, the 1978 CETA amendments relaxed requirements that had required a complete annual plan from prime sponsors; now a more limited annual plan is submitted to indicate significant operational objectives and amend, if necessary, a more permanent master plan.

But MOMR's experience is not an unqualified endorsement of incremental planning. Rather, it indicates that incremental planning works when a sound, long term plan and underlying objectives are in place. A danger that both prime sponsors and DOL officials overseeing prime sponsors should be aware of is that incremental planning in a badly designed system can be nonproductive or counterproductive when it merely fine-tunes a dysfunctional system.

A second feature of planning in MOMR that is somewhat at odds with "good" CETA management is the lack of attention given to developing the advisory capacity of its planning council. The formally mandated planning council is not ignored, but the staff do not see it as a valuable institutional asset, and members of the council do not see it as the best forum for influence. MOMR has chosen instead to rely primarily on its labor market advisory committees and its private industry council as sources of input from outsiders. MOMR's network of labor market advisory committees predates CETA, although the number of occupational areas on which committees advise has increased. The advisory committees have served a number of valuable purposes. They have served as a means for corroborating information on labor market demand collected from more traditional sources (the Employment Service and the Bureau of Labor Statistics, for example) and as a source of information on occupation-specific training and experience requirements for would-be workers. The committees also provide a forum for a number of community voices where they can advise on the issues in which they are well-versed. Finally, the committees provide a mechanism by which participants—private employers, in particular—can have a sense of ownership in MOMR's programs. Because of the success MOMR has had with its advisory committees, the Department of Labor's regional office has not been insistent about getting the planning council more actively involved. Although Baltimore's private industry council has not been in place for long, the PIC has effectively carved out an active advisory role for itself and is also assuming responsibility for private-public sector bridge activities.

Experience so far with the CETA advisory councils, documented elsewhere, clearly indicates that their role needs to be re-thought. Requirements for the councils were written into the law as a way of forcing state and local government officials to give voice to members of the community that might be ignored otherwise, and to create a channel for the flow of outside ideas for CETA officials to consider in planning and evaluating their operations. Yet analysts studying CETA have delivered a virtually unanimous verdict that the councils are ineffective relative to the time, effort, and resources invested in them.

MOMR's experience is instructive on two counts. First, it shows that in even a relatively well managed prime sponsor, an advisory council is of limited usefulness. Second, it shows that an outside advisory group representing a cross-section of interests can play a real and useful role in the context of a more structured decisionmaking environment.

The main lesson from Baltimore with respect to advisory councils is that, at the very least, Washington policymakers ought to permit a variety of advisory council models.

Operational Components in MOMR

MOMR goes to great pains to assure that there is a full range of training services to meet the range of client needs. Yet, though MOMR managers argue that client needs can be met by the range of services offered, other factors build in biases that can work against easy client access to services. Almost all the occupational skills programs and virtually all the job search/retention and basic educational skills programs are run on fixed cycles with pre-established starting and completion dates. MOMR's fixed curriculum approach is not costless. Managers point out that individual assistance is possible, but self-paced learning in the occupational skills program is not feasible on a full-scale basis. The fixed curriculum makes it all the more imperative that would-be trainees be screened to assure they have the requisite abilities to keep up with the training program. Furthermore, while fixed cycles and starting dates make it easier to manage the programs, it means that clients may have to be put "on hold" until a new training course starts. The fixed schedules also make scheduling participation in different programs more difficult. MOMR's job search/retention and basic educational skills programs are designed to accommodate more self-paced learning. They, too, have fixed starting dates and schedules for completion, but the curriculum is better adapted to meeting particular client needs and actual completion time varies from client to client.

To the extent MOMR and other prime sponsors may find themselves, in the future, under pressure to serve more severely disadvantaged clients, sponsors may find themselves trying to serve a less homogeneous clientele, making it less feasible to run fixed cycle training programs because the trainees will require a wider range of individualized attention and services. It is not possible to compare the merits of fixed cycle programs to open entry-open exit programs in

Baltimore because the latter are used in only a few cases of employability skills training. To better evaluate this tradeoff, Washington policymakers ought to determine whether fixed cycle training is more effective than open entry-open exit; if it is, any mandate to serve a wider cross-section of client needs ought to take account of changes in the cost-effectiveness of training.

Placement is another important feature of MOMR's training programs. The occupational training programs (including on-the-job training) have the highest placement rates of any of MOMR's employment and training activities, with about three-fourths of all trainees being placed. Placement rates for persons in less structured training activities, such as public service employment jobs, are lower, though still better than the national average. A large part of the success of the occupational training program can be attributed to the fact that placement is done using a "client-based" approach in which training program instructors and counselors—the people who know the trainee capabilities best—contact employers and develop jobs. This approach capitalizes on the extensive contact many of the skill trainers have with the employer community. Until fiscal 1981, clients in the other training activities (including those transitioning out of PSE jobs) were placed in jobs by means of a centralized job development and placement office that scoured the employer community for vacancies and then referred clients against those vacancies. Because it put distance between the job development and placement functions, that style of placement was not well-suited to "negotiating" with employers about bona fide job requirements, providing employers with an accurate profile of client skills and experience, or matching client and employer interests. Starting in fiscal 1981, all job development will be modeled after the client based approach used in occupational skills training programs.

MOMR's experience with job development offers important lessons to those prime sponsors struggling with finding jobs for completing trainees. MOMR has tried both a "client-based" approach that more fully accounts for client needs first, and a job-based approach that focuses on job requirements. It has found the former approach is more likely to keep both the trainees and employers hiring them happy. But MOMR has also capitalized on the access to the employer community that a broad spectrum of contract training institutions provides. This means that training deliverers should be judged not just on their training capacity but their likely access to the job market.

The Response to Changing Economic Conditions

According to conventional economic theory the best time to do occupational skill training is during economic lulls, because the economy does not have to sacrifice production in the short run for increased future productivity. But in the world of CETA, the dictates of economic theory are swamped by the intrusions of a less than perfect world and the sometimes heavy hand of the U.S. Department of Labor.

Theory fails partly because MOMR (and other CETA prime sponsors) is training clients who are not likely to be sacrificing productive time to engage in training; they experience unemployment and underemployment even in the best of times. The premium that USDOL puts on placing trainees in jobs penalizes skill training during economic downturns. The effect of this factor would be mitigated if USDOL did not try to compress training and placement into a short period of time (within a year). But the time horizons for CETA prime sponsors as well as trainees in need of employment are necessarily short. MOMR evidence corroborates other evidence that trainees do not want to get involved in long term training programs because they need immediate employment. MOMR avoids long contract cycles because of newly imposed limits on enrollment in work experience and public service employment—major components in many MOMR training programs. Because of the way the regional office enforces regulatory limits on carry-over from one fiscal year to another, MOMR is also limited in writing contracts that straddle fiscal years. Consequently, the natural preference is to steer training resources into short term training in occupational areas in which the *current* demand for new workers is strong.

In the opinion of observers, diversification of the Baltimore economy makes it more resistant to cyclical swings than most cities. When there is a softening of demand in certain occupational areas, MOMR responds by cutting back on training capacity in the affected areas and may relax the job placement goals that training deliverers must meet in order to get paid. For example, MOMR cut back on welding training when Bethlehem Steel, the largest area employer, began laying off workers. More recently, some of the building trades projects have encountered great difficulty in placing trainees in jobs, and are pressing for lower placement standards.

It is hard to use the effects of the last recession as a basis for judging MOMR's training policies during recessions because the organization has changed so much since then and because of the enormous build-up in public service employment that was also going on at that time. It is argued that the 1976-1977 build-up of public service employment diverted energies in MOMR away from gearing up training programs in anticipation of the economic recovery, and towards the more pressing problems of developing public service jobs and placing clients in them.

Because the CETA countercyclical programs so far have been in the form of increased job creation, the question of how much training MOMR would undertake with noncategorized countercyclical funds is largely academic, leading to more speculation than solid policy proposals. The question of what to do with expanded training funds (with no option to fund public service employment) is less academic, and there is specific MOMR experience as a basis for speculation.

Net new training money has had two identifiable effects in the Baltimore Consortium: stimulating new programs and spurring institutional change. One important determinant of the effects new money has is the pace at which it must be spent. For sudden surges of new money—like that occurring under the 1977 Economic Stimulus Act—the imperative is to spend quickly, leaving little opportunity for development. MOMR managers feel that the best contingency plan for this kind of new money is to rely on the training infrastructure already in place. This includes expansion of existing programs and start-up of new programs already "on the shelf" with much of the developmental work already done. This kind of expansion occurred recently when one of MOMR's youth program allocations was increased and a limit was imposed on carry-out, thus forcing increases in spending rates. Under both the Skill Training and Improvement Program and the Private Sector Initiatives Program (Title VII), there was both more time and a mandate to broaden the local infrastructure. Under the former, institutional changes occurred in the form of new training contractors being added to the training infrastructure; in the latter, change occurred in the form of increased private sector participation in planning certain CETA activities.

MOMR managers would like to attempt expansion of upgrading and retraining. They feel that upgrading and retraining programs, where they work, can spur important structural changes within corporate job ladders. Yet, in 1980 only 16 enrollees were served under Title IIC. Part of the reason for underutilization of Title IIC may be a slack economy. Retraining during a recession may be socially optimal, but it is not optimal at corporate-level profit centers. Underutilization of IIC probably also has much to do with the restrictive regulations governing it. MOMR managers feel that although Title IIC is intended to improve productivity through retraining and upgrading, the regulations thwart that purpose by restricting eligibility to clients in dead-end entry level jobs. Title IIC retraining is restricted to employees with bona fide layoff notices and little prospect for recall, circumstances in which employers are likely to have little interest in new skills. Furthermore, employers interested in government subsidies for retraining activities can get 50 percent of a new employee's wages paid for under an OJT contract, while they can get only 40 percent paid under IIC. Finally, IIC enrollments might require different intake procedures. Although some counties in the Baltimore Consortium rely on the employment service for intake, there is no systematized procedure in the counties, nor an intake system in the city, for identifying employees on layoff, or those in low level, dead-end jobs. These administrative impediments could be eliminated by MOMR. But the other problems associated with IIC and its accompanying regulations require action by the Congress and USDOL.

What Can Really Make CETA Work?

Without a doubt, the single most important force driving MOMR is the organization's own sense of purpose. MOMR is a local creature serving a local agenda. If it could not, the political base in the Baltimore mayor's office and the surrounding counties would erode. But this has implications for the influence of the U.S. Department of Labor. The cases in which federal initiatives produced positive changes seem to have been accompanied by net increases in funding. Both the Skill Training and Improvement Program (STIP, Title III) and the Private Sector Initiatives Program (Title VII) helped broaden the MOMR training infrastructure and introduce training in different occupational areas. But regulatory changes without additional money have, not surprisingly, been accepted grudgingly. The requirement for the independent monitoring unit, for example, while not far astray from certain MOMR interests in oversight, specified compliance in a way that produced some friction between MOMR and USDOL; that friction appears to have done nothing to improve the effectiveness of the IMU. Similarly, the idea of individualized development plans was not alien to MOMR, but the regulatory requirements for such plans were not readily compatible with (nor an improvement on) MOMR's own arrangements. Federal initiatives in this form are probably more objectionable simply because they limit MOMR's flexibility, while initiatives like STIP or PSIP may come with their own rules, but because they represent additional resources, increase MOMR's flexibility.

If the experience in Baltimore is to be instructive about anything, it is on the way Washington should view the relationship between the national agenda and the multitude of local agendas present in any federal grants-in-aid program. To the extent "CETA works" in the Baltimore area, it is not because MOMR is a handmaiden to the Department of Labor. Rather, it is because MOMR has a local agenda that is being pursued in a way that is compatible with the Department of Labor's own agenda.

Congruence between federal and local priorities is not necessary for CETA to be effective; compatibility is. The implications of this can be enormous. It means that, in fine-tuning CETA, the federal focus should be on: 1) helping prime sponsors develop a local agenda, and 2) evaluating any federal changes with respect to whether they increase or decrease the ability of CETA to accommodate two sets of objectives. In the case of the first point, the Department of Labor and the Congress must be willing to move away from requiring plans that are uniform in format and respond only to the terms of the federal notions of what CETA should do. Prime sponsor plans should, for example, be able to legitimately incorporate institutional self preservation goals as well as service delivery arrangements that are mutually beneficial to both prime sponsors and other city government agencies. Plans and modifications could then be judged against the interaction of two sets of priorities, not just one set of federal priorities.

Obviously, this means that the Department of Labor needs to have the capacity to oversee individual prime sponsor operations carefully enough to evaluate individual prime sponsor plans in a way that accounts for the entire context of prime sponsor operations.

Unfortunately, the Department of Labor has been ill-prepared to do such a careful job. It has neither the needed number of staff nor depth of experience. Yet without that support only two courses of events seem possible.

In one course of events, the Department of Labor and the Congress could back off their agenda, letting prime sponsors do what they want with minimal regard for federal goals. In the other course of events, the federal establishment could steamroller over local priorities, squeezing them out as a consideration as the Department of Labor implements CETA. Under this approach, Washington would mandate cookie-cutter plans that would be the same for all prime sponsors.

The first case is tantamount to leaving money on the stump and running. The second case requires prime sponsors to serve as simple extension of the Department of Labor. Neither scenario is politically acceptable. But one or the other seems likely if there is not a federal commitment to make the CETA partnership the symbiotic relationship it was intended to be.

Dallas, Texas
The Burdens of Prosperity

Robert McPherson
University of Texas

In fiscal year 1980, the City of Dallas will spend a little over $10 million in CETA funds providing training, public service employment and related services for eligible clients living within its corporate boundaries. Because of the 1978 CETA amendments and the city's own interest in targeting on those most in need, program resources are focused on the low-income unemployed; however, this emphasis is not matched by an appropriate mix of training and related services to equip the clients to compete effectively for the semiskilled and skilled jobs available in the area's labor market. Though Dallas enjoys an environment free of many of the familiar institutional constraints affecting CETA programs in most urban settings, it operates a program not significantly different from that of other cities with much less favorable conditions. Rather than providing long term quality training programs to develop the knowledge and skills of the hard-core unemployed the city serves, it continues to fund short term, low-cost training programs to serve as many individuals as possible. Why has Dallas not used its flexibilities under CETA to develop a training program that's more beneficial to their clients and to employers in the community?

The Local Environment

City government in Dallas is a textbook example of the strong manager-council model. The mayor and members of the city council are the elected representatives responsible for making the policy decisions; however, the city manager, as the chief executive officer, runs the city. He is in the pivotal role of making recommendations to the council and implementing their decisions. The current manager has been in the job nearly eight years and is recognized as one of the most powerful figures in city government. Under his leadership the city has gained a national reputation as one of the best managed in the country. The council and manager take pride in their successful application of private sector management practices to city government.

The Dallas Citizen's Council (DCC), an organization comprising some of the most wealthy and influential business leaders in the country, makes the major policy decisions for the city. Its primary objective is creating a local environment where the large corporations can prosper and continue to grow with a minimum of interference from government. The current mayor and a majority of the council members were dependent on the DCC for endorsement and financial support for election and remain responsive to the wishes of the special interest group. The underlying values of the leaders in the local power structure are apparently very conservative. Their economics is laissez-faire, and there is a strong emphasis on individual self-sufficiency.

Economic growth in the Dallas area suggests that the city fathers may have the right approach. Since the mid-1970s recession, real per capita income has grown at about 3 percent a year, when the national economy was stagnating. Over the past decade the city's population, currently estimated from 865,000 to 900,000, has not expanded as fast as the national average, but the small cities adjacent to Dallas have grown 10 times the city's rate. About 33 percent of the city's population is minority, with blacks at 25 percent and Hispanics making up about 8 percent of the total.

According to Texas Employment Commission (TEC) reports, the Dallas labor force has grown at an annual rate of over 5 percent since 1975, and the growth in employment has more than kept pace. The unemployment rate for 1978 was just over 4 percent; for 1979, only 3.6 percent. Though the rate in the summer of 1980 is again over 5 percent, it is not expected to stay at the high level.

While these statistics reflect a strong and expanding economy, the benefits of growth are not distributed equally. According to the city's CETA plan almost 17 percent of the city's population are members of families with incomes below the poverty level. Over 40 percent of the blacks live in poverty. Unemployment rates for minorities are more than twice those for whites, and for particular subgroups of the unemployed, like youth, the differences are even wider.

Overall, however, the economic picture is bright, and the demand for workers remains strong. Labor market information from the TEC and the North Central Texas Council of Governments identifies shortages over a wide spectrum of occupations. In construction, manufacturing, and the service industries there are acute shortages in occupations such as draftsmen, engineers, bricklayers, machinists, computer programmers, electronics technicians, nurses, secretaries, and typists. Help-wanted ads in local newspapers also reflect a strong demand for unskilled workers for jobs in the secondary labor market.

Local employers aggressively compete for good employees: billboards on major highways leading into Dallas invite workers to call Texas Instruments for a good job; help-wanted posters are displayed in the windows of businesses; and major corporations advertise outside the area—and sometimes outside the country—to attract semiskilled and skilled workers. The general feeling on the street, from cab drivers to lawyers, is that anyone wanting to work can find a job in Dallas.

The CETA program in Dallas, especially after the 1978 amendments, is seen as a federal program with more potential liabilities than benefits for city government. As a CETA prime sponsor the city sees itself responsible for a controversial program fraught with continuing accusations of poor management, fraud, and abuse. With private employers actively recruiting workers, subsidized training and public service jobs programs are viewed as competing for the available labor supply and therefore contributing, rather than helping alleviate, problems in local labor markets. In July 1979 the council seriously considered terminating the city's involvement in the program. Apparently, a rash of negative publicity—mostly directed at the management practices of minority based organizations having CETA contracts with the city—was too close for comfort. Only after lengthy deliberations where city staff made major commitments to improve program management and contractor performance did the council defeat a resolution to terminate the city's CETA grant from the Department of Labor by a vote of six to five.

Over the past year the media and the city council have given less attention to the program. City staff have taken steps to improve management, and recently hired a public information officer to create a positive image for CETA. The present calm, however, should not be interpreted as any groundswell of support from the council for the human resources objective of the program.

In this environment the city manager is primarily interested in making sure that CETA funds are efficiently managed. Apparently, for the CETA staff in Dallas this means developing elaborate systems and procedures for processing federal funds through city government to agencies under contract to provide services; keeping the manager informed so that he is never surprised; making sure that there are no mistakes; and keeping things relatively quiet.

Program Planning and Operations

Management of the CETA program in Dallas is divided between the city and its program deliverers. The city council and manager make the major policy and program decisions while the Office of Human Development (OHD)—organizationally a part of the city manager's office—is responsible for program planning, contracting, monitoring and evaluation. The city contracts with other public, private, and non-profit agencies to provide program services.

For fiscal 1980, the city had $19 million available under a variety of CETA titles and programs. About $14 million was programmed, and of that amount, little more than $10 million will be spent (table 1).

Almost all of the CETA funded training is in the adult and youth components funded under titles II-B and IV. Two exceptions supported by public service employment resources amount to approximately $600,000: a work experience program including limited vestibule training—that the city inappropriately calls pre-apprenticeship training; and a career development program providing job-search training (table 2).

CETA eligibility criteria, combined with the target groups set by OHD planners have definitely focused program resources on the low-income unemployed. High school dropouts, disabled veterans, public assistance recipients, ex-offenders and the handicapped are identified as special groups to be served by the city's programs.

The training delivery system is made up of over 20 organizations funded to provide a wide range of training and related services including outreach, intake, referral, basic education, training, work experience, support services, job placement, and follow-up. Private non-profit agencies—11

Table 1. Planned Expenditures and Objectives for CETA Programs, by Component, Fiscal 1980: City of Dallas

Program component	Planned expenditures	Program objectives: Number to be served	Percent: Positive terminations	Percent: Placements
Totals	$13,899,877	6,385	73	60
Adult employment and training[a]	4,757,039	3,402	73	64
Youth employment and training[b]	3,151,310	1,543	82	51
Private sector initiatives	944,677	600	76	67
Public service employment (title II-D)	2,852,982	420	70	60
Public service employment (title VI)	2,193,869	420	65	59

a. Excludes sect. 204 vocational education funds and program activity.

b. Includes an estimated $2 million in expenditures and 894 planned enrollments in the summer youth employment program.

Table 2. Adult and Youth Training Plan Under CETA[a], by Activity, Fiscal 1980: City of Dallas

Activity	Contract level[b]	Percent	Number to be served[b]
Total	$5,831,025	100	3,733
Classroom training	3,233,243	56	2,858
On-the-job training	750,463	13	555
Work experience	489,000	8	320
Centralized services	626,500	11	—
Prime sponsor's administration	731,819	12	—

a. Figures exclude the summer youth employment program and two training programs funded from public service employment resources.

b. Figures will not match those on the previous table due to differences between numbers in the prime sponsor's plan and those in agency contracts.

of the 20—dominate the system accounting for 54 percent of the $4.5 million available for contract services in 1980. Five public agencies—other city departments and two school districts—receive 36 percent, while four private for-profit firms have only 10 percent of the funding.

The city is attempting to centralize some service deliveries. Outreach for all CETA funded training programs is provided by a single agency—the Dallas Urban League (DUL). Intake, assessment, and referral services for the system are now centralized through a contract with the city's Martin Luther King Center (MLK). Organizations such as Operation SER, Opportunities Industrialization Center (OIC), and Dallas Independent School District's (DISD) skills center provide classroom training, job development and placement services, serve as additional intake and referral centers and conduct 30-day followup on all their enrollees. The American GI Forum has a contract for longer term followup of participants at 3, 6, and 12 months after they leave the program (table 3).

Table 3. Major Service Deliverers[a] and Activities Under CETA, Fiscal 1980: City of Dallas

Delivery agent	Funding	Activity
Operation SER	$589,583	Basic education Bilingual clerical training On-the-job training Work experience
Opportunities Industrialization Center (OIC)	516,461	Basic education Career development Vocational training
Dallas Housing Authority[b]	500,000	Work experience Vestibule training
Dallas Independent School District (skills center)	460,698	Basic education Career development Vocational training
Martin Luther King Center	414,000	Centralized intake, assessment and referral Support services
Dallas County Community Action Agency	300,000	Work experience

a. Agencies with service contracts of $300,000 or more.

b. OHD staff call the DHA's program a pre-apprenticeship program; however, it is more appropriately classified as a work experience program which includes some vestibule training.

Three types of training are available for CETA enrollees: basic education, vocational training and career development. Basic education, career development, and most of the vocational training are provided in a classroom setting with more than 75 percent of the participants served by two school districts, OIC, Operation SER, and the city's personnel department. The other classroom training enrollees are spread among six smaller contractors, including the four private for-profit firms. For 1980, nine agencies are providing classroom training in more than 15 occupational areas (table 4). The remainder of the vocational training is provided through on-the-job training with contractors such as the

National Alliance of Business (NAB) and Goodwill Industries.

Table 4. Classroom Training Under CETA, Fiscal 1980: City of Dallas

Delivery agent	Number to be served[a]	Occupational area
Wilmer-Hutchens Independent School District	275	Basic education
Operation SER	400	Bilingual basic education
Dallas Independent School District (skills center)	480	Clerical Auto mechanics Auto paint and body repair Combination welding Production machine operator Air conditioning, refrigeration & heating
Opportunities Industrialization Center (OIC)	420	Clerical Keypunch Secretarial science Computer programming Auto mechanics Auto body repair
Operation SER	140	Bilingual clerical
City of Dallas (personnel department)	520	Truck driver training
Nurse's Aide Academy	168	Nurse's aide
American Trades Institute	50	TV repair Offset printing
Home and Apartment Builders Association	75	Carpentry Apartment maintenance
Assessment and Assignment Unit of Dallas	107	Individual referral (multi-occupational)

a. Figures will not sum to the number shown on table 2 due to the termination of one deliverer and difference between the numbers planned by OHD and those in agency contracts.

Management reports for the third quarter of fiscal year 1980—the latest cumulative information available—show the program operating well below planned expenditures (table 5).

Table 5. Actual and Planned Expenditures for CETA[a] Through the Third Quarter, Fiscal 1980: City of Dallas

Program component	Plan	Actual: Amount	Actual: Percent of plan
Total	$7,536,930	$4,125,295	55
Adult employment and training	2,826,009	2,185,243	77
Youth employment and training	765,945	426,050	56
Private sector initiatives	341,970	48,744	14
Public service employment	3,603,006	1,465,208	41

a. Excludes prime sponsor administration, centralized services and vocational education services funded under sect. 204.

With the exception of public service employment, where recent hiring brought enrollments to 97 percent of plan, CETA program enrollments reflect the same pattern as expenditures while positive terminations and placement are only half of those planned. Job placements—at 81 percent of the positive terminations—reflect the city's high placement goals, the availability of jobs in the area, and unattractive options such as going back to school or entering military service.

Clients in the city's program are young, relatively uneducated and primarily black with the distribution among various program components about as expected. Youth programs serve higher percentages of women and blacks without basic education credentials, while public service employment serves slightly more white, older and better educated persons. Similarities in the demographic characteristics of participants reflect stricter eligibility requirements in the 1978 CETA amendments, the city's emphasis on targeting on those most in need, and the kinds of people applying for services. CETA enrollees in Dallas tend to be people with several barriers to employment who cannot hold a job even in a tight labor market. They need extensive help to overcome their cultural, psychological, physical, transportation, and child care problems.

For adult and youth training components, expenditures and enrollments, though closer to plan, reflect the same pattern as the CETA program as a whole. Classroom and on-the-job training are lagging, while the small and often maligned work experience program is operating at 97 percent of planned expenditures and 90 percent of planned enrollments. In contrast, classroom training programs are operating with expenditures at 71 percent and enrollments at 61 percent of those planned for the third quarter. Based on this performance, the costs of positive terminations from classroom training are averaging over $4,600, and the cost per placement is $5,300, much higher than anticipated by the city.

While contractors are likely to meet their enrollment goals for 1980, they will not achieve their planned numbers of positive terminations and placements.

The Quality of Training and Related Services

OHD reports provide information on the number of enrollees, positive terminations and placements by occupational training area and on average wage gains and retention rates of terminees by training contractor. While all of this data is potentially useful for measuring the level of training and the relative efficiency of the city's contractors, it does not provide insight to the quality, appropriateness or effectiveness of the training.

There are also technical and methodological problems with the Dallas training system and with the way information is gathered and organized that limit efforts to assess programs. For example, wage and retention data is not available by occupational training area for OIC and the skills center—the two largest deliverers of vocational training. For these agencies, the information is also not related to the characteristics of the clients in the various training areas. A second problem relates to the absence of any kind of a control group for comparing post-program experiences of the trainees in the Dallas program. Without comparing the income and employment experience of the clients with their counterparts not receiving training, it is impossible to measure program effectiveness. Without relating wages at placement and retention data to client characteristics and occupational training areas, it is impossible to make valid comparisons among various kinds of training for the different client groups served.

Several of the occupational training areas apparently do not have quantified training objectives, and, except for minimum reading and math skills, clients are not pre-tested to determine their knowledge and skills. It is difficult, therefore, to objectively evaluate the quality of training in the Dallas CETA program.

With these limitations one cannot go beyond making subjective judgments about the apparent quality of the training inputs—facilities, equipment, curriculum materials, instructional staff and length of time a client spends in training—and related services. A June 1980 on-site review of seven of the 13 agencies providing training revealed the following:

- The quality of training and related services provided by OHD contractors varies widely.
- The training is short term, providing some enrollees access to entry-level jobs that are, for the most part, in the secondary labor market.
- With the exception of clerical, auto mechanics and nurse's aide, the training areas are far below their goals for expenditures, enrollments, positive terminations and placements. Pressures on contractors to make their goals are adversely affecting the quality of training.

Variations in the quality of training are best illustrated by three agencies providing classroom training: the Nurse's Aide Academy (NAA), the OIC, and the Dallas Independent School District's skill center.

The Nurse's Aide program is the best small training program. Through effective outreach, it surmounted problems of underenrollment. The five-week program provides classroom training in combination with clinical instruction in a nearby hospital. The facilities and equipment are modern, and the instructors are qualified registered nurses. Instructional materials are well-written and adapted to the student's educational level and procedures and equipment used in the training. According to OHD reports, almost 90 percent of the trainees were placed in jobs, and about 75 percent were still employed a year later. Average hourly wage gains at placement were 95 cents—from $2.75 to $3.70 per hour.

In contrast, the OIC program provides open-entry/open-exit training in three skill clusters: a computer cluster with keypunch and programming, a clerical cluster with clerk-typist and secretarial training, and an automotive cluster with auto mechanics and body repair. Basic education and career development classes are integrated with each skill cluster to provide training-related reading and math, GED preparation, English as a second language (ESL), consumer education, communications, and orientation to work. The average length of stay in training is about 12 weeks.

OIC training is done by qualified and dedicated staff in a converted trucking facility with only minimum renovation. The staff are partially demoralized by reductions in funding, their physical surroundings, and the limitations of the program; but they remain committed to providing quality training for enrollees. Except for the clerical cluster, the classes are not full. The center appears to be operating 70 or 80 percent of potential.

The ready availability of jobs requiring no training, low training allowances, and minimum levels of support services for enrollees all make recruitment and retention difficult. Many enrollees will not stay in training long enough to be counted as positive terminations. OIC dropouts are averaging more than twice the level expected, while placements are at only 53 percent of the goal. In addition to its goal for indirect placements, the city required OIC to make an additional 325 direct placements with no increase in funding. OIC soon discovered that few job-ready individuals were to be found in the eligible population without a massive recruitment effort, which would detract from its training objectives. OIC probably will meet enrollment goals for the year, but not those for positive terminations and placements. Average wage gains reported for those employed were 77 cents from $3.26 to $4.03 per hour.

Although the quality of OIC's training varied, they have attracted severely disadvantaged clients and adjusted the training curriculums to their educational level. Thus, the training is relevant, but its short duration and the lack of modern equipment do not equip enrollees to compete effectively for jobs in the primary labor market, though some trainees undoubtedly gain access that may allow upward mobility over time.

The Dallas Independent School District's skills center—the designated vocational classroom facility—provides training and related services in six vocational clusters: clerical; auto paint and body repair; auto mechanics; welding; production machine operation; and air conditioning, refrigeration, and heating.

The skills center is the best equipped multipurpose training program in the CETA delivery system; has qualified staff, modern equipment, and well-designed curriculums. However, like OIC, it has underenrollment and low placement rates. Through the third quarter of fiscal year 1980, the center achieved only 85 percent of its planned enrollments because of recruitment problems and high dropout rates. Positive terminations and placements are far below expectations with cumulative placements for the period at 57 percent of the goal. Average wage gains at placement were 61 cents—from \$3.36 to \$3.97 per hour.

Relatively, the quality of training provided is good. The skills center has the potential for an excellent program, but is limited by both the city's concern with numbers and low average costs and a disadvantaged clientele unprepared for more sophisticated training. With the exception of the clerical cluster, the center appears to be operating at only 50 to 60 percent of its potential. No goal except cumulative enrollments is likely to be met.

MLK and each of the training deliverers are responsible for providing training related services such as intake, assessment, referral, counseling, and support services. However, beyond listing the services to be provided in agency contracts, the city has no standard specifications concerning the nature and extent of the services. As a result, the amount and quality of the services are very uneven. For example, counseling services vary from three full-time social workers and one employment counselor at the skills center, to informal family-style counseling in the nurse's aide program, to no services at all at the National Alliance for Business' (NAB) on-the-job training program. At NAB there is strong emphasis on self-reliance. If situations arise that demand counseling, participants are referred to MLK.

Overall quality of training and services a client receives depends primarily on the efforts of individual contractors to overcome the city's apparent lack of concern and the limitations it imposes on the delivery system. This environment pushes community-based organizations without other sources of support against the wall. They meet enrollment goals, but the quality of instruction suffers. Without outside support, they are forced to offer the same or fewer occupational areas each year. Under the Dallas system, they cannot use CETA funds to buy training equipment or renovate facilities to expand training. Staff are underpaid, existing facilities are inadequate, and equipment needs updating. Training in some of these organizations resembles the poverty programs of the 1960s—the commitment is there, but the resources are missing. In spite of good attitudes of the staff, the environment does not engender feelings in the trainees that things are going to get much better. Quality tends to be found either in training components with low investment costs—basic education, OJT and the nurse's aide program—or in programs that are partially subsidized by other sources, such as the skills center or OIC's computer cluster supported by IBM.

As for the relevance and effectiveness of the training, most of the contractors have adjusted their program materials and instruction to accommodate the education, skill level and interests of the clients. However, because of the city's interest in short term low-cost training, they are unable to spend the time required to provide the knowledge and skills in occupational areas allowing their graduates to compete effectively for the semiskilled and skilled jobs available in the Dallas labor market. The city's plan for fiscal year 1980 proposed that, of the 1,900 to receive classroom training, 800 were to be enrolled in occupational areas where the length of training is five weeks or less, and only 150 were to receive instruction in areas requiring 24 weeks or more. The occupational training areas funded bore little resemblance to the list of priority occupations identified early in the planning process. Of the 16 top-rated occupations, only two were proposed for funding; several of the lower-rated occupations were included, but the majority of the training was planned for occupations not ranked.

Major Influences on Training

The nature and quality of CETA training in Dallas is a function of decisions made by the federal government, the prime sponsor, and the contractors providing training. Responsibility for success or failure, therefore, cannot be assigned to any one level of government or single agency; it must be shared by all. Under the arrangement there are several major factors affecting training programs in Dallas: the nature of federal-state-local relationships; city management of the program; and the nature of the local delivery system.

Federal-State-Local Relations

By design, CETA formalized a new set of intergovernmental relationships significantly increasing the authority of state and local governments to plan and operate programs. Although there was a major power shift, the federal government retained responsibility for setting broad program objectives, developing regulations, approving local plans, monitoring, and evaluating program performance. There are, however, several problems in the CETA version of federalism affecting the nature and quality of local training programs.

- From the beginning the roles and relationships of the major actors—federal, regional, state, and local governments—were never adequately delineated.
- Legislative amendments and administrative changes have kept the delivery system in a constant state of flux.
- The Department of Labor has not maintained a consistent policy framework that sets priorities among program goals and establishes the relative importance of program effectiveness, administrative efficiency, and regulatory compliance.
- With the exception of its emphasis on low-cost placements, the Department of Labor focused on developing compliance and process-oriented goals, performance criteria, and rewards systems rather than output-oriented systems.
- Few prime sponsors had the critical management capability to accept the responsibilities and take advantage of the opportunities available under block grant funding.
- Before the delivery system was in place, CETA became the avenue for massive countercyclical public jobs programs and a series of new categorical initiatives.

The CETA system is primarily a federal-local one, leaving prime sponsors with few incentives for developing working arrangements with the states. Managing the CETA program in Dallas involves minimal contact with three state agencies: the Department of Community Affairs (DCA); the Texas Education Agency (TEA); and the Texas Employment Commission (TEC). In each case the relationship is the result of a legislative requirement or financial incentive. OHD staff see all of the relationships as detracting from, rather than contributing to, quality of local training programs. They must be continued to comply with CETA requirements and access funds from the state agencies; however, staff feel that the less the state agencies and State Manpower Service Council know about local programs, the better.

The coordination of CETA with other training and employment activities, beyond the legal requirements, has not occurred. The state is in a weak position relative to the local prime sponsors; the governor's discretionary funds have been used largely to fund a variety of special projects; and the state agencies operate autonomously, using the CETA money they control to their own ends.

The city's relationship with the federal government, particularly the Employment and Training Administration (ETA), is primarily influenced by the ever-changing CETA legislation, regulations, and administrative directives for implementing the program. With major system changes in 1976, 1977, and 1978, program funding became more categorical, leaving local prime sponsors with less flexibility to design and deliver programs. In an attempt to make the new categorical initiatives fit in local CETA systems which emphasize horizontal planning and integrated service delivery, ETA has issued volumes of regulations and directives. As a result, the system is currently not being planned and managed as originally envisioned. Staff at all levels are filling out forms, processing paper, and building bureaucratic processes for complying with the latest requirements. The city's current relationship with ETA, primarily the regional office in Dallas, revolves around the basic information requirements guaranteeing the continued flow of federal funds—review of annual plans, periodic monitoring visits, frequent special requests for information, and the annual assessment of program performance. If the Department issues directives that conflict with the local program initiatives, OHD fends them off by pointing out contradictions with previous policies or arguing points of process. From experience, they have learned that the first and best response to a new directive is to do nothing. More than likely the directive will change several times and things will end up back where they were in the first place. This approach, of course, represents dysfunctional behavior in the management system, which causes even more directives to be issued.

In the regional office, staff members working with the CETA prime sponsors feel powerless and frustrated and display resignation. They know that the major decisions are made elsewhere in the system—in Washington or at the local prime sponsor level. In this environment, federal representatives function as little more than intermediaries who process information. For the most part they continue to acquiesce to the program mix determined by local sponsors and, therefore, have not bothered to learn much about the content of programs. More recently, they have further disassociated themselves from the management and program decisions made by their own organization, yet they continue to exhibit an unfailing commitment—going through the motions and pushing the paper to comply with the instructions from above.

Staff members of the city agency try to help the federal representative do his job with a minimum of effort on their part. OHD staff and the federal representative have arrived at an equilibrium of peaceful coexistence in which they try to be accepting and accommodating. Both recognize that they spend time on issues of form and process that have no relationship to program quality. Prime sponsor's plans are nothing more than compliance documents, and the annual assessment is designed to measure efficiency in terms of costs per numbers served, positively terminated, and placed, and to document that established systems and procedures are consistent with federal requirements. Recognizing the futility of these and other similar exercises, the federal representative and the prime sponsor's staff work together closely to avoid creating any undue problems for each other. Obviously, both are co-opted in the process and federal management of the system breaks down.

City Management of the Program

The City of Dallas did not take advantage of the opportunities available in the early years of CETA. Apparently, program staff were unable: (1) to clearly set program purpose and direction; (2) to develop a rationale for the program that was relevant to local conditions, of interest to the city council, and acceptable to ETA; (3) to define the appropriate roles and relationships among city officials, staff, the advisory committee, and contractors in the decisionmaking process; and (4) to build a delivery system that satisfied existing institutional biases and met local needs. In the absence of such a management structure, the city funded existing community-based organizations to continue providing the same kinds of training as that available under the pre-CETA categorical programs.

Beginning as early as 1974, there were major changes taking place in CETA. A series of legislative amendments began recategorizing the delivery system and large increases in funding for public service jobs and youth made the program more complex and more visible to elected officials and the general public. Selected cases of poor management, fraud, and abuse drew national attention to issues of program management throughout the system. In Dallas the increased interest in CETA resulted in a change of directors at OHD. Under new leadership the office began focusing on developing efficient systems for securing and disbursing federal funds and building administrative procedures and controls to satisfy the process-oriented standards set by ETA. Consistent with the conservative values of the local power structure and the council, OHD funded short term low-cost training programs offering minimum assistance to provide clients access to entry level jobs. After that, further progress was up to the individual. Administrative efficiency and low-cost training became top priorities of the agency. Even though the 1978 CETA amendments further targeted program resources on the hard-core unemployed, OHD priorities have not changed.

While the emphasis in the Dallas program is a legitimate option under CETA, there are several problems with this management approach that affect the nature and quality of training.

- The CETA program lacks a clear statement of purpose and goals. OHD sees itself as an administrative agency responsible for writing grant applications, allocating funds, managing contracts, staffing advisory committees, and responding to the city manager and council. Beyond administrative efficiency and low cost training, the agency apparently has no substantive program mission—no reason for existence—of its own. Issues of quality and effectiveness of training are not high priorities at OHD. Moreover, there is no sense of long range direction, either in terms of objectives for the program or in the design of the local delivery system.
- The responsibilities and relationships among city officials, OHD staff, the three citizen advisory committees, and the training contractors remain unclear.
- OHD has developed a number of impressive management systems and procedures, but they are not integrated. Except for the solicitation, review, and selection of contractors, the various systems do not work together. Planned and actual program performance differ widely. The planning process emphasizes the selection of efficient contractors, and monitoring and evaluation systems stress review of administrative capability, fiscal procedures, and program performance

in terms of numbers enrolled and positive terminations. OHD's followup system gathers information on the post-program experience of participants; however, these systems are not managed to achieve the program objectives as stated in OHD's plan to ETA. Moreover, they do not support the development of effective training programs.

- Local incentives do not reward time and attention to program quality. The efforts of OHD are directed to satisfying the city manager and the council; that is, keeping the program out of the newspaper and making sure the city manager is never surprised. Accuracy is not as important as speed, and the quality of the training and the nature of the delivery system are not nearly as important as producing a high number of low-cost enrollments and positive terminations. Through the planning and contracting process this emphasis is clearly transferred to the delivery system.
- OHD continues to experience high turnover among staff and frequent reorganization, which hurt staff morale and direct attention away from program issues.

Thus, OHD functions as an administrative clearinghouse for federal funds, resembling a local version of the regional office. Top management has learned to effectively transfer the responsibility for unpopular decisions and management or performance problems to citizen's advisory groups, contractors, or ETA. A new level of bureaucracy has been built into the delivery system without realizing many of the expected benefits envisioned by the framers of the original CETA.

The Nature of the Local Delivery System

Several features of the Dallas delivery system affect training: the absence of an integrated delivery system; duplication of front-end services; the lack of effective working relationships among the contractors; wide variation in the level of financial support, skills, and experience among the training deliverers; and OHD's overriding concern with inexpensive training.

- Apparently, OHD either does not recognize or does not understand the interdependence between the city and its contractors. Given the decision to contract for service delivery, the city's overall performance depends on the combined product of its delivery agents. Yet, there tends to be a strong "us" and "them" attitude among OHD staff. Contractors are given goals and told to perform. There is no feeling people are working together to produce the desired outcomes, and when there are performance problems, OHD does not accept responsibility.
- There is duplication of front-end services that creates confusion for contractors and an obstacle course for program applicants. Most likely because of their increased liability for ineligible participants, the city is attempting to centralize intake, assessment, counseling, and referral services through a single contractor—the Martin Luther King Center; however, training contractors are also still required to provide most of these same services. MLK staff provide assessment and referral, but do only limited testing, and the two employability development plans they prepare are not used to guide clients through a mix of training and services. Consequently, nearly all of the training contractors test and assess clients prior to their enrollment. There is similar confusion with outreach and counseling services. Getting into the system is thus a frustrating process involving a number of referrals back and forth among the contractors. Only those applicants with strong motivation and few alternatives are likely to survive the process.

- There are few effective relationships among training deliverers in the system. Because OHD has not built an integrated system, linkages facilitating client flow among the training agencies are informal and weak. This limits movement among contractors, and tends to restrict the training options available to the clients.
- There is a wide variation in financial stability, skills, and experience among the training deliverers. In its quest for inexpensive training, OHD has funded a broad range of agencies. Some have a sound financial base with support from other sources, while others are dependent on CETA funding for survival. Staff salaries and the level of management and program skills vary widely among the group. OHD has not set minimum standards for the quality of training and services to be provided. In an effort to get a contract or, later, to meet performance goals within cost constraints set by the city, training agencies have cut the quality of services and the length of training.
- OHD's emphasis on efficiency and low costs precludes long term quality training. OHD policy limits the training contractors' administrative costs to 10 percent of their contract. In addition, training allowances are set at \$2.30 per contact hour—80 cents below the 1980 minimum wage—and the CETA-funded support services system is designed to encourage self-reliance. In this environment, most of the training agencies cannot afford to offer long term training, and if they did the participants most likely to benefit could not afford to stay long enough to complete.

Dallas has not taken advantage of its opportunities under CETA to develop long term quality training programs for the hard-core unemployed because it has no motivation to do so. ETA—through grant review, monitoring, and the annual assessment—encourages the city to produce as many low-cost positive terminations and placements as possible, but offers no extrinsic rewards for doing so and levies no penalties for failure as long as the city plays the game well enough to stay out of the bottom quartile of performers in the annual assessment process. None of the quantitative measures of program performance relate to content of training or quality of outcome. This encourages prime sponsors and their contractors to play the numbers game.

The city's reward structure reinforces that of ETA. In these kinds of systems training programs will be well designed only where exceptional local staff are intrinsically motivated to develop and defend such training for the hardcore unemployed.

Potential for Expanding Training

The management systems at OHD can handle a larger training program, but whether the local delivery system can do so is a separate question. There are two options for expanding CETA-funded training in Dallas: (1) increasing the level of activity with the current contractors, and (2) bringing new deliverers into the system.

The city's major training contractors—OIC and the skills center (with the exception of the clerical and auto mechanics clusters)—are operating at 70 to 80 percent of their maximum enrollments. These existing training areas could be expanded quickly. While these deliverers would tend to offer more of the same kinds of training, they would produce quick results. For community-based organizations such as OIC and SER, expansion would require funding for improving facilities and updating equipment in addition to the amounts normally allowed for training.

The second option is to bring new deliverers into the system. Many public and private agencies in the city are anxious to demonstrate their capabilities to provide quality training in a large number of occupational areas. These organizations, however, have had little or no experience with federal programs or with serving the populations currently eligible under CETA. Adding some of these agencies to the system would rapidly expand capacity but not output. Problems associated with administering their first federal grant and learning how to deal with CETA clients would adversely affect output in the short run.

The issue in Dallas is really more one of the city's response to a new training initiative rather than to local capacity. The city has repeatedly underspent formula allocations for training and has chosen not to participate in special initiatives such as the Skills Training Improvement Program. Would it respond differently to a new training initiative? If it did accept the funding, it probably would simply fund more of the same kinds of short term training currently offered. The capacity is there, but the commitment to relevant training for the hard-core unemployed should be questioned.

Recommendations

CETA has not evolved into an effective system for managing federal training and employment initiatives. Currently, the delivery system is overburdened with rules, regulations, reporting requirements, investigations, and a backlog of unresolved audits. There is little evidence that the program is being effectively managed at any level. With CETA reauthorization on the congressional agenda in 1982, there is an opportunity to make changes to improve the quality and effectiveness of the program.

- The goals and objectives of training and employment initiatives need to be better focused at the federal level. This requires going beyond statements of what is to be accomplished to maintaining a consistent policy framework for setting priorities among the goals and objectives included in the authorizing legislation.

The intergovernmental delivery system needs to be restructured to correct present weaknesses. There are several interrelated issues that deserve special attention: the state's role, elected official involvement, citizens' input, and determining local service areas.

The State's Role. States do not easily fit in the current federal-local structure of the CETA system. In many cases, balance of state is an area made up of leftovers after all of the local prime sponsor arrangements have been negotiated. It's difficult to define local labor market areas or to do planning for such areas from the state capitol. Program decisionmaking should be decentralized to sub-state planning boards. Another state issue has to do with the Governor's discretionary money under CETA. Rather than funding special training projects, this money should be earmarked for investment: to develop and demonstrate new programs and to enhance the capability of people working in the policy area.

Elected Official Involvement. The concept of a single entity responsible and accountable for management of the local program is valid; however, the decision to make state and local governments prime sponsors should now be questioned. In most cases, the benefits realized—increased political accountability, comprehensive planning, program coordination, and integrated service delivery—do not approach the costs of attaching training and employment programs to governments primarily concerned with fire, police, and capital expenditure programs financed from local revenue. There is little evidence of local elected officials identifying training programs for the hard-core unemployed as high priority on their local agenda. For the most part, they have hired staff to run programs designed to shift the heat from their office and to keep the peace. Their interest in CETA has been limited to the fiscal relief and political benefits of the public service jobs program. With the 1978 amendments setting average wages and stricter eligibility criteria, the attraction to CETA has largely disappeared.

Citizens' Input. The three citizens' advisory committees now mandated under CETA do not appear to be making significant contributions to the quality of local programs. It's too early to predict the future influence of the private industry council, but the other councils appear to be going through the motions to satisfy federal requirements. If local councils are to be a part of the system and to be effective, they must be made more responsible and accountable for program results.

Determining Local Service Areas. Using the boundaries of local political jurisdictions to determine service areas and set residency requirements for program participation runs counter to the concept of labor market planning. In some cases under CETA, there are five or six prime sponsors operating independently in the same labor market area.

A possible solution to several of these systems problems might be the creation of local labor market boards or commissions. These boards—made up of elected officials, local citizens, and representatives of business and labor—would function as prime sponsors responsible for area-wide labor market planning, contracting, monitoring, and evaluation. But in contrast to CETA prime sponsors, they would not deliver services. The board's labor market planning responsibility would include looking at the participation of all the supply-demand institutions in the area. Funding available to the board would be used at the margin to fill identified gaps and complement labor market services provided by the myriad of other federal, state, and local organizations.

- The roles and relationships among the major actors in the delivery system must be clearly delineated. It is not enough to identify the primary recipients of funding, or to say that all levels in the system are responsible for monitoring and evaluation. Each level in the management hierarchy must have well defined limits of authority and responsibility. Once established, these basic relationships must be maintained over time to reduce the confusion and uncertainty in the system.
- Incentives—rewards and punishment—must be built into the system to achieve the stated goals. Under CETA the rhetoric encourages one set of responses; however, performance measures, assessment criteria, and incentives reward different behaviors.
- Major attention must be given to developing the capabilities of people working in the delivery system. Few people in the system demonstrate the knowledge of the policy area and the management skills to successfully implement programs. In a decentralized delivery system, the commitment and competence of the decisionmakers ultimately determine the nature of the quality of the service provided.

Indianapolis, Indiana
Recovering from Troubles

E. Earl Wright
The W. E. Upjohn Institute
for Employment Research

Introduction

The Indianapolis CETA operation can properly be characterized as a program in transition or reorganization. Although CETA has been operated under the jurisdiction of the Indianapolis city government since its inception, the extent to which the program has been viewed as an integral part of local public services is somewhat questionable. Because of the major reorganization efforts that were initiated in 1978-79, it is necessary to view the Indianapolis CETA program in a pre- and post-reorganization context. Prior to the current administration and pre-reorganization, the Indianapolis program was characterized by a lack of continuity in leadership, inadequate management systems and lack of direction, and adverse publicity regarding program operations.

Prior to the 1979-80 period, the Indianapolis program was fraught with a wide array of management problems that impacted adversely on both the scope and quality of the prime sponsor's employability development and training activities. In general, the program was loosely operated, and management systems were not adequate to assure proper controls or decisionmaking. Perhaps the major problem was in the financial management area, where there were insufficient controls and reports were frequently inaccurate or unavailable. In short, it appears that the financial management had lost control of the system. Serious problems were also evident in the program's Management Information System (MIS). Reports from this unit were not reliable, client records were incomplete, and inadequate information was being generated for management purposes. Other functions of the Indianapolis program were also deficient. The intake-assessment-referral function did not generate a smooth client flow to the various employment and training components. Monitoring and evaluation of contractors' performance and compliance were all but absent. Prior to the beginning of fiscal 1979, the Indianapolis program was all but bankrupt, and the Division of Employment and Training was under fire from the regional office of the Employment and Training Administration and from many groups in the Indianapolis community.

The above comments and this report are not an expose of the Indianapolis CETA program. On the contrary, the summary of management and program problems is intended to provide a contrast with the current organizational approach and to illustrate that it would be highly inappropriate to assess the Indianapolis program on the basis of historical performance. In the broadest sense of the word, the Indianapolis CETA system was reorganized during fiscal 1979. The reorganization included changes in the organization structure of the Division of Employment and Training; a major change in the Division's reporting relationship to the city's elected officials and administration; and changes in policies affecting funding allocations, program design, and contractor operations.

The Prime Sponsor Area

Demographic and Economic Features

The jurisdiction of the Indianapolis CETA program covers the Indianapolis-Marion County area, inclusive of five separate general purpose muunicipal governments. At the beginning of 1970, the balance of Marion County and the City of Indianapolis were consolidated into a single governmental unit, with a population base of 728,344. The prime sponsor serves an area of 402 square miles which is characterized by a basically flat terrain with no major waterways or unusual geographic features.

The total population of the prime sponsor's jurisdiction is 770,300, with approximately 72 percent of the total being white. The minority population in the area is predominantly black, and there are relatively small Hispanic and Asian population groups. Slightly over 5 percent of the population of Marion County was estimated to be eligible for CETA in fiscal 1979. A similar proportion of the population was estimated to be from families whose family income is below the federal poverty guidelines. Less than 2 percent of the total population is estimated to be receiving Aid to Families with Dependent Children, state, or local public assistance. Of the total estimated CETA eligible population, 30 percent is 19 years or younger and 64 percent is nonwhite.

The Indianapolis economy is quite well diversified and contains over 1,200 industries. The City of Indianapolis is recognized as a serviçe sector economy and is the home for more than 70 insurance companies. Indianapolis is also a major warehousing, distribution, and office center for Indiana and the region. In 1979, the total nonagricultural wage and salary employment was approximately 410,000, with manufacturing employment accounting for 27 percent of the total. Nonmanufacturing jobs represented 60 percent of the total jobs, and the government sector accounted for the remaining 13 percent. Within nonmanufacturing, finance and insurance companies, wholesale and retail trade, and services account for the majority of the job opportunities.

CETA Allocations

As shown in Table 1, CETA allocations for fiscal 1979 exceeded $31,000,000, with 77 percent of the total targeted for public service employment. Although a rather sizable funding was realized for fiscal 1980 with the phase down in public service employment, over $25,000,000 was allocated to the Indianapolis prime sponsor. Given the sizable CETA allocations, the participant enrollment figures are relatively low. However, the Indianapolis prime sponsor was in a reorganization phase, and actual client activity lagged considerably behind planned levels of service.

Table 1. CETA Funding for Fiscal 1979 and 1980, Indianapolis, Indiana[a]

	Allocations	
Source	**Fiscal 1979**	**Fiscal 1980**
II-A, B, C	$ 5,359,457	$ 6,750,219
II-D	9,125,270	6,470,354
VI	15,036,206	8,566,772
YCCIP	267,679	441,008
YETP	1,497,835	2,215,179
VII	—	1,000,009
Total	$31,286,447	$25,443,541

a. Adjusted allocations as released by the Employment and Training Administration.

Prime Sponsor Organization and Operations

The CETA program in Indianapolis-Marion County is administered by the city's Division of Employment and Training (DET). The current organizational structure appears to be well-formulated, and the top management staff is both technically competent and acclimated to planning and managing CETA programs. The director of DET reports directly to the Indianapolis deputy mayor. Under the current organizational structure, all DET staff members are employees of the city and fall under the city's merit and personnel system. A total of 195 staff positions are authorized, although only 149 are filled. An additional 66 temporary positions are authorized under a "supplemental work force" program, a type of work experience activity run by DET.

Management Structure

The Indianapolis prime sponsor is organized along functional lines. In addition to the staff functions pertaining to the entire organization (personnel, Equal Employment Opportunity, legal services, and independent monitoring), three deputy administrators for "line" operations report directly to the DET administrator. The two key persons reporting to the chief administrator are the EEO officer and the independent monitoring unit (IMU) manager, both of whom are responsible for directing, supervising, and monitoring policies throughout the prime sponsor's program.

The three deputy managers have responsibility over training CETA administration (planning, Management Information System, and fiscal management) and employment services. The deputy for training services is responsible for the overall direction of client services, adult work experience, youth services, and training services. Client services include intake, assessment, counseling, supportive service, and the "client pool." The latter function is basically a referral activity which matches individuals to open training positions. Training services encompass prevocational and vocational training as well as monitoring and supervising training subgrantees. In addition, this unit is responsible for contract negotiations and development with service delivery agencies. The adult work experience unit is concerned with short term work assignments for CETA clients stationed with either public or private-nonprofit employers. The youth program unit is responsible for the Title IIB youth work experience program and the Title IV youth activities.

The deputy administrator for employment services is responsible for the public service employment programs funded under Title II-B and VI. In addition, this unit has responsibility for job search programs which involve classroom training in how to locate and obtain jobs, simulated experiences in job application and interviewing, and self-directed job search activities.

The deputy for administration supervises the MIS, the planning and evaluation function, and the financial management system. The MIS unit maintains all participant data and operates the client tracking system. Total planning and program evaluation for all titles is performed by the Planning Unit, and financial management and internal auditing for all CETA activities are under the financial services manager.

The senior management staff of the Indianapolis prime sponsor are highly qualified in management and experienced in manpower programs. Although the program was characterized by relatively high turnover prior to the new administration, this does not appear to be a significant problem, at least among the top management personnel. Perhaps the most important change made by the current administrator is the hiring of qualified managers who have the capabilities of managing both systems and personnel. Furthermore, a greater emphasis is being placed on recruiting persons who are technically competent in areas such as client management information systems, accounting, and financial management. As implied earlier, this represents a major departure from past personnel practices that involved the hiring of individuals whose qualifications were suspect at best. Another important personnel change that will likely impact favorably on the Indianapolis program in the future is that "political appointments" to the CETA staff have been eliminated. The impression is that individuals are selected on their merits, and the decisions of the CETA administrator are supported by the deputy mayor. In short, the current administrator has introduced a much higher level of professionalism throughout the prime sponsor staff.

All prime sponsor employees are covered by the Indianapolis civil service system. Also, all positions have been classified by the City Personnel Department. These classifications are consistent with the system used for all city employees. Job descriptions exist for each position within DET, and the majority of these descriptions had been updated and were consistent with the management structure under the CETA reorganization.

In general, the CETA staff salaries are comparable with those of other city government divisions. Yet, it should be noted that not too many of the DET positions are comparable with other public service jobs in the local governmental structure. A few of the positions may be rated slightly higher than in other divisions for this reason. From all indications, the salary levels are also comparable with those of nonprofit and community-based organizations in the area. If anything, the salary ranges may be somewhat higher than the prevailing nonprofit pay structure. When comparisons are made with the private sector, the only classification that appears to be comparable is the secretarial and clerical area. Although it was difficult to compare the prime sponsor's pay structure to prevailing levels in the private sector, it appears that the CETA salaries for management and professional personnel are around 20 percent below private sector ranges.

The relatively low pay scale does present problems in recruiting top-grade management personnel. It also presents a challenge to the prime sponsor in terms of employee retention. Several of the key personnel indicated that they did not view their work with CETA as a long term career because of the prospects for higher incomes in other organizations. To date, however, the prime sponsor has been successful in pirating competent personnel from the Indiana Balance-of-State program and has been moderately successful in retaining key personnel. The prime sponsor's office has also avoided having a union.

Management Systems

As part of the reorganization, the CETA administrator initiated the development of an automated Management Information System (MIS) that would satisfy Department of Labor reporting requirements as well as provide program managers with internal management reports. The client information system is currently functioning on a manual basis. Most of the attention to date has been placed on dealing with the backlog of incomplete or missing client records and in making procedural changes that lead to improvements in the flow and quality of primary client records. Revisions were also required for the intake documents to assure that all of the required information was being obtained from applicants. Prior to late 1979, the intake documents did not capture such key information as complete education and school dropout status and complete family status characteristics. Also, changes were required in those sections of the forms that deal with family income and displaced homemaker status.

The client system is now operating efficiently enough to generate the required quarterly reports on participant characteristics and to publish a monthly management report that details client activity by title. This latter document, titled a "Planned versus Actual Output" report, details planned and actual termination data by type of termination (e.g., "entered employment," "other positive," "nonpositive," etc.). In addition, a monthly "participant flow" report is generated. The purpose of this reporting procedure is to indicate the planned and actual enrollments for each title and selected programs such as adult work experience, prevocational training, vocational training, self-directed job search, and other similar programs. Although this particular reporting procedure has not been fine-tuned, it is judged to be an effective management tool. The report could be more valuable if the program areas could be further disaggregated and if supplemental reports could be prepared for individual program operators. The MIS manager hopes to be preparing reports on individual contractors by the end of the fiscal 1980 program year. In the meantime, however, it has been difficult for the management team members to get much of a handle on how specific programs and operators are functioning either with regard to planned performance or program outcomes.

After considerable time and effort, the financial management system has been restructured to provide fiscal control and to generate accurate information. There are still problems in meeting internal reporting requirements on a timely basis. However, there is little question that this unit can meet all routine information needs. The present accounting system was developed in large part by an outside consultant during the first nine months of 1979.

The monitoring and evaluation of specific programs and contractors under the Indianapolis CETA system is a two-tiered approach. Project coordinators with the responsibility of overseeing contractors are supposed to monitor program operations on a continuing basis. The monitoring activities at the project coordinator level, together with information from the MIS and fiscal units, provide the basis for program evaluation by the planning and evaluation unit. However, the success of the monitoring and evaluation efforts at this second and higher level depends heavily on the scope and quality of performance monitoring conducted by the project coordinators and the MIS. The current program and performance monitoring system has very limited usefulness. Because of vacancies that exist at the section chief and project coordinator levels, there are obvious gaps in contract supervision. This problem is further exacerbated by the lack of in-depth training available to the front-line supervisory personnel. As a result, monitoring and evaluation remain quite ineffective. It was also noted that technical assistance to subgrantees and even planning and arranging for training programs were suffering because of staff vacancies and inadequate or nonexistent staff development and training. The most recent quarterly assessment by DOL noted that many of DET's front-line staff were not properly trained. DET was given until September 1980 to take corrective action. The Labor Department's primary concern was the DET staff's ability to monitor contracts vis-a-vis compliance and performance standards.

Decisionmaking

For most of 1979, the Indianapolis program was in the process of restructuring its entire operation, from philosophy and policies to strategic and operational systems. At the time of this study, considerable progress had been made in the planning and decisionmaking area, but the formal process was far from being totally debugged, and changes were still being initiated. The underlying "philosophy" or policies regarding the purpose of employment and training programs are fundamental to the formal decisionmaking process in the Indianapolis CETA program. Under this approach, *all* CETA programs were oriented to the structurally unemployed. The idea was to utilize the most restrictive eligibility requirements under CETA and apply these requirements to applicants in all titles. The intent was to create a "comprehensive program design" that could utilize all CETA funds as though CETA were a bloc-grant program. All training and employment activities and all resources would be directed toward achieving the policies articulated earlier in this chapter. The next implicit, if not explicit, policy that guides decisionmaking is that given the orientation to assisting the structural unemployed, employability development services and training are viewed as the primary vehicles for dealing with structural joblessness. A third guiding policy is that the goal of practically all manpower services and programs is to provide the structurally unemployed worker with the skills and experiences that will enable him to obtain unsubsidized employment in occupations where there is sufficient demand for workers in the area.

Most decisions regarding policies, planning procedures, and selection of training activities are made by the DET staff, while the CETA advisory council exercises a review and advisory role. Other groups do not seem to exercise undue influence over decisionmaking. The Department of Labor's representative apparently was more concerned about getting the program cleaned up and back on track than anything else. He emphasized, according to those persons interviewed, adhering to the CETA regulations. The federal representative did not get too involved in decisions relating to training policy, especially to the types of training to be provided.

The program operators do not influence decisions to any great extent. However, it appears that they do not approve the concept of selecting training areas on the basis of occupational demand. Their position was characterized as "wanting to spend the money" for their existing programs. From all indications, it was difficult to bring the program operators into a new program design because they failed to match client needs with training programs that will likely lead to unsubsidized employment.

The governor's special CETA grants also do not have any appreciable impact on decisionmaking. For example, the supplemental vocational education funds go directly from the governor to the State Board of Vocational and Technical Education. In turn, these funds are distributed to prime sponsors on a formula basis. According to one DET staff member, the prime sponsor has considerable flexibility to spend the money in any manner desired. Apparently, the state is not even concerned if the funds go to accredited educational and training institutions. In the Indianapolis area, the supplemental vocational education funds are used for tuition, staff instructional cost, and supplies. The only limitation is that allowances cannot be paid with the funds. Twenty percent of the supplemental funds are taken out for administrative purposes and the rest is blended into the prime sponsor's other training programs.

Training Policies and Decisions

The policies and decisionmaking process for training activities are consistent with the prime sponsor's overall philosophy regarding employability development services. In essence, training and subsidized employment are viewed as vehicles for providing CETA clients with the skills to obtain unsubsidized employment. A wide array of employability development services are available to CETA clients in the Indianapolis program, including a sizable number of prevocational projects, vocational and skill training, subsidized work, and self-directed job placement.

The overall policies and planning assumptions of training activities are very straightforward. Training activities must be consistent with the requirements of local occupations that exhibit sufficient net labor demand. Characteristics and dimensions of jobs for which training is to be provided are identified in advance, and the programs are designed to prepare new entrants to meet all of the job specifications.

These training design policies are supported by the prime sponsor's policies in the allocation of funds to training projects and activities. Under these policies, the Indianapolis program attempts to allocate a portion of available CETA resources to prevocational training activities whose explicit objective is preparing the "most in need" client population for vocational and skill training activities which culminate in unsubsidized employment. The prime sponsor's administrator also articulated another basic policy approach which was to make the maximum feasible allocation each program year to projects that result in unsubsidized and self-sufficient employment.

One of the major components under the Indianapolis program is prevocational training which encompasses a wide range of programmatic efforts including basic and remedial education, English as a second language, motivational/attitude training, and the introduction of nontraditional jobs to women. However, the objective of all of these efforts is the same—the preparation of "hard-to-employ" CETA clients for vocational training. Under the original program design, this was an experiment whose primary objective was to reveal how to serve the most disadvantaged CETA participants. For clients who enter prevocational training, the prime sponsor attempts to design an employability development plan that will lead to an upgrading of the "characteristics" that can qualify them for skill training. This component is designed to serve as a "feeder" system for all vocational training activities. The training policies indicate that clients who complete this activity have three options—vocational training, temporary work experience, and placement into the best available permanent, unsubsidized employment slot for which they qualify. The latter is intended for those who are not successful in attaining the objectives of their prevocational employability development plan.

The purpose of vocational training is to provide clients with the capabilities of obtaining unsubsidized employment. This activity is the core of the Indianapolis CETA program, since training policies envision skill development as the single most important service under CETA. The prime sponsor's staff is charged with designing, developing, and implementing individualized training plans for clients by selecting an appropriate occupation for each person from the list of high net demand occupations approved for CETA training. After completing vocational training, clients are to go directly into permanent, unsubsidized jobs. If job opportunities are not available, the client may be placed in a temporary subsidized job.

The prime sponsor provides training under each of the CETA titles, although the training activities under the Private Sector Initiative Program (Title VII) are determined by the Private Industry Council with little, if any, consideration given to the prime sponsor's policies. Title II-B is primarily oriented to prevocational and vocational training. The public service employment programs, Titles II-D and VII, also are vehicles for providing prevocational and vocational skills to CETA enrollees. Clearly, training in its broadest definition respresents the primary service delivery thrust of the Indianapolis prime sponsor.

The criteria for determining the mix of training activities include a number of factors. As noted earlier, the selection of skill areas is based in large measure upon the analyses and selection of net positive demand occupations. The entry level wage rates for occupations is another key factor in the decisionmaking process. The service delivery capabilities of training agencies and institutions in the community and the quality of their programs also influence the training activities authorized by the prime sponsor. Based on the training investment policy of the prime sponsor, occupations that require more than nine months will generally not be initiated.

Informally, other factors influence decisions regarding program mix. In the prevocational training area, the previous program mix plays a strong role in determining the programs that are funded. The influence of this factor on vocational programs is not as apparent. To some degree, the influence of past programs on current training is due to "political" considerations of the role of key agencies in the community. However, political considerations are not thought to be necessarily negative. It is more a matter of having specific prevocational activities in the Indianapolis area funded for specific client constituency groups such as blacks, Hispanics, and women.

The assessment and counseling unit is responsible for deciding which clients are referred to specific prevocational and vocational training activities. In performing this function, the prime sponsor's participant policies provide very specific guidelines and steps for client referral decisions. During 1979, the emphasis was shifted from a "first-come, first-served" basis to limiting access to those who satisfied the training profiles for the specific prevocational and vocational programs. The assessment and counseling unit works with each client in establishing occupational training objectives that are consistent with the CETA program offerings. The underlying requirement is that the program design is basically job- and thus employer-oriented. This approach assumes implicitly that clients are willing to work and want a job and that they can select a training area for which they can qualify by meeting basic training entry requirements. The key in this process is the role of the assessment and counseling unit in assisting clients to identify occupational choices vis-a-vis the high net demand jobs identified by the prime sponsor's planning unit.

Clearly, there have been problems in attracting a sufficient number of clients who meet the standards set for some of the programs. The major problems have centered on the relatively low math competence of most clients, poor attitudes about training and employment, and poor problem solving skills.

In reality, the decision process for assigning clients to training components does not follow the procedures outlined above. In addition to targeting clients to training areas for which they are qualified, the availability of vacant slots and programs and enrollment shortfalls have a major influence on who gets trained in specific occupational areas. Because of the pressure to increase enrollments to planned levels and because the assessment function is far from being fine-tuned, clients are targeted in some instances to training components where they simply cannot succeed.

In large measure, the selection of service delivery agencies under the Indianapolis program is now performed in a depoliticized manner. Formal requests for proposals are issued for all programs under all CETA activities—II-B, Public Service Employment, Youth Community Conservation and Improvement Projects Program, Youth Employment Training Program, and the Summer Youth Employment Program. Though a number of individuals and groups are involved in various stages of the selection process, the prime sponsor's management staff clearly exercises the most influence in the decision of delivery agencies. A comprehensive evaluation and rating instrument guides the prime sponsor in selecting subgrantees for training and other programs. Under this procedure, point values are applied to specific requirements or program elements. The points actually awarded any given element are determined by calculating the average rating of scores given by members of the prime sponsor's Education and Training Selection Committee. For those program elements that do not carry a point value, a majority of the committee must agree that the proposal response meets a minimum level of acceptance. If any response falls below the minimal acceptance level, the proposal is automatically rejected.

Training Administration

Training, in its broadest context, is authorized under all of the CETA titles in the Indianapolis area. Primary emphasis, however, is placed on a broad array of prevocational training activities. The majority of the training expenditures for fiscal 1979 were authorized under Titles II-B and IV. Approximately 44 percent of all Title II-B expenditures were for training activities. As noted, the bulk of these outlays was for classroom training. Two-thirds of the total expenditures under the Youth Employment Training Program were targeted to classroom and on-the-job training programs. Relatively high proportions of the total outlays under the PSE titles were also targeting toward training and employability and development services—20 percent under Title II-D and nearly 10 percent under Title VI.

Internal management reports for the first six months of fiscal 1980 indicated that the prime sponsor increased the relative expenditures for training under Title II-B, but training and service expenditures for the other titles were lagging behind the relative amounts recorded during fiscal 1979. Training programs accounted for 68 percent of the total Title II-B outlays during the first six months of the year, but represented only 16 percent and 10 percent of the Title II-D and VI expenditures, respectively. (Classroom training alone accounted for 40 percent of the expenditures. Also, all training activities and employability development services represented 62 percent of the total Title II-B outlays.)

In contrast to the emphasis placed on classroom training, the Indianapolis prime sponsor has accorded on-the-job training (OJT) a very low priority. OJT programs have encountered considerable difficulty in Indianapolis since the inception of CETA. During the second quarter of 1980, there were no OJT enrollees, and the prospects for initiating a viable OJT activity did not appear too favorable. The reasons for not using OJT relate to the program's past experiences, particularly its history of adverse newspaper publicity and charges of fraud in previous programs.

On-the-job training has declined in importance in comparison to both the early CETA years and the pre-CETA period. One of the prime sponsor's management staff members noted that OJT is perceived by some as "the answer" to the training of the disadvantaged, but that the program is a "sham" to a certain extent. It is one of those activities that looks good on paper, but in actual practice does not work well. The design and incentives for OJT present a dilemma. In most instances, the financial incentives under the program do not appeal to large employers who have the expertise and facilities to provide training compatible with OJT's program design and philosophy. As a result, the employers to whom OJT appeals are generally small and frequently cannot provide a viable training function. In fact, in many instances, the primary incentive for these employers is a "wage subsidy" that facilitates their staying in business. In short, OJT is far from a panacea for the training problems of CETA clients in Indianapolis.

Actual client service patterns in training activities tend to support the prime sponsor's client targeting policies. With the exception of the Youth Community Conservation and Improvement Projects and Title VI programs, service to females was greater than that to males in all titles. The program participation rate for women ranged from a high of 60 percent for Title II-B to a low of 20 percent in the YCCIP program. It was not possible to collect characteristic data for separate training components in the various titles. However, because Title II-B is predominantly a training program, client characteristics under this program can be contrasted with those under the Public Service Employment programs. Clients who were enrolled in training activities under Title II-

B tended to be younger, less educated, and more dependent on some form of public assistance than clients who possessed PSE jobs. Two out of every five Title II-B enrollees were high school dropouts in comparison with only 21 percent of the Title II-D enrollees and 32 percent of the Title VI enrollees. Exactly half of the training enrollees were under 22 years of age. In contrast, only 25 percent of the II-D clients and 31 percent of the Title VI clients were in this age category. Furthermore, almost half of the II-B enrollees were recipients of some form of public assistance while approximately one-fourth of the PSE clients were public assistance recipients.

Service to nonwhites was approximately the same for all titles. The participation of black and other minority group members was extremely high for all titles, ranging from a low of 73 percent in Title II-D to a high of 88 percent in the YETP program. There are a number of factors that may explain the relatively high incidence of service to blacks. First, inner-city Indianapolis is about 80 percent black, and this is where most of the intake centers for the CETA program are located. Second, outreach and intake are not aggressively pursued in the out-county area for a number of reasons, including the lack of advocacy groups, logistical considerations, and the fact that the CETA eligible population in the out-county area is very dispersed. A third possible explanation may be that the program is perceived by the intake staff as being black-oriented.

Training Quality

The analyses of the quality of alternative training activities in the Indianapolis prime sponsor area are based on a number of sources, including opinions and perceptions of the prime sponsor's staff members and personnel associated with the training contractors, assessments of all available contract documents and performance reports, and the field researcher's personal observations derived from on-site visits at eight training facilities. The on-site visits covered the full range of both prevocational and occupational training provided under the Title II-B program. The four prevocational delivery agencies were training clients in basic and remedial education, GED preparation, English as a second language, career exploration, world of work orientation and the introduction of nontraditional employment opportunities to women. The vocational training agencies offered skill training to CETA enrollees in 17 separate occupational areas, including health and office occupations, industrial trades, and basic electronics.

The prime sponsor's policies indicate that emphasis will be placed on open-entry, open-exit vocational training activities. In reality, very few of the programs are designed in this manner. However, several of the prevocational and vocational activities are designed on a modular basis that facilitates client access. All vocational activities are provided on an individual referral as opposed to class-size format. The individual referral format is considered to be advantageous for several reasons. First, under a class-size program CETA clients are generally segregated, and there is frequently a stigma attached to the CETA enrollees. Second, under the class-size programs, it appears that the instructors have lower expectations for the enrollees. Also, according to one member of the prime sponsor's management staff, the class-size programs are usually taught by low-paid, part-time, unqualified personnel. Although the quality of training varies considerably among the different training agencies and even among different occupational areas within the same agency, the training curricula for practically all programs appear to be competency-based. In addition, the instructional staff members, on average, are regarded as being adequately experienced and qualified.

Prevocational Training

The prevocational programs in the Indianapolis training system are basically designed to prepare clients in basic and remedial education, orientation to the world of work, and GED preparation. One such program, "Get Set," is operated by Indiana University/Purdue University at Indianapolis (IUPUI). This program is operated as an "open-entry, open-exit" activity with no minimum entry requirements. The vocational assessment system used in the "Get Set" program is both comprehensive and continuous during the enrollee's tenure. The curriculum for this program is highly individualized and is competency-based. The "Get Set" philosophy of learning is based on one key principle—"who's an adult and who's not." The program staff places the responsibility for learning on the students, grades are not given, homework is not assigned on a required basis and no textbooks are required. Very few discipline problems have arisen, and it is apparent that peer attitudes influence the work habits and behavior of the enrollees. The program is clearly staffed by dedicated and competent personnel and is judged to be successful in meeting its objectives.

Another basic education program is operated by Lockyear College, a private, postsecondary, independent college. The success of this program is due in large measure to a well-trained staff and individualized training plans for each student. In addition, the program is located in a modern, well-decorated, new office facility in park-like surroundings. Training for this activity generally runs for about five weeks during which there is an average increase of three grade levels. The program staff places a high priority on continuous reviews of the progress of each enrollee and prepares very detailed reports on individual progress.

The Lockyear program is clearly a first-rate approach to adult basic education. Strong emphasis is placed on attendance, promptness, and task orientation. However, in a strict sense, the Lockyear project is not prevocational since it does not provide enrollees with occupational awareness and career exploration.

The basic and remedial education program at the United South Side Community Organization (USSCO) is also a very high quality Adult Basic Education project. USSCO, which was established in 1968, is heavily oriented to satisfying the need for adult education among the transients and migrants from Kentucky who live on the south side of Indianapolis. Until recently, the agency was supported by the public schools, but at the current time most of its funds come from CETA. The agency has experienced considerable difficulty in working with the separate youth and adult components under CETA. Although the client populations overlap, USSCO must handle them under separate contracts. The primary training activity involves the teaching of reading and mathematics by using job-related materials. The curriculum materials seem to be rather standard reading tests for adults such as the Steck-Vaughn, Lakeshore of California, and Cambridge.

The trainees served under the USSCO program clearly need a great deal of assistance in a number of areas. Much of the staff time is spent on helping trainees solve or cope with chronic problems. The clients are frequently referred to the Southeast Multiservice Center which can provide employment services, food stamps, and other forms of assistance. As was the case with the Lockyear College program, the training at USSCO does not involve career exploration and occupational awareness.

Vocational Training

The vocational training activities funded under the Indianapolis program cover a wide array of occupations.

However, the largest programs are operated by the Indianapolis Opportunities Industrialization Center (OIC), the Indiana Vocational-Technical College (Ivy Tech), and Lincoln Technical Institute. OIC has the largest skill training contract under the Indianapolis CETA program. A total of 100 individual referral skill training positions and 90 prevocational slots are funded at $617,532. Skill training is provided in the following occupations: secretarial and keypunch, health careers, industrial skills, basic electronics, and dental lab technology. Perhaps the most unique activity under this contract is the industrial skills class that is taught at an International Harvester (IH) plant. Current production models of IH gasoline and diesel engines are used to teach assembly, disassembly, troubleshooting, blueprinting, and basic tool skills.

The quality of training at OIC covers a fairly wide range. The clerical and keypunch programs appear to serve the literate and motivated clients satisfactorily. However, there is much to be done before the dental lab and the nurses aide programs reach full efficiency, and even more is needed in the electronics program. At the other end of the continuum, the industrial skills program at International Harvester is an exemplary model of a training program for the CETA population. Its emphasis and training design are oriented at just the right level for many of the CETA clients who require training services.

Ivy Tech provides occupational training in eight separate areas, with 25 slots available at any time for each occupation. Training is available for industrial maintenance, auto service, auto body repair, machine tooling, heating and air conditioning, industrial drafting, general clerical, and secretarial. Although most of these programs are considered to be adequate, most of the training areas need considerable updating of equipment. In general, the Ivy Tech staff is extremely well-prepared, with strong teacher training plus occupational and teaching experience. Curriculum materials are well-prepared and are readily available.

Individual referral training is also sponsored in both automotive technology and diesel and truck technology at Lincoln Technical Institute. Fifty training positions are available in each area, and the program provides for a total of 1,000 hours of training for each area. The Lincoln program is modular and operates on a five-week cycle.

LTI is located near Lockyear College, but the setting is completely different. It looks like the transportation-related school that it is, with an attached service facility and parts department which sells both to students and the general public. The building is well-maintained, modern and functional for the training activities that are sponsored by the organization.

The equipment is typical of that found in a modern dealership or truck repair facility. The staff is well-qualified, with considerable occupational experience and teacher training. About a third of the instructors taught similar courses in the military. Instructional materials are designed, particularly in the more advanced courses, to prepare the trainees for conditions in the world of work. In general, the course outlines and tests are well-prepared and are used effectively by the instructional staff.

The administration of the Lincoln program is very proud of its placement record, and it is not interested in training a large number of hard-to-place persons. The obvious preference is to enroll no more than 3 to 5 percent of its trainees from CETA, and even those need to be screened very carefully on the basis of their ability and motivation. The Lincoln Tech administration does not like class-size CETA programs because it believes that such programs lead to low expectations and labeling of trainees. In the opinion of the training personnel, individual referral trainees learn more, in part because of the example of and help from other capable students. Another factor affecting the administration's attitude is the Federal Trade Commission order that each potential student be provided placement rate data for the occupations in which the institution offers training.

Conclusions

Several first-rate training projects in both the prevocational and vocational areas are being operated under the Indianapolis CETA programs. The basic and remedial activities sponsored by USSCO and Lockyear College are very high quality programs. The prevocational component that is run by IUPUI for both Title IV and Title II-B is a very well-designed and executed program. In the occupational training area, there is a fairly wide range of quality among the different programs. Nonetheless, a good array of skill training is available to CETA participants, and in most instances, the programs are considered at least to be adequate. The projects offered by Lincoln Technical Institute and Ivy Tech are first-rate. However, neither of these institutions is especially oriented to the "most in need" among the CETA population. The usefulness of these programs is heavily dependent upon the prime sponsor's interest in and ability to select clients who can succeed in the training. If there is not a willingness to exercise more selectivity in the referral-to-training process, only limited results will materialize.

Because of the major restructuring efforts that have been initiated by the prime sponsor, it is probably too early to attempt to render a final assessment of training policies and programs for the Indianapolis CETA program. However, there are a number of factors that appear to be impacting negatively on the quality of the prime sponsor's training efforts. For the most part, the training policies appear to be well-designed, and the planning system has the potential of generating very workable and comprehensive strategic and operational plans. The difficulty, at this stage, is that operational units are far from able to implement effectively these policies and plans. The assessment, counseling, and training units are not adequately staffed, either in actual numbers or in personnel who have the skills and experiences to implement a complex program design. Staff development and training at this level is imperative. In addition, more emphasis should be placed on attracting highly qualified personnel who could perform the "front-line" functions consistent with the philosophy and policies of the prime sponsor. Immediate attention should also be placed on upgrading both the contracting and project performance monitoring functions. In both instances, there should be a focus on developing measurable objectives for performance standards, learning objectives, and outcome goals. These measurements should be incorporated as key elements in each prevocational and vocational contract, and the project coordinators should assess progress on a monthly basis.

Another fundamental problem is that there may be a serious inconsistency between the prime sponsor's client and training policies. Without doubt, the CETA program is being targeted, either as a matter of policy or as a result of the intake and referral process, to clients who have a wide range of service needs and who may be characterized as seriously disadvantaged. Yet, many of the occupational skill training programs are quite sophisticated and have relatively high entry standards. Unless there is an attempt to screen more deliberately the clients who are referred to skill training, many of the training activities will probably continue to experience only modest success. This problem has undoubtedly been exacerbated because the client employability development function has not been finalized and implemented in the manner intended by the prime sponsor.

As a final observation, the major factor that may be missing in the Indianapolis program is an effective "bridge" between the prevocational and vocational skills programs. An implicit assumption seems to have been made that a trainee falls into one of two categories—ready for vocational training or not ready. The overwhelming majority of the Indianapolis CETA clients fall within the latter category. The training model that may be more consistent with the clients' needs is one that provides concurrent vocational training and basic education, with the latter design built on the needs of the vocational activity.

Montgomery County, Maryland
A Born-Again Prime Sponsor

Marion W. Pines
Baltimore Metropolitan Manpower Consortium

Montgomery County, Md., located directly north of Washington, D.C., is one of the wealthiest counties in the nation. The suburban home of many of the nation's most influential policymakers, it is also the new home of growing waves of Asiatic and Hispanic immigrants who constitute a new CETA constituency. Although the minorities and the poor are less than 5 percent of Montgomery County's 600,000 population, their problems are often exacerbated because they are dispersed throughout the most affluent Maryland subdivision.

Montgomery County is part of the Washington standard metropolitan statistical area (SMSA), which also includes three cities and four counties in northern Virginia, the District of Columbia and two other Maryland counties. Although these areas are part of a geographically integrated labor market, no move has been made to encourage joint labor market planning. Montgomery County CETA managers have gone it alone although the 1970 census indicated that almost half of the area labor force worked outside the county of residence. This mobility has been aided by an effective highway network and the opening of parts of the 100 mile rapid rail METRO system. Until the METRO system is extended, however, the more remote pockets of need in northern Montgomery County remain isolated and underserved.

In 1979, local CETA officials were faced with the challenge of designing and managing a manpower delivery system to meet the needs of a diverse and dispersed target population (very old and very young; rural black and new immigrants). In addition, they are preparing this population for an economy that seeks professional, managerial and "hi-tech" workers. At the same time, national policy changes increased their resources from $1.9 to $8.5 million in five years. Obviously, these local economic mismatches and national policy fluctuations produced serious management challenges and raised fundamental issues for the local CETA system. However, a review of the Montgomery County prime sponsorship provides some illustrative insights into some practical as well as policy issues for the employment and training system as a whole.

A brief recap of Montgomery County employment and training history helps to frame the issues.

Insulated organizationally within a social service umbrella department, the focus of our attention, the Division of Labor Services is one of four units in the agency, three reporting echelons removed from the County Executive. There is growing evidence that under new political leadership (elected in 1979), closely followed by new CETA leadership, much needed accommodations are developing to enhance interagency linkages and reduce local bureaucratic snags. There is growing awareness that the exigencies of CETA administration make political access, immediate response and quick signatures a necessity.

The initial response of the first CETA directorate to its new responsibilities under the decentralized system was to emulate the public employment service model—"only better," as one Montgomery County staffer modestly described the operation. All comers were welcomed, as long as they had been unemployed a week. A fairly effective personalized jobmatching activity ensued. The pursuit of training was left to the individual. No participant allowances were paid, so the motivated and interested enrollee was free to seek training from any of the proprietary schools operating in the greater Washington, D.C. area. The 33 schools subsequently selected were then reimbursed by voucher paid by the prime sponsor. Placement services after training were haphazard and outcome information was largely anecdotal. As can be imagined, the target population reached through this kind of a service/training buy-in system was generally well educated, white, and female. During the early CETA years in Montgomery County, management accountability systems were largely undiscovered and relationships with the regional office of the Department of Labor were comparable to the "Bickersons."

The quadrupling of resource allocations under the economic stimulus package in May 1977 ("We were OK at $1.9 million—but kinda blew apart at $8 million"), closely followed by the constraining CETA amendments of 1978, brought the Montgomery County CETA system to a crisis.

Lack of fiscal controls had produced serious cost overruns in Title II-B; negligent monitoring resulted in severe underenrollments and underexpenditure in Title II-D; and general management deficiencies caused poor marks on the annual regional office assessment resulting in month-to-month funding. This pressure cooker finally exploded. Protracted debates and vitriolic exchanges with the regional office culminated in a threat to deobligate $400,000 in unexpended public service employment funds. The newly elected county executive and congressional representatives were called into a rescue mission and promply escalated negotiations to the national level. The low profile CETA system was suddenly thrust uncomfortably to front page news. Obviously, a new county executive was not overly pleased with this kind of notoriety. Not unexpectedly, the local CETA leadership toppled—and a new experienced team recruited from other prime sponsors and other county agencies was assembled to restore peace, tranquility and order, and to create CETA in a new image for Montgomery County. The team was headed by a former local senior CETA planner who had intimate knowledge of the weaknesses and was able to chart the immediate work plan for the team with precision.

- Within six months, position and slot control systems were in place for public service employment management.
- Disbursement approval was linked to activity progress reports.
- Expenditure controls and fiscal reporting systems were established.
- The management information system was redesigned to provide the required participant tracking and STOP date warnings.
- An independent monitoring unit (IMU) was created and proceeded to initiate the concept of performance contract management.

By any standards, this evidence of administrative competence is impressive.

While the new team was attempting to get control of runaway expenditures, new enrollee intake was slowed to a trickle throughout fiscal 1980. The team concentrated first on building sound management systems. It next turned to the delivery system and made decisive moves to accommodate new CETA requirements mandated in the 1978 amendments.

These amendments to the original 1973 CETA legislation retargeted almost all CETA resources to the structurally unemployed. Strict eligibility requirements were established which factored in income as well as unemployment status. Managerial mandates were clearly articulated and included requirements for eligibility verification systems, client tracking systems, and independent monitoring units. Limitation of enrollee participation to a fixed number of hours, weeks and months in various CETA-funded activities seriously hampered local decision-making authority and program designs. However, the new Montgomery County team made a conscientious effort to refocus the program to begin to serve the structurally unemployed.

Allowances are now available to all enrollees, making it possible for Montgomery County's truly poor to participate. The active involvement of the private industry council (PIC) has influenced training policy. Training offerings are based on local labor market needs and are offered in class-size modules. The concept of training has been broadened to accommodate the full range of employability development needs of a new group of enrollees. English as a second language, basic remedial education, motivational training, survival skills, and carefully chosen occupational skill training are now available. A new training infrastructure is developing as well. Local colleges, women's advocacy groups, proprietary schools, community-based organizations, private vendors, and the public schools are playing important roles. Training is taking place in plush office suites, store fronts, church basements and university laboratories.

In attempting to assess the training system funded by CETA in Montgomery County, quality guidelines were established. Apart from organizational design, intergovernmental relationships and other "esoteric" factors, it is generally agreed that faculty, curriculum, equipment and facility are key contributors to the overall quality of a training program.

In examining the six different examples of CETA-funded training in Montgomery County, careful attention was paid to the quality of the training staff. Did they display enthusiasm? Were they combat-weary? Did they know their field of instruction? Did they display concern and a sense of responsibility for what happens to trainees "after training?" Both technical competencies and interpersonal skills were reviewed as well as field-tested in live training settings.

Good instructors need worthy program content in order to get results. Curriculum materials were examined with particular sensitivity to their relevance to the population being trained as well as relevance to the labor market to be served. Special note was taken when "canned" materials were employed or when and how new curriculums were tailored.

Where relevant to the training, the age and quality of equipment utilized were carefully noted. Broken or outmoded training equipment does not afford trainees transferable skills. Moreover, use of such equipment often sends a subtle negative message to trainees. Recent donations of useful equipment by employers often denoted close involvement and interest by the private sector.

The facility in which training is offered is not the key to ensuring good quality, but it certainly enhances the offerings. Two other more subtle factors were considered in making value judgments about Montgomery County's training programs: the "atmosphere" engendered at the training sites; and any administrative constraints *or* incentives imposed by the prime sponsor that might affect the quality or results of training.

Basic Educational Training

Montgomery County Public Schools (Department of Adult Education) is the contractor for an intensive program of English as a second language, serving 75 clients in each cycle. The program coordinator depends upon word of mouth for staff recruitment and has successfully tapped the rich source of foreign service government workers and their families revolving through the Washington area to yield a team of ESL specialists with at least master's degrees. In addition, the program activity recruits volunteers to assist in individualized instruction. An intensive curriculum planning session including a full week of orientation precedes the startup of the year's activities.

The contract makes a stab at establishing performance goals for the program. For example, it stipulates that enrollees will successfully complete the program by achieving one of the following:

1. English language proficiency commensurate with "enrollee's individual employment goal."
2. Placement in permanent, unsubsidized employment for seven continuous days or longer.
3. Enrollment in non-CETA funded academic or vocational training.

Behavioral Science Associates provide the adult basic educational services for the Montgomery County prime sponsor. The relationships and responsibilities between the contractor and prime sponsor in regard to referral, counseling and termination services are identical in all Montgomery County programs so the detailed interrelationship will not be described again. Suffice it to characterize those services as absentee in nature. The current Behavioral Science contract calls for service to 120 new participants over a 12-month period, with 24 at any given time. Actual enrollment levels have ranged from 6 to 31.

The small staff team meets regularly to work on tasks, solve problems and handle educational objectives. The training materials include the Jamestown series for reading versatility, supplemented by Bloomenthal, Wiley and McGraw/Hill materials. The staff also develops specialized supplementary materials to enhance their instructional activities. The staff tries to specialize, with one instructor focusing on math, the other on reading, although both are responsible for both areas. The coordinator oversees the overall quality of instruction.

According to program staff, this instructional program has resulted in dramatic improvements: 80 percent of the enrollees have increased their reading skills by two grade levels in two months! Unfortunately, no independent evaluation corroborates this achievement.

Occupational Training

Both the George Washington University and the Capital Institute of Technology exhibit characteristics consistent with quality skill training programs. For example:

- Both had very close ties to the private sector and had solicited advice and recommendations in the process of developing curriculums.
- Both had consciously attempted to assign staff that would tailor their training activities to reflect private sector requirements closely.
- Both were able to identify quickly the barriers to successful completion of training offered to CETA clients and recommended and implemented the solutions to remove these barriers.
- Both were conducted by institutions which had educational activities as their major institutional focus.

Although the prime sponsor had established no formal mechanisms to insure the quality of skill training offered, each of these programs had developed its own mechanisms to ascertain the requirements of the private sector and to incorporate those requirements into the curriculum. Both had moved far beyond contractual requirements to supply supplementary supportive services needed by the clients to complete the training successfully. Both fully recognized that occupational skills alone would not enable trainees to obtain and retain unsubsidized employment.

Neither of these programs was contractually required to place the trainees upon completion of the course. Both, however, were active participants in the placement process, again as an unpaid supplement to the Servicenter. By capitalizing on the involvement of employers throughout the training continuum, the trainers have developed responsive resources for job placement.

Because both training institutions provide educational activities as their major business, a valuable resource of experienced practitioners in curriculum development, testing, etc., is available on an as-needed basis to modify, improve, and redesign curriculums, teaching techniques and testing materials used by the CETA funded programs.

The George Washington University sponsored biomedical training program was spawned in the midst of a full-scale intragovernmental furor described earlier.

The full curriculum is developed around a work study model: two semesters in the classroom, one semester in a public or private sector field placement and the last semester back in the classroom. Each semester of work earns four credit hours. The students are required to use job search techniques taught in the course to develop a resume and secure their own paid field placement position for the third semester. This field placement in many instances leads to full-time unsubsidized employment upon completion of the course. The George Washington University has a strict attendance policy which entails a graduation requirement of 90 percent attendance during the course. In addition, if the student is absent 10 percent of the class period, he is considered absent for the entire period and forfeits his training allowance for the entire period! Counseling sessions around this policy focus on teaching students how to evaluate the important activities of life, and how to organize their time to complete those activities. After the third absence, the student must have a conference with the program director before being readmitted to class. The program staff intends that the students transfer this discipline to other aspects of their lives.

The standards for admission to the program are extremely high and require a high school diploma or GED and demonstrated high math, reading and vocabulary levels of achievement. It is little wonder that the Montgomery County prime sponsor had to screen 1100 applicants to find 33 for the biomedical technician course!

During the fall 1979 semester, GWU enrolled a number of foreign-speaking students. In recognition of their special needs, the trainer requested and received a contract modification from the prime sponsor to provide 10 hours per week of ESL tutoring on a one-to-one basis.

Thus, incrementally, this training program was approaching the total service package that is of maximum benefit to the CETA enrollee. However, because of the extremely high entry requirements, a very select sector of the CETA-eligible population receive this high quality service package.

The Capital Institute of Technology (CIT) is a recognized technical institution which provides accreditation from the certificate level through college degrees in electronics. It is located in the Gaithersburg/Rockville corridor along Route 270 which, as described earlier, is one of the fastest growing electronics markets in the country.

Time is allotted for students to work on individual or team projects in the laboratory facilities. The students are able to explain in precise technical terms the purpose of their project, the methodology they are using and the results they expect. CETA enrollees also participate in tutoring sessions conducted in preparation for examinations. These sessions are conducted by a former student who is currently working part-time while studying for her A.A. degree at CIT. The students exhibited a working knowledge of the technical terms employed in the electronics field and were eager to explain complicated electrical circuits to visitors.

Background investigation revealed that in early 1979, Wider Opportunities for Women (WOW) approached the Montgomery County prime sponsor asking for funding to emulate a program model previously funded by the DOL office of national programs in which "life instruction" was coupled with math, communication skills and occupational training. The model was intended to enhance the entry of women into non-traditional occupations. The prime sponsor agreed. A contract was negotiated with WOW that stipulated a third-party subcontractual role for the Capital Institute of Technology to fulfill the occupational training function. The contract language spells out WOW's oversight responsibilities for both quality of training and job placement, but the WOW staff interviewed appeared to be unaware of these responsibilities. Unfortunately, in the absence of a viable field monitoring system, the prime sponsor puts no real pressure on WOW to fulfill these significant responsibilities.

Motivational Training

Although Wider Opportunities for Women's role was described above in conjunction with the occupational skills training at CIT, the major thrust of WOW's involvement with that skills training program focuses on attitudinal change and motivational training. The techniques employed by WOW staff are individualized counseling and peer pressures as well as peer counseling. Interestingly, although the initial intent of the training program was to provide non-traditional training for women, only 31 percent of the enrollees are females. It appears that the passion for non-traditional jobs is often more fervent among professional advocacy groups and government agencies than among the potential bricklayers, truckdrivers, and electronic technicians!

The National Center for Economic and Community Development (NCECD) has extensive corporate experience in motivational team building and organizational development activities. The original design of its activities calls for agency staff and participants to spend the course time in a live-in facility—a hotel or condominium—where the degree of external interference can be controlled. This design had been modified for the Montgomery County CETA contract and had added job search "training."

The structure of the course is devoted to individual and group exercises. Small group interaction is used extensively to facilitate a support system for the development of job search skills. "Personal Growth" planning is divided into three sections—past, present, and future. Exercises are tailored to develop a set of likes and dislikes, experiences and skills which will lead to a "job action plan." Enrollees develop their own job descriptions and chronological and functional resumes.

The program staff stresses the "mentor" approach by its own instructors in the program, encouraging them to share their own life experiences with the participants. Problems developed by the participants are openly discussed in group sessions and group solutions are developed.

This program model and contractor were selected in direct response to the passage of the 1978 CETA amendments. The Montgomery County prime sponsor perceived that a "new" client group—perhaps less motivated than the prior caseload—would require additional massaging, but it has not integrated the program into any logical sequence in the training continuum.

Overall, the quality of the training offerings reviewed in the course of this study was generally superior. Training staff members among all subcontractors displayed good technical backgrounds as well as interpersonal skills. Moreover, they seemed acutely aware that their responsibilities were to train for employment. Their major frustration was the lack of information about what happened to "their" enrollees after they completed their training course.

Curriculums were developed with a sensitivity to the needs of participants as well as the labor market. Few "canned" programs were noted, and a great many innovative enrichments were being developed during the training period.

Technical equipment was modern, affording trainees the opportunity to learn skills that were immediately transferable to the work place. Much of the equipment used by trainees had been donated by the private sector, which appeared interested in hiring the most successful trainees.

The major weaknesses are now being corrected. Few sequential links were noted among and between program components, to enable an enrollee to move smoothly from an English as a second language class into an occupational skills program, for instance. And consistent feedback information is needed by all trainers so they can adjust curriculums based on the eventual employability of their trainees (not to mention the psychological rewards to trainers based on student success or vice versa). A major step forward would be more specific contractual documents which clarify expectations so both vendor and purchaser can assess performance. In addition, effective contract management, consistent field monitoring and program evaluation also await implementation. Full scale outreach activities to new target populations for the complete 1981 bill of fare were as yet untested. The

1980 partial freeze on new enrollments did not provide an adequate test of outreach to the structurally unemployed.

However, producing the accomplishments just described has been an all consuming task for the talented and experienced four top staffers who share 27 years of CETA and local government experience.

But the entire before and after study of the Montgomery CETA system and its often adversarial relationship with the Department of Labor raises issues that should be addressed before and during the CETA reauthorization debate.

Staff Development/Management Assistance Issues

No system, activity, or endeavor can succeed without qualified people at the helm who understand their mission and who have been trained to perform their task. The fabled high CETA staff turnover rates were not found in Montgomery County with the exception of one noteworthy wholesale top leadership change in 1979.

But there is ample evidence that the gyrations in national manpower policy have overtaxed the administrative capabilities of a young decentralized system. It must be remembered that the system was barely six months old when Title VI, the first expanded Public Service Employment activity, was legislated by the Congress and implemented in a rather taunting style by the Department of Labor. ("Decentralization is being tested. Deliver or else.") The system was barely three years old when the economic stimulus package came forth in mid 1977, tripling resources and quadrupling paperwork. This was followed by the CETA amendments of 1978 which, as mentioned before, mandated complex management and monitoring systems, sharpened the focus on target populations and put limits on program design options. With virtually no outside technical assistance sponsored by the federal authorities, indeed with intermittent harassment, it has been very difficult to develop local expertise to handle responsibilities of this scope. Whatever institution building and staff development that has occurred has been almost completely self-generated and self-nurtured.

CETA staff desperately needs a support system. Prime sponsor associations are gaining strength. They are taking an increasing interest in mounting prime-to-prime assistance efforts. An encouraging development has been solid support for this development from the new Office of Management Assistance (OMA) in DOL's Employment and Training Administration. There are offers to cover travel costs and in some cases, per diem, for traveling "helpers." Many prime sponsor associations are brokering the requests for assistance and the offers of help. This is an encouraging development but it alone obviously will not meet the challenge of management capacity building for the long haul. Nor is it intended to do so.

It must be supplemented by intensive management training for the CETA system decision makers delivered by, and if possible through the auspices of experienced prime sponsor staff. Those institutional grant university programs that have matured since their early DOL funded experiments might be linked to form a national academic resource network. New prime sponsor directors, often hired in crisis, must be oriented and thoroughly trained in this most complex and quixotic planning and management activity—called the employment and training system.

Certainly some local environments may be more hospitable than others for producing, attracting and retaining the kind of quality staff needed. Local political stability is an important plus. The dilemma of close affiliation between the CETA director and a chief elected official and the resultant possible loss of dual leadership at the polls has caused serious problems of instability in some prime sponsorships. On the other hand, many strong prime sponsor directors have managed to so professionalize themselves and their CETA operations that they have withstood two and three political changeovers of mayors, county executives, and governors.

Thus, a top priority for the CETA system must be the implementation of practical and workable interventions to orient, train, assist, and support local managerial capacity. That is the heart of the system (and it is no place for the fainthearted), and that is the kind of capacity least likely to buckle under arbitrary political or administrative meddling.

Intergovernmental Relationship Issues

It has been suggested sometimes in jest that a massive intergovernmental personnel exchange (IPA) program should be instituted for federal representatives, midlevel Washington bureaucrats, and prime sponsor staff. The time has come to think seriously about this. Thoroughly nonconversant with the prime sponsor system other than by anecdote, many staff in the Washington headquarters and the 10 regional offices of the Department of Labor have a deep seated distrust of and disregard for the capabilities of the local partners. The Montgomery County $400,000 caper is a classic case in point. Slower than planned enrollments and expenditures in the newly targeted Title II-D public service employment programs created a potential "excess" carryover of dollars into the following fiscal year. In an attempt to forestall reallocation, the prime sponsor entered into a contract with a local university for a sophisticated and expensive technical training program. Some 1100 applicants were screened to produce 33 eligible trainees! Although the previously mentioned rescue mission finally bailed out the prime sponsor, serious intergovernmental issues and questions remain:

1. Why was the local government so unresponsive to the legislative mandate of Title II-D—the creation of public service jobs to reach Montgomery County's structurally unemployed?
2. Why was the absence of fiscal controls and monitoring of enrollment levels tolerated for so long by all levels of government?
3. Why did the regional office accept a prime sponsor's plan that showed no expenditures or enrollments projected in the first quarter of the fiscal year and then retort with a threatened deobligation three months later?
4. Why did the regional office offer no clear explanations to the prime sponsor of the difference between expenditures and obligations in computing carryover funds? If such an explanation had been forthcoming in July 1979, the prime sponsor may not have proceeded to develop a contract committing the funds in question.
5. How much staff time and energy was wasted and how much aggravation and *diversion from requisite duties* was created at all levels of government over protracted period on matters that could and should have been resolved by reasonable people willing to negotiate a sensible solution in a 2-hour meeting?

In fact, the national and regional levels have little perception of interdependency in the CETA system. Interdependency implies trust, responsibility, and capacity to deliver. Because there is basic distrust of the locals, the federal and regional attempts to monitor and manage the system can most charitably be described as overkill.

Each side of the partnership needs exposure to the other's perspective. Policy decisions are being made with little concept or sensitivity to the problems of implementation. Reporting requirements are becoming more complex. Program requirements are becoming more specific. For example, in regard to proposed new youth legislation, there is serious talk of requiring every employability plan for every youth to be updated every month—and somehow report all this nationally. Even if it could be done (and obviously it can't), what would anyone at the regional or national office do with such information?

Federal officials desperately need a refresher course in high school "civics." At the same time, local prime sponsors need to be informed and sensitized to the deliberative processes of the Congress, the pressures from the Office of Management and Budget (OMB), and the internal workings of the Department of Labor.

This interchange should be thought through, institutionalized, and implemented in a systematic manner. In every case in which it has already taken place, greater understanding has resulted. But it needs to take place on a wider scale and in a sustained manner if it is really to affect policy development.

Intergovernmental Management Issues

By legislation, limited percentages from each CETA title grant can be earmarked for an administrative cost pool. Generally, staff paid from this administrative cost pool perform the planning, evaluation, monitoring, reporting, and managerial functions of the prime sponsorship. Because the *percent* of dollars available for the pool is fixed, the larger prime sponsors have a significantly larger resource pool for the requisite planning, administrative, and managerial functions. Conversely, small prime sponsors with the same management and reporting requirements have a very shallow administrative resource pool to draw from.

Some analysis of resource distribution provides interesting insights. In fiscal year 1980, Title II-B allocations were distributed among city and county prime sponsors as follows: (balance-of-state prime sponsors not included)

77 percent received less than $5 million,
8 percent received between $5 million and $10 million,
2 percent received over $10 million.

Similar configurations were found in the distribution of funds among city and county prime sponsors for public service job creation. In Title II-D:

75 percent received less than $5 million,
11 percent received between $5 million and $10 million,
3 percent received over $10 million;

and in Title VI:

82 percent received less than $5 million,
5 percent received between $5 million and $10 million,
1 percent received over $10 million.

Regions I, VI, and X had no prime sponsors funded at the higher levels, excluding balance-of-states, which are a special management problem.

This distribution means, for example, that in fiscal year 1980 Montgomery County had an administrative cost pool of under $1 million. The Baltimore Consortium had an administrative cost pool 10 times that, and New York City's pool is almost 10 times Baltimore's.

The point of this exercise is to illustrate rather dramatically where the dollars are to deal with the inordinately complex CETA management system. Those dollars are concentrated in a very small percentage of the prime sponsorships. Yet the demand for data, for the complex cross-tabulations, for weekly, monthly, quarterly, and *ad hoc* reporting, for multiple plans, for endless modifications, etc., etc., are laid out monolithically upon the system as if there were a uniform level of resources available to produce the response. This situation is totally unrealistic and yet largely unrecognized.

This monolithic set of demands and requirements imposed on a very diverse set of prime sponsors has been the source of continued havoc and has often had an effect diametrically opposed to its intent. With limited resources, as the focus shifts to regulatory compliance coupled with the new focus on audit and liability responsibilities, sponsors may well reduce the attention paid to training policy and implementation. Even talented staffs have limits on energy and creativity. The signals they are receiving from the Congress and from the Department of Labor are not addressing quality of training.

The need for information and the responsibility for oversight is fully acknowledged. But new procedures must be developed. A scientifically designed sample of larger prime sponsors and a set of smaller prime sponsors could be funded to provide the requisite cross-tabulations and detailed reporting, thereby relieving the rest of the system from this crushing burden. Undifferentiated management requirements and continued adversarial relationships are slowly strangling the decentralized CETA system.

Decentralization Issue: How Much?

Decentralization under CETA transferred the management of thousands of manpower service delivery contracts from the DOL's regional offices to prime sponsors (political subdivisions of at least 100,000), freeing the regional office network of DOL to manage just the 470 odd prime sponsor grants. Theoretically, this change should have resulted in a responsive, streamlined, accountable system. The Montgomery County case study produced much evidence to indicate that the DOL has *not* developed this kind of responsive, consistent grant management system. Protracted debates and adversarial negotiations such as described in this Montgomery County story are not exceptions.

Unfortunately, the side, but important, effect of these bitter encounters that is often overlooked, is the serious diversion of staff attention, energies and time at every level of government from significant planning and management duties. These diversions are costly. Pressures build. Staff morale suffers. Turnover results. Important tasks like training the disadvantaged unemployed to become self-sufficient are often neglected in order to mobilize additional evidence for the issue at hand, thus sowing the seeds for additional future problems.

Equally at issue is the number of prime sponsors (growing every year) and the most practical and cost effective administrative mechanism to manage this system. The federal government demonstrated its inability to manage the old federal system with over 10,000 contracts. It is under fire for its non-management of the quasi-federal/state employment service system. As it now functions, the intergovernmental CETA system is a bottlenecked system literally choking on the paper it generates. Nevertheless this observer would not vote for a refederalized system.

States, for the most part, have not distinguished themselves with their balance-of-state prime sponsorships, nor have Governors displayed much interest in employment and training strategies. States have shown a remarkable ability to create new layers of red tape and to require bureaucratic high jumps in their administration of the Governor's 6 percent CETA vocational education grants. In fact, Montgomery County's sole reason for negotiating with the State of Maryland's manpower office was its desperate need for additional training funds. But the arbitrary and rigid procedures established by most states discourages many prime sponsors. So there will not be any vote here for consolidation under state government.

But it is fairly obvious that individual contiguous subdivisions operating in the same labor market should be administering their grant as one. The previously described complex administrative systems put in place so laboriously by Montgomery County staff to serve only 500-600 enrollees raises serious questions about cost effectiveness of the present decentralized design. Certainly, these systems could serve neighboring Prince Georges County as well (at a minimum). Instead, a new Prince Georges County prime sponsor director is trying to learn the ropes and reinvent the management wheels for his subdivision. Suggesting a total Washington-SMSA consortium involving three separate authorities—Maryland, Virginia and the District of Columbia—would probably be too radical in the current political climate.

However, if consortia were actively encouraged as a matter of policy, clusters of counties, and city/county combinations would emerge that could probably reduce the number of prime sponsorships significantly. For the first six years, as the number of prime sponsors grew from 402 to 475, the DOL has been totally neutral in the face of consortia formation and dissolution. This is to suggest that a policy change is warranted in this area. Consortia should be actively encouraged. Incentive bonuses of at least 20 percent should be guaranteed and transmitted at the beginning of the grant year. Bonus payments have ranged from a high of 10 percent to a low of 2 percent over the first six years of CETA. Consortia bonus funding often arrives 10 months into the fiscal year. When consortia threaten to dissolve, the DOL should play the role of active arbiter, seeking to redress grievances and assuage political egos. The payoffs could be high. A significant reduction in the number of prime sponsors means fewer master plans and fewer annual plans to produce and read, and fewer modifications to process, and fewer numbers of reports to complete. The potential impact on the paperwork crush is tantalizing.

In addition, there are cogent cost effective indicators that speak to prime sponsor mergers. We have mentioned the effect on management systems, and on the plans/modifications and requisite reports. The choice of vendors and the contracting process are another area of potential benefit. Often neighboring prime sponsors contract with the same vendor, paying double administrative costs and fielding double monitoring teams. One contract, with a larger number of enrollees monitored by a single unit, would obviously be more cost effective and efficient.

Private industry councils are strong advocates of labor market planning and operations, recognizing access to broader job markets for applicants and a broader labor pool for employers. The trend toward multijurisdictional PIC's speaks to the logic of a free flowing supply and demand manpower system.

Accountability Issue: Whose?

The decentralized/decategorized CETA concept was intended to allow local elected officials, supposedly most familiar with local labor market needs and local unemployment problems, to put together programs (with federal funds) to help address those needs and problems. It was and is intended that local officials be held accountable for results. But over the first six years, federal intervention has increased markedly, as indicated in the following directives: "If job placement is underway, use the services of your local Employment Service." Montgomery County's funding was help up until an agreement with ES was produced. "If services are to be contracted out, give priority to community-based organizations"; ". . . if job creation (PSE) is contemplated, get union approval of every job . . . and don't forget to meet with your planning council at least five times a year, your youth council everytime a youth activity or contract is contemplated and your private industry council for approval of all Title VII expenditures (and a good look-see at other titles' expenditures as well." To top it off, the local elected official is held responsible for any and all audit exceptions and disallowed costs encumbered by these newly enfranchised partners! It is time to stop playing political games with this decentralized system. If a decision is made to hold the local elected official accountable for funds and outcomes, then he must be allowed to choose his instruments for local policy implementation based on *locally demonstrated effectiveness*. The CETA system has been overly *tinkered* with to suit every special interest group. As stated at a recent Governors' conference, "A rather fanciful form of federalism has emerged . . . it has produced a situation where no level or set of officials is performing the functions it is best suited to perform."

Formula Funding Issue

The political price paid for the passage of CETA was guaranteed funding for every political subdivision, rich or poor, with 100,000 residents or more. This obviously diluted the impact that limited dollars could have on seemingly limitless needs. But just as current talk of a new reindustrialization policy implies targeting and supporting key industries for expansion and growth while acknowledging that others may fade, so we may need to develop the political courage to rework the CETA formula to maximize the impact of scarcer dollars on geographic areas of greatest need. It may be less of a problem than in the early years, now that local officials have experienced the nightmare of CETA management problems, funding uncertainties, and audit problems. Some prime sponsors are voluntarily relinquishing funds. This may be a propitious time to rework and retarget the funding formula.

Expansion Issues: CETA and Economic Stabilization

As described earlier, most of the changes and expansions imposed on the CETA system exposed the fragility of the management structure. In addition, these changes were in response to immediate national economic problems; the recession of 1974 created Title VI; the lingering aftermath of the recession produced the economic stimulus package of 1977. However, national policymakers have failed to consider the time required to develop absorptive capacity at the local level. Adequate leadtime is an absolute necessity if a quality product is desired. The responsive training infrastructure that has developed in the CETA system is capable of expansion, without buckling. Montgomery County sees its greatest potential need in vocational English as a second language and regards its primary deliverer, the Montgomery County schools, as capable of handling a quintupled enrollment! The new set of relationships with the private sector, immeasurably enhanced by the private industry council (PIC), has just begun to supply new training capacity that the Montgomery County staff feels could absorb at least doubling of resources in Title II-B (comprehensive manpower service) and Title VII (private sector initiatives).

However, several administrative policies constrain CETA-funded training activities from their maximum use as a tool for increasing productivity. First of all, current performance indicators (soon to be standards) measure cost effectiveness in very gross terms. Total expenditures divided by total numbers who "enter employment" equal costs per placement. Obviously, this provides little incentive for long term, highly skilled occupational training. It also provides no encouragement for the prime sponsor to seek out the most disadvantaged groups and expose them to a sequential array of costly training ranging from remedial education, survival skills and motivational reinforcement to skill training. The short term "quick fix" for the most employable groups within this target population will give the prime sponsor highest marks on the current report cards.

A second issue closely related to CETA as a tool for increasing productivity deals with the overly cautious attitude in the Congress and the Department of Labor in regard to subsidies for the private sector. On-the-job training and upgrading training are the primary tools for interfacing with the private sector. Yet both of these program areas are overlaid with legislative and administrative constraints that prevent their reaching their full potential. For example, upgrading assistance can be offered only for entry-level, deadend jobs. A policy decision is needed that speaks to increasing productivity at all levels. Flexibility is needed for on-the-job training reimbursements that recognizes the 100 percent loss of supervisory productivity during the early weeks of training for inexperienced workers in many occupations.

The experience of the Montgomery County CETA system, reinforced across the nation, underscores the largely untapped training potential in the private sector, if *reasonably* unfettered by excessive regulation.

Conclusion

In concept and in original design, the decentralized CETA system was expected to meet the employability needs of local citizens by determining local labor market needs and assembling a mix of activities delivered by competent local actors. The Department of Labor, charged with oversight, had responsibility for training its field representatives, establishing accountability measures and assisting the new prime sponsorship system in creating appropriate management systems.

As documented in this study and elsewhere, all has not gone strictly according to plan. But much of significant value has been accomplished in six years.

Constructive and productive training activities and management systems are in place throughout the CETA system. There is a growing body of talented, experienced managers and operators. There is growing recognition within the leadership of DOL/ETA that intergovernmental management and communication systems must be dramatically improved and that management assistance to prime sponsors is of highest priority. The Congress gave birth to a decentralized manpower system over six years ago. To date, where strong local management and training capacity exists and flourishes, it appears to be an accident of birth, not planned parenthood. The issues for the 1980s that emerge from this study focus on more consolidation at the local levels, clearer definition of roles between the "feds" and the "locals," simplified intergovernmental management systems that encourage the focus on quality training, and building and supporting local management capacity.

North Carolina Balance-of-State Decentralization and Discontinuity

Edward F. Dement
MDC, Inc.

Introduction

The study occurred during a period of considerable turmoil within North Carolina's CETA management hierarchy and its balance-of-state (BOS) program planning and delivery system. At the time, it was clear that state CETA officials rarely concerned themselves with the quality of training because they were too busy resolving audits, enforcing compliance, reporting numbers, and reacting to criticism.

North Carolina's experience suggests that CETA may have asked too much, too soon, of a BOS system poorly prepared to handle the responsibilities thrust upon it. Thus far, management capacity has been inadequate to the demands of a ponderous system in which problems faced by local CETA sponsors are exacerbated by the scale and scope of the BOS service area, the plethora of program operators rendering CETA services, excessive federal expectations, and the administrative layering inherent in state government operations. Rather than being in position to articulate program policies, refine decisionmaking procedures, and promote training quality, the BOS staff has struggled simply to function as grants broker and funding conduit for contractors numbering in the hundreds, and projects in the thousands.

At best, the federal influence on the quality of training in the BOS has been benign rather than constructive. CETA regulations have diverted attention at all levels from matters of substance to matters of form, and federal policymakers need to recognize that uniform regulations may not be appropriate for sponsors of widely differing sizes and characteristics. Moreover, federal officials should perhaps consider upgrading and expanding their BOS technical assistance and staff development capabilities, while also assuming at least a share of the responsibility for strengthening substate CETA planning and service delivery capacity.

North Carolina Balance-of-State

North Carolina is the third largest state on the east coast, with 5.8 million people residing in 100 counties and three distinct geographic areas—the mountains, the Piedmont, and the coastal plain. For administering CETA programs, however, the state is divided into 13 prime sponsor jurisdictions: twelve of these sponsors are units of local government, including North Carolina's five largest cities and seven counties with more than 100,000 inhabitants; the thirteenth CETA jurisdiction is the balance-of-state, or BOS.

BOS Area and Administrative Structure

The State of North Carolina serves as CETA prime sponsor for a 90-county BOS area covering 45,000 square miles and comprising 18 multicounty planning regions. Each of these regions covers a territory larger than any local CETA jurisdiction in the state, and annual CETA allocations and enrollments in the BOS are roughly twice those of the 12 local sponsors combined. Other striking features of the BOS are its geographic and economic diversity, the dispersion of its 3.6 million residents, and its paucity of program planning and delivery infrastructures commonly accessible to local CETA sponsors.

The BOS is generally characterized as that area lying outside the state's major industrial, educational, and trade centers. A panoply of coastal villages, mountain resorts, mill towns, farming communities, and small-to-medium manufacturing and trade centers, the BOS contains two-thirds of the state's populace with a primarily overwhelmingly rural population. Other than the 12 localities already designated as CETA sponsors, fewer than half-a-dozen towns have more than 50,000 people, and nearly half the state's population resides outside the corporate limits of towns having 2,500 people or more.

After World War II, North Carolina began its transformation from a poor agricultural state to a poor manufacturing state, and its hourly industrial wage rates are currently the nation's lowest. Although the state now attracts more high-technology industry, fully half of its manufacturing jobs still are in the low-wage, declining employment fields of textiles, apparel, and furniture. And, with few exceptions, the more sophisticated industrial newcomers gravitate to the more populous Piedmont cities or to the half-dozen emerging growth centers in the mountains and coastal plain.

The 3.6 million BOS residents represent over 1.2 million households, of which 23 percent are nonwhite and 32 percent contain at least one CETA-eligible member. Demographic data show the incidence of socioeconomic distress to be greatest for minority families and for those headed by women; nearly half of all nonwhite and female-headed families contain at least one individual eligible for CETA services.

Government Structure and CETA Infrastructure

Rural North Carolina had no local infrastructure to absorb large-scale employment and training activities at the time of CETA's inception, although numerous program operators had emerged under federal manpower initiatives of the late 1960s and early 1970s. Creation of a state-financed manpower council in 1971 constituted the first step toward a statewide planning capacity for employment and training programs. Another significant event that year was a gubernatorial executive order designating in each of 17 (now 18) multicounty planning jurisdictions a single regional agent to assist local governments in matters pertaining to state and federal grants. Until 1974, however, these lead regional organizations (LROs) played only a tangential role with respect to manpower programs, serving largely as information brokers and advocates of better coordination among program operators.

In May 1974, just two months before CETA's implementation, North Carolina's first Republican governor since Reconstruction announced the consolidation, at the LRO level, of all responsibilities for federally financed programs concerned with family planning, child development, nutrition, and services to the elderly—programs formerly operated by local community action agencies (CAAs) through contracts with state government. Consonant with the dismantling of OEO nationally, this 1974 state policy sought to eliminate most if not all of North Carolina's CAAs. In effect, LRO boards, comprising elected officials from member local governments, were given control over local "human services" programs. Moreover, LROs were assigned responsibility for planning CETA activities in the BOS and given the option to assume administrative duties for local manpower programs—many of which were operated previously by CAAs. The new policy, while making community-based recipients of federal funds more accountable to local officials, carried no safeguards to protect either the quality of LRO planning or the credentials of LRO staff performing CETA assignments.

Thus, CETA was implemented in July 1974 amidst swirling controversy—a class-action suit against the governor on behalf of 37 CAAs, and the delegation of CETA planning duties in the BOS to nongovernmental entities ill-prepared to handle them effectively. Ironically, the state policymakers who insisted on decentralizing the planning and administration of CETA's Title I programs in 1974 eschewed the opportunity one year later to approach the new Title VI public service employment (PSE) program in the same manner. Instead, they chose to administer PSE funds by negotiating directly with state agencies and local governments or by channeling funds to BOS program agents where required by law.

Although CETA staff and funding have grown immensely since 1975, the BOS system in place during this study remained much the same as it was then. The state sponsor serves primarily as funding conduit and program monitor; all services under Title II-B (old Title I) are still planned by the LROs, and PSE programs are handled directly by local governments except in the growing number of localities where disenchanted elected officials have declined further CETA involvement. One major change, however, is that LROs no longer have the option to administer CETA programs. That experiment, which produced more problems than it solved, was terminated soon after a new governor took office in 1977. Practically every CETA program implemented since 1974 has bypassed the LRO system, although BOS staff have recently begun reversing that trend by assigning LROs new planning and proposal review responsibilities for some youth programs under Title IV.

At the state level, CETA is administered by the department of natural resources and community development (NRCD), a new state agency created in 1977 and headed by a gubernatorial appointee, one of the state's foremost black political leaders. Within NRCD, CETA functions are now lodged in the division of employment and training—a new unit created while this study was in progress, and one of nine NRCD divisions reporting directly to the department's deputy secretary. When the study commenced, the BOS operation was supported by a staff of 190, and functioned independently of the state employment and training council (SETC), also housed within NRCD. In August 1980, however, state officials announced a major CETA reorganization, precipitated by extensive media criticism and the recognition of serious administrative deficiencies.

Under the new arrangements, BOS planning and field operations, SETC activities, and the state's independent CETA monitoring unit were merged into a single NRCD division under a new executive director of employment and training, while all CETA fiscal management, fiscal technical assistance, reporting, and property control functions were assigned to a new independent comptroller. Both the comptroller and the executive director now report to the NRCD deputy secretary.

BOS Funding and Enrollment Levels

Altogether, CETA various titles and special programs accounted for almost $120 million in new BOS allocations in fiscal 1979, when over 70,000 persons participated in state-sponsored CETA programs. The BOS also looms large when enrollments are compared with those of the state's 12 local sponsors: of the 29,500 North Carolinians receiving Title II-B services statewide during the 1979 fiscal year, 18,000 were in the BOS. Of the 41,370 Title IV youth participants statewide, the BOS served over 30,000. And among the state's 26,162 PSE enrollees in 1979, over 19,100 were BOS residents.

To implement its CETA programs, the BOS relies on a staggering number of contractors and local operators.

Although the numbers vary almost daily, the April 1980 count included 272 contractors, 1,665 programs, and 4,881 separate program budgets in effect. This magnitude of CETA activity may explain, at least in part, why the BOS has a six-year history of grant underspending and chronic incompleteness of its statistical reports to the federal regional office.

Prime Sponsor Operations

Owing to the size of its service area, the rapidity of CETA's growth, and the diversity of programs under its purview, the BOS has had little choice but to assume the role of planning facilitator, grants broker, and compliance monitor. The state office has no direct operational role for any CETA program, but serves instead as contracting agent for all funds allocated to the prime sponsor. It is apparent, however, that the administrative approaches employed under various CETA titles are rarely unified and sometimes defy coordination at any level.

Planning and Decisionmaking

Although CETA provides all sponsors the statutory authority to plan their own employment and training programs, the BOS has seldom exercised its planning prerogatives—consistently opting, instead, to delegate decisionmaking authority to others. In essence, planning at the state level consists largely of devising ground rules and timetables for others to follow. Thus, while the BOS staff performs a broad grants planning function, it rarely engages in the more substantive conceptual and operational planning of local CETA activities.

The potential centerpiece of BOS planning (and perhaps the state's best hope for eventually building strong decisionmaking capabilities throughout its rural areas) is the decentralized LRO planning process for Title II-B/C programs—a well-defined and conceptually sound sequence executed under the attentive guidance of state office coordinators. The product of six years' maturation and refinement, this process requires annual analyses of local needs and ultimately determines regional program mix and service delivery strategies. One limitation, however, is that the Title II-B/C funds planned in this manner account for only 20-25 percent of all CETA resources in the typical BOS region.

Planning formats for other CETA titles vary sharply in overall approach, coherence and depth: procedures for Title II-D and VI PSE programs are unrelated to those for Title II-B/C. Not only does Title IV youth planning differ from all other titles, but its program subparts each proceed on independent tracks. And Title VII private sector initiative planning resembles none of the above. Clearly, the tendency since 1974 has been to introduce each new federal initiative under its own special set of "house rules" and administrative approaches—a practice that frustrates the efforts of BOS staff, LRO planners, and local operators to coordinate their respective activities.

The record of BOS planning councils (and many of the substate regional advisory committees) generally has been inauspicious. Four BOS planning councils were appointed in CETA's first six years; each time, initial flurries of council activity gradually subsided into lethargy. The July 1980 meeting of a reconstituted BOS council was its first meeting in more than a year, although three of its subcommittees had served as sounding boards for staff recommendations in the interim. At the LRO level, CETA advisory committees range from a highly active few to those that seem almost nonexistent. One common characteristic, however, is that none engages in planning sufficiently comprehensive to embrace all, or even most, of the various CETA titles and program subparts. Instead, they have focused almost exclusively on Title II-B program mix decisions and, beginning in fiscal 1980, on Title IV summer programs.

Overall, three sets of actors appear to wield greatest influence in BOS planning and decisionmaking—the state staff, LRO planners, and local operators. Their program planning efforts may be constrained, however, by an overabundance of federal CETA rules, regulations, and requirements, by a detached BOS administrative style that seems at times to be systems-oriented almost to a fault, and by well-intended but somewhat inflexible management procedures which can, unless applied judiciously, cause the elimination of good programs on technicalities while failing to correct (or even to notice) serious operational deficiencies in others.

BOS Management Practices

Effective management has been thwarted by instability of BOS leadership and an absence of supportive guidance or policies from top state officials. Given the pressures of CETA's rapid growth, eight directorship changes in six years, and a half-dozen staff reorganizations, it is understandable how management by crisis became the BOS norm. In some respects, internal systems for grant management and program oversight are quite sophisticated; key recordkeeping, verification, and monitoring systems are in place and function well. In other areas, however, the BOS clearly shows the effects of CETA growth that occurred before the state sponsor was prepared to accommodate it.

The state's management information system (MIS), for example, digests a plethora of fiscal, client, and operational data, and it cranks out reams of statistical reports. One possible flaw, however—aside from persistent problems of incompleteness that may be inherent in any system tracking 1,700 programs and 70,000 people—is that data generated for DOL reporting purposes is rarely what BOS managers need to run CETA effectively. Aggregated data can often mask major problems that exist within certain regions or on the part of certain operators. For program managers to identify and correct emerging problems before programs become unsalvageable, however, would require a combination of better and more timely data (disaggregated by locality and program type), and greater familiarity with program processes and specific operational idiosyncrasies than what is now routinely derived through BOS compliance monitoring activities.

The BOS monitors its programs rigorously, but the focus is on technical compliance to the near exclusion of program substance. One 30-page BOS monitoring guide, for instance, examines all imaginable aspects of Title II-B operations other than those concerning program process and content—two variables critical to the quality of CETA training activities. By stressing statutory and regulatory compliance, the monitoring process insures that BOS programs are clean and legal, but it does not permit policymakers to evaluate what works, what doesn't, and why. Evaluation, where attempted at all, occurs only in a handful of regions where LRO planners have devised their own procedures with encouragement and financial help from the state.

Performance data and monitoring reports are incorporated into decisionmaking for some CETA titles through a new system called "demonstrated effectiveness"—a process that exempts proven operators from the competitive bidding required of other prospective contractors. This approach, while still being perfected, resulted from a commendable BOS staff initiative and should help to enhance future program quality. One inherent danger, however, is that it tends to reflect the prime sponsor's propensity to manage yearend reports rather than programs in progress. BOS staff are now taking steps to insure that the process will accomplish more than simply to encourage turnover among program operators.

The independent CETA monitoring unit (IMU) established in 1979 initially bore little relationship to other BOS monitoring efforts, dwelling instead on suspected cases of fiscal abuse. Recently, IMU was placed under a new state CETA director, where its activities can build upon and be coordinated with those of other BOS field monitors. This, in turn, should permit BOS field staff to place greater emphasis on the substantive, qualitative, and systemic problems faced by local operators.

Thus far, the BOS management environment has been one in which planners, managers, auditors, and data specialists communicated only rarely, and where each spoke a different language when discussions were attempted. These problems, however, seem largely attributable to an absence of stable leadership during most of CETA's history, and not to the presence of intractable problems among staff.

Organizational Staffing, Stability, and Development

In June 1980, the 190-member BOS staff included 16 administrative executives, 105 professionals, 66 office and clerical workers, and 3 technicians. Overall, the staff was 52 percent female and 27 percent nonwhite—much higher proportions than in other divisions within the state department responsible for CETA.

The size of the BOS staff at mid-1980 was roughly eight times that during CETA's first year of existence. Problems predictable in any organization undergoing such rapid growth were exacerbated in North Carolina by leadership turnover, sagging staff morale, and the constraints of two personnel systems; the state merit system (of which CETA is a part) and the departmental system governing all divisions within NRCD.

Bringing CETA under the state's merit system in 1977 reduced the incidence of patronage appointments to CETA jobs, but it also had the effect of depressing staff salaries while making it more difficult for BOS managers either to acquire new staff or to reassign those on board. Before being submitted for merit system action, however, all BOS staff changes now must also clear NRCD's own personnel hurdles, and the department has not always proved responsive to urgent CETA requests. For example, a six-month departmental delay in refilling a key PSE grants manager's position—vacated in April 1980—forced a $30 million PSE program to be handled by others on a catch-as-catch-can basis. Other crucial actions, including the appointment of the new CETA director, have been delayed for many, many months.

To put CETA's salary scale into perspective, the current BOS director is responsible for an annual budget only slightly less than that for the entire state community college system, but his $27,000 annual salary upon assuming the position in August 1980 was less than that of a high school principal in the Raleigh area. Typically, other senior administrative positions range downward from the mid-twenties, while middle managers and other professionals earn from the mid-teens to low twenties.

While BOS staff salaries are generally beneath those for comparable jobs in many other state and local agencies in the capital area, they are far better than those for LRO planners and local CETA practitioners across the BOS. With LRO planners making as little as $12,000 annually and local program directors often earning barely more than PSE participants, it is unrealistic to expect CETA to attract proven professionals into its vacant positions. Thus far, however, the state sponsor has had little influence on the regressive wage structures in many rural counties and community organizations, and has seldom attempted to resolve remunerative inequities at either the state or the local level.

Instability at the top, with eight acting or permanent directors in six years, accounts perhaps more than any other factor for the low morale and extensive internal fragmentation evident during this study. Since August 1980, NRCD officials have placed their CETA fortunes in the hands of a proven administrator hired from one of the state's local sponsors, and he has assembled a new management team capable of revitalizing what had become a catatonic BOS operation by mid-year. Given time and continued support from above, qualitative improvements are almost a certainty.

Staff development has seldom been a BOS priority, either in the state office or at the substate planning and operational levels. A CETA-financed employment and training institute was created in 1978 to address this problem, but until recently it shunned staff development in favor of convening numerous CETA-related conferences. While state officials say that past communications problems were largely resolved in 1980, the institute has little credibility with BOS operators and its survival now appears to be in considerable doubt.

Planning and Service Delivery Infrastructure

While the basic Title II-B planning process is conceptually sound, BOS staff recognize that two essentials—CETA planning expertise and LRO organizational commitment—are sometimes lacking at the substate regional level. When the state delegated CETA planning to the LROs in 1974, it set no controls on the qualifications of regional planners or on the performance of quasi-governmental entities whose organizational philosophies tend to reflect rural southern conservatism.

Although CETA pumps millions annually into each of the 18 BOS planning regions, CETA's programs and services seldom receive high LRO priority, and CETA planning positions are often characterized by low pay and high turnover. In the absence of formal training or credentialing standards for new LRO planners, CETA expertise is something acquired chiefly through trial and error. Once acquired, however, this regional expertise can also vanish with the departure of a single experienced individual, which suggests that the BOS planning infrastructure may lack permanence and stability. In many regions, the planning process still centers on program mix, and perhaps no more than half of the present LRO planners are sufficiently skilled to design sound programs or engineer cohesive delivery systems.

Service delivery arrangements vary widely from one region to another, but in most few "systems" exist for delivering CETA services. The BOS designates no presumptive operators of any CETA program, and contractors are selected either by competitive bidding or by certification as having demonstrated effectiveness. Despite the regional variations, however, three delivery agents predominate in the BOS; local offices of the state employment service (ES), local community colleges, and nonprofit community-based organizations.

Depending on regional preferences, programs may be operated by any or all of these organizations independently, one agency may be designated to contract for all programs (offering some services of its own and subcontracting for others) or, as in one region, counties may establish special departments to operate programs under all CETA titles. These latter arrangements, however, are rare; like most rural environs, the BOS area is seldom conducive to highly coordinated delivery systems. Operators and population centers are generally too isolated from one another to relate in any significant way, even for programs under the same CETA title. And, with the multiplicity of BOS administrative approaches to various CETA titles, the design of coordinated comprehensive CETA delivery systems has become a practical impossibility.

Political Climate

In 1980, CETA was a heated election-year issue in North Carolina. Grand juries investigated several contracts with clear political overtones, county commissioners tagged CETA as their least favored federal program in a special statewide poll, the challenger to the incumbent governor made CETA a central issue during his negativist campaign, and the state auditor (an independent elected official) released several reports critical of the state's CETA programs.

Considerable attention focused on the secretary of NRCD, much of it deriving from CETA audits released by the same state auditor whose 1976 opponent was backed by the secretary. Press releases concerning the "resolution" of millions of dollars of questioned CETA costs came across in the newspapers sounding as if state CETA officials were forgiving sloppy program management as a matter of routine. And a programmatic audit of the 1979 summer youth program, performed by the state auditor's staff under contract with DOL's regional office, attempted to discredit CETA officials by alleging poor BOS management of a huge program which, to more informed observers, was an unqualified success.

Politics, whether or not partisan in origin, have clearly affected North Carolina's CETA programs almost from their inception. Not only must BOS administrators cope with political pressures inherent in state government, but they must also consider the preferences of 90 counties whose political leadership may or may not be attuned to federal and state CETA priorities. In the past year, for example, a number of rural BOS counties proved either unable or unwilling to implement the new PSE training provisions under Title II-D. Thus BOS staff members found themselves with difficult political choices; i.e., to deobligate PSE funds in those counties, perhaps inviting clashes with local governments, or to risk more audit exceptions and negative publicity by failing to meet the Title II-D training expenditure requirements.

The Federal Influence

The BOS seems to enjoy excellent rapport with its DOL regional office representative, an individual who clearly has gained both the confidence and respect of state staff in the three years since his present assignment began. Even so, it appears that the relationship is limited. Transactions between state staff and their "fed rep" most often concern matters of technical compliance, federal priorities, and DOL timetables. They rarely extend to the thorny problems of BOS administration and almost never impinge on local program planning or operations. To cover these areas adequately, however, would necessitate a greater commitment of federal field staff than the single individual who currently must divide his time between the BOS sponsor and other in-house DOL assignments.

State staff and the DOL representative both feel that national policymakers, in devising new programs and implementation strategies, often have failed to give large state sponsors adequate consideration. In the BOS, a CETA system begun in 1974 was loaded heavily—overloaded, in fact—by successive federal initiatives introduced before the state had established its capacity to plan and manage effectively. Moreover, an unending stream of regulations and directives from Washington has hampered BOS efforts to educate even its own in-house staff units, much less those of nearly 300 contractors in 18 substate regions.

Recent developments in the state office raise major questions about the adequacy and the effectiveness of federal oversight as it pertains to large state sponsors. Although DOL conducts annual assessments of BOS performance, these have consistently stressed compliance with new regulations while rarely addressing issues of far greater consequence. In 1980, for instance, DOL's formal assessment found that the BOS private industry council was improperly constituted, that efforts to remove architectural barriers for the handicapped were inadequate, that eligibility verification and enrollee grievance procedures were incomplete, and that inventories of potential PSE contractors were insufficient.

At the time, however, the state's CETA program was in considerable turmoil and receiving widespread media criticism over the mishandling of funds by an OIC affiliate and three private firms headed by the president of the state AFL-CIO. By coincidence, during the same week of the DOL assessment, a special investigative team from the governor's office was compiling its own report, identifying major flaws in BOS contract approval, fiscal management, fiscal technical assistance, and internal coordination procedures. These problems were the proximate cause for the subsequent dismissal of the seventh BOS director, the hiring of an independent CETA comptroller, and a complete reorganization of the state CETA office. None of these crucial points, however, were addressed by the DOL review.

Federal officials may need to consider fundamental changes in both the frequency and scope of their formal assessments if DOL oversight is to become more than a hollow exercise. Experience suggests that one-week visits by unfamiliar teams are insufficient even to recognize substantive problems, much less correct them. Of particular interest to this study was that DOL's assessments of the past four years fail to include a single reference to BOS planning, local service delivery, or the appropriateness and quality of CETA training activities. One problem, apparently, is that rigid instruments devised in Washington force their users to waste hours on trivia, while denying them the flexibility to pursue items of obvious import. Procedural refinements are clearly needed, but may also prove futile so long as DOL's assessments seek only to identify problems without showing CETA sponsors the means for solving them.

The reliability and usefulness of federal statistical reports also seems suspect. It was August 1980, for instance, before the BOS could provide final grant closeout figures on fiscal 1979 expenditures, and these varied considerably from earlier estimates. In the rush to file required DOL reports on time, accuracy and completeness are sometimes unaffordable luxuries—as evidenced by the 7,500-person difference between BOS enrollments reported at the end of fiscal 1979 and the final tallies of carry-forward enrollments later shown in 1980 quarterly summaries. Such major discrepancies are seldom reconciled, however, unless DOL officials compare new reports with those filed previously. And current federal reporting requirements now seem to give neither BOS staff nor DOL recipients enough time to reflect on old reports or to tabulate more accurate updates.

Training Policies, Practices, and Potential for Expansion

To the extent that BOS training policies exist, they are policies implicit in the sponsor's commitment to decentralized planning and program development. All major decisions on training under Title II-B are delegated to the LRO level, while most training decisions with respect to CETA's PSE titles are made at the county level. The BOS has no formal policy preferences regarding the role of training in the CETA services continuum, nor any concerning the alternative types of training provided to CETA's participants. As a result, decisions at the LRO and county levels may be influenced as much by past tradition as by formal planning, and by the needs of institutions as much as the needs of CETA clients.

The absence of coherent BOS policy perhaps also accounts for the fact that training is emphasized in some regions but receives low priority in others. Although training facilities abound in most regions, there are no policy imperatives for LRO planners and local program operators to link with such existing resources as the state's nationally recognized system of community colleges and technical institutes or the state-financed prevocational training programs offered by 47 of the 58 schools in that system.

Owing largely to the 1978 elimination of PSE as an allowable Title II-B activity (one instance in which the BOS *did* devise a clear policy before it became CETA law), the state has gradually increased its proportion of Title II-B dollars spent in support of classroom training and OJT activities from 41 percent of all expenditures in fiscal 1979 to a planned 48 percent in fiscal 1981. By far, the preferred BOS training modes are those offering maximum flexibility in rural labor markets—individual referrals to community college vocational and technical courses, job readiness training of brief duration, and OJT.

Course Selection and Duration of Training

Courses and skills training categories for Title II-B are normally identified during the annual planning process conducted at the substate regional level, and occupational areas are generally limited to those in which there are known demands for additional workers. This process, however, requires little specificity with respect to enrollee targeting or the relative emphasis to be placed on various occupations in on-the-job and individual referral training programs. Lists of *permissible* training categories are developed, but most LRO planners simply delegate to program operators the final determinations on who gets trained and for what.

Duration of skills training varies by planning region, training facility, and occupational area, but in no case is permitted to exceed one year. Typically, class-size skills training ranges from 26 to 52 weeks, while individual referral training conforms to the regular semester or quarterly calendars of local community colleges—varying from as little as three months (for certificate programs, such as nurse aides) to a full year (for diploma programs in business, building trades, and other fields).

Relative Emphasis on Training Versus Other Activities

Despite the appearance of heavy fiscal commitments to training under Title II-B, only 30 percent of the 70,000 fiscal 1979 CETA participants in the BOS were exposed to some form of training activity. Excluding the 6,200 youth who entered brief summer remediation programs, just 22 percent of other CETA enrollees were provided institutional training or OJT. By mid-1980, this figure had increased to 26 percent of all enrollments, largely as a result of gains under CETA's PSE titles. (Most PSE training, however, is of the abbreviated job-search variety; although training of greater depth and duration is being contemplated in some BOS counties, this seems unlikely to occur extensively because of inherent limitations in using PSE as a training vehicle.)

Most BOS training occurs under authority of Title II-B; in fiscal 1979, over 41 percent of all expenditures under this title were associated with institutional and on-the-job training programs. (By comparison, just 2.2 percent of all Title II-D PSE expenditures supported training activities that year, despite a 10 percent statutory requirement—a clear indication of the difficulty the BOS has experienced in implementing the new federal training provisions for PSE.) Viewed by cost category rather than by type of activity, however, a much different pattern emerges: Just 14 percent of all II-B expenditures in 1979 involved the purchase of instructional services and training materials, compared with 61 percent for enrollee wages and allowances, 16 percent for client services, and 9 percent for local administrative costs. Overall, 86 percent of all Title II-B expenditures covered costs other than instruction in occupational, basic literacy, and employability skills programs.

Applicant Access and Participant Characteristics

In several of the better-coordinated regions, CETA applicants have reasonable access to a number of training alternatives; elsewhere, however, both the type and the quality of training an applicant receives depend largely upon which operator's door the individual reaches first.

Concerning who gets referred to which programs, distinct patterns are evident. Blacks and women enter class-size occupational and prevocational training far more frequently than they enter OJT, where whites and males predominate. Veterans are concentrated in individual referral, OJT, and

PSE programs. And, overall, the prime sponsor's PSE enrollees tend to be older, whiter, better educated, and more heavily male than its Title II-B trainees. It may or may not be the state's preference that most of its OJT and individual referral participants are white, while most prevocational and CETA class-size skills training participants are black. But this, apparently, is part of the price paid for decentralized planning in the absence of a BOS training policy framework.

Institutional Training Occupations

Because operations are decentralized and applicant selection decisions have been delegated to nearly 300 contractors, the BOS staff rarely has current information on how many people are being trained, for what, or by whom. Conscientious regional planners and BOS field monitors may keep tabs on their respective substate territories, but there is seldom any state-level aggregation of training data and almost never any analysis. Nine months into fiscal 1980, neither the BOS staff nor the state department of community colleges (which provides most skills training) had generated summary information on fiscal 1979 CETA occupational training categories. Although the state employment service (ES) later compiled a list of occupational titles from its 1979 allowance payment records, BOS managers had no such information until long after training had ended, thus raising the possibility that CETA training activities could, in the aggregate, be inconsistent with BOS occupational growth and demand patterns.

According to ES, 7,212 individuals entered BOS classroom training in fiscal 1979. Of these, 3,135 enrolled in programs offering specific occupational skills, with over two-thirds entering the building trades (19.8 percent), secretarial and general office training (13.1), industrial programs (11.9), medical sciences (11.0), and automotive fields

(10.5). As opposed to the 3,135 enrollees in specific occupational programs, however, the majority of BOS institutional trainees (4,077) entered short-term prevocational, remedial, and developmental activities. Steering 57 percent of all BOS trainees into employability development programs rather than towards specific occupational skills may have been entirely consistent with the needs of disadvantaged applicants in rural labor markets; in the absence of a BOS training policy framework, however, this point remains unaddressed. And while enrolling over 3,000 CETA participants in skills training is no small accomplishment, that number represents but 0.1 percent of the state's labor force and only a tiny fraction of its CETA eligibles.

Placement Results

Analysis of post-training placements revealed that only 25 percent of all BOS institutional training terminees actually entered employment in fiscal 1979, while substate regional placement rates ranged from a high of 45 percent to a low of 7 percent. Overall job accession rates for class-size and individual referral skills training terminees were 29 percent, compared with 27 percent for prevocational training terminees.

Two factors, in particular, seemed to account for the low overall placement rates recorded in 1979—the slackening economy, and the fact that the CETA "count" of terminees entering employment was taken at the time a participant either completed or quit a given program. As a result, the placement percentages failed to include those terminees who obtained jobs within a few days or weeks after their official termination dates. The overall placement rate for institutional training programs was further diminished by the fact that only 9 percent of all basic and remedial education terminees entered employment; instead of moving directly into jobs, most of these were transferred to other CETA titles and programs.

OJT programs, by comparison, reported an overall 55 percent placement rate, with substate regional levels ranging from 24 to 67 percent. The relatively greater placement success under OJT, however, seems largely attributable to the fact that OJT completers are, by definition, already employed. Moreover, post-training retention by the OJT employer is a contractual requirement in the BOS.

Potential for Expansion

In effect, the CETA system in North Carolina has bought in on an existing vocational and technical training resource—the state's community college system, with its annual state appropriations of over $140 million. The scale of this buy-in, however, has been miniscule: The 3,135 CETA individual and class-size trainees enrolled from the BOS last year barely exceeded the annual student enrollment at one school visited during this study, and there are 57 others in the statewide system. Typically, annual CETA enrollment at any one school represents no more than 5 percent of total student enrollment, while CETA accounts for only 2 to 3 percent of the school's annual operating budget.

Ironically, the state's fine system of community colleges and technical institutes, constructed at great public expense just 15 years ago, now finds itself strapped financially by state budgetary constraints on the one hand and spiralling operating costs on the other, while the state's CETA program consistently finds itself unable to spend its annual allocations expeditiously. In short, federal money is abundant in a CETA system unprepared to handle it, while the training system equipped to handle it is money-poor.

Clearly, there is great potential for expansion of BOS training activity. Little would be achieved, however, by simply increasing CETA budgets in community colleges without enunciating clear policy preferences with respect to target groups and training priorities. The prime sponsor should also reconsider current practices that permit dual standards of costs for training programs in nonprofit organizations versus those in mainline institutions.

Training Quality

Based on observations of eight training agencies handling over two dozen BOS training contracts, it appears that CETA thus far has had little influence on the quality of training rendered to its participants. Owing to service area size, federal compliance pressures, post-1978 diversion of staff attention from matters of substance to matters of form, and the administrative discontinuity associated with repeated BOS leadership changes, examining the quality of CETA training has generally been an unaffordable luxury for state staff.

Among the CETA vocational programs observed during this study, those operated in two community colleges were of consistently high quality—the norm for all programs on those campuses. Training curricula not only were thorough but also were developed by committees of local employers and other advisors. The schools, both of them formally accredited, had numerous safeguards to ensure high quality standards. Facilities were both spacious and well equipped, and CETA applicants had access to a broad range of training options on each campus. In contrast, a third institution visited—a Job Corps center operated for DOL by a private firm which also holds a state contract for occupational exploration services in one BOS region—was poorly administered and ill-equipped. The training environment was not only inappropriate for learning, but also threatening to enrollee psychological and physical well-being. Nevertheless, this program serving 10 participants received an annual CETA budget almost as large as that of a community college training 200 people annually in another BOS region.

Prevocational training programs were observed in one county where a state-financed community college program receiving no CETA funds was operating within a mile of an OIC-sponsored pre-job program serving essentially the same clientele. Even though the community college prevocational program in that county has a six-year history of successful programming, is financed under a performance-based state formula, operates with a staff of four, and could have been a tuition-free resource, it is not used as a CETA program. For whatever reasons, the OIC program was instituted two years ago as a special BOS project, is 100 percent CETA funded, has twice the staff and three times the budget, but clearly lacks the experience, staff expertise, and the instructional sophistication of the community college program.

Each of the OJT programs visited—one operated by a community-based organization, one by ES, and a third by the State Department of Labor—was of good overall quality. The strengths of these programs, however, derived not so much from attributes of the CETA system as from the caliber of the individuals staffing them. And, in each case, local staff cited aspects of the current CETA system that tend to suppress rather than enhance program quality. From conversations with these operators, it appears that the BOS system has not yet matured sufficiently to recognize and rectify major systemic problems that may affect a number of substate regions.

ES, for instance, is sometimes ineffective as an OJT contractor because CETA-financed staff in some local offices are constrained unduly by ES convention or diverted from OJT duties by local managers who give CETA low priority. A striking example was seen in one region where the same two individuals handling a state DOL-sponsored OJT program that is considered one of the best in the BOS had met little success while running that program under ES auspices until ES lost its contract two years ago. In another region where ES has an outstanding OJT program, an enlightened local office manager insists that CETA be a top priority of every employee in his office. He has discovered ways to make OJT and other CETA programs not only palatable to local employers, but attractive as well. In effect, he has built a competitive market for OJT contracts, and both his OJT placement and retention rates are consistently high. This manager noted, however, that he had received but one visit for a BOS staff member in the past five years. And, as a result, few ES administrators elsewhere have benefited from the lessons he has learned while spending over 500,000 CETA dollars since 1975.

The OJT program run by a community action agency in another region also enjoys the reputation of quality programming. Its staff indicated, however, that rigid BOS administrative cost limitations have prevented them from maintaining their past effectiveness in the face of the sagging local economy. There are simply too few staff members to handle the increased employer contacts required to locate jobs during recessionary times, and staff who are available desperately need training in OJT marketing techniques in order to reach the larger employers traditionally hesitant to participate in the program. Thus far, however, training provided by the state has consisted of a single workshop to review federal OJT regulations for compliance purposes.

One obvious barrier to improving the overall quality of CETA training in the BOS is the historical absence of even rudimentary evaluative systems capable of comparing various contractors and their implementation strategies, ferreting out approaches that work and those that do not, and isolating the critical variables that seem to make a difference.

Although BOS staff have recently made commendable efforts to engender qualitative improvements through rigorous annual bidding and contractor selection procedures, the unintentional result to date may have been to promote greater turnover among local operators rather than better quality within existing operations.

Conclusions and Recommendations

CETA's legacy in the BOS is one of rapid growth, frequent change, and chronic instability at its highest administrative levels. Despite occasional expressions of interest and commitment from top state government officials, CETA thus far has not received their sustained active involvement. BOS administrators, besides coping with the managerial complexities of a CETA program of immense proportions, must also compensate for operational dispersion, administrative layering, and other limitations seldom confronted by local sponsors. And they must deal with political influences, partisan and otherwise, which raise issues distinctly different from those in most localities, while conforming to the same federal expectations, administrative guidelines, and compliance deadlines as local sponsors.

These and other factors may account for the administrative style typifying BOS operations since 1974—a style that often left little room for attention to qualitative issues. In terms of CETA planning and decisionmaking, the BOS has performed commendably in designing and refining a decentralized planning process for programs under Title II-B, which supports the bulk of BOS training activity. The relative importance of that process has gradually diminished, however, as a gaggle of new programs and CETA titles spawned additional federal requirements and administrative tasks. By fiscal 1980, the result was a multiplicity of loosely-coordinated BOS planning and management systems, most of them circumventing the Title II-B planning system which formerly constituted the heart of the state's decisionmaking process.

Devising unified, cohesive management systems was further frustrated by leadership changes, multiple reorganizations, conflicting CETA goals, and the administrative isolation of BOS staff from local programs. Prime sponsor contact with program operators has tended more to enforce compliance than to assess program content, promote quality, or effect substantive improvements. Fiscal management has been especially difficult, and problems surfacing in 1980 triggered yet another revamping of a BOS administrative structure thus far inadequate to handle the demands placed upon it.

Rather than having to establish a new training system for CETA, the BOS had ready access to occupational and pre-job training through the state's existing network of autonomous community colleges, locally-chartered institutions offering many quality safeguards. CETA's buy-in for such training has been small, however, and only rarely has CETA concerned itself with the content or appropriateness of these schools' offerings. Outside the community college system, where some training contractors seem to function without benefit of quality standards, there is evidence that major deficiencies in CETA-funded programs can persist indefinitely. To date, the BOS has placed far more emphasis on managing CETA grants than on creating the policy framework and planning capacity to foster training programs of consistently good quality. And, entering CETA's seventh year, the BOS still has no coherent policies concerning who gets trained, for what, or by whom.

There have been encouraging signs in recent months, however. State CETA leaders and other key state officials now seem to generally agree on the need for devising new training policies and renewing the state's commitment to economic and labor force development—two areas in which CETA can make important contributions. The recently reconstituted state CETA staff—including a new executive director, BOS director, and SETC director—is clearly the most experienced and capable North Carolina has ever had. Given time and the latitude to run CETA openly and professionally, the future may be bright indeed. To date, however, the path has been difficult and the public perception of CETA has deteriorated steadily.

CETA may have expected too much, too soon, of a BOS system poorly prepared to handle the duties heaped upon it since 1974. Yet, other than the assistance provided by the single DOL representative assigned to the BOS, federal guidance has consisted mostly of a flood of written instructions specifying what should be done, but not how. Federal oversight has been concerned far more with numbers and compliance than with capacity-building or substance, and in terms of affecting the quality of CETA training programs, the federal influence has been at best benign, and not constructive. Moreover, recent developments in the BOS seem to raise doubts not only concerning federal capacity to correct major administrative deficiencies, but also concerning the ability of DOL's annual assessment process to even detect them.

The six-year BOS experience indeed reveals problems in the CETA system—some perhaps soluble at the state level, and others clearly insoluble without adjustments in federal expectations for large BOS sponsors. As currently constituted, CETA may be unintentionally biased against states, holding them to the same statutory, regulatory, and reportorial requirements as local sponsors, while ignoring crucial dissimilarities in government structure, politics, delivery infrastructure, geography, and program magnitude. Indeed, federal policymakers may need to reassess CETA's implicit assumption that all sponsors are created equal, and that all should conform to the same set of national policies and operating procedures.

To the extent that North Carolina's experiences are typical of those in other BOS jurisdictions, they may also suggest the need for redefining both the role and the responsibilities CETA now confers on state governments. Almost a third of all CETA funds nationally are administered through states, fully half of which operate at levels of funding and enrollment exceeded by only a handful of localities. Yet DOL's research is rarely aimed at state sponsors, and relatively little is known nationally about the extent to which other states share problems similar to North Carolina's. If optimal results are to be achieved through state-sponsored efforts in the foreseeable future, it may be imperative for policymakers to re-examine the past performance of states as CETA sponsors and, where appropriate, formulate new policies for consideration during CETA's 1982 reauthorization hearings.

In the interim, federal officials should consider immediate upgrading and expansion of their in-house BOS technical assistance and staff development capabilities, could assume at least a share of the responsibility for substate capacity-building, and may need to declare a national moratorium on new programs and policies that fail to recognize inherent BOS limitations. For its part, the state could provide CETA with a more stable operating environment, and it clearly needs to place greater emphasis on the development of substate planning expertise, the creation of coherent CETA training policies, and the articulation of policy preferences to appropriate parties. Another useful step would involve building the capacity to look across regional lines and institutional boundaries to determine what works, what does not, and why. For now, however, these factors seem to be largely unknown.

Penobscot Consortium, Maine
Orientation for Change and Growth

Andrew M. Sum
and
Paul E. Harrington
Northeastern University

The Setting

Geographic and Population Characteristics

The Penobscot Consortium prime sponsor provides employment and training services to residents of three large, but primarily rural, counties in the north central part of Maine—Hancock County, Penobscot County and Piscataquis County. The three counties occupy 7,500 square miles, a land area nearly as large as the state of Massachusetts. The substantial size and largely rural nature of the area pose logistical problems for the consortium, including a highly dispersed population, a lack of training institutions in major parts of the area, and transportation barriers.

The total population of the consortium in 1970 was 176,268, of which 125,393, or 71 percent, were residents of Penobscot County. The 1970 population of Hancock and Piscataquis Counties was 34,590 and 16,285, respectively. Since 1970, the consortium's population has been growing at an above-average rate because of net inmigration—a major turnaround for the consortium, which has previously experienced substantial net outmigration. The population of the consortium is practically all white. Only a few hundred blacks live in the consortium, and American Indians—the largest minority group in the consortium—account for only 0.4 percent of its 1970 population.

Economic Characteristics of the Consortium

The industrial characteristics of the economies of the three counties comprising the consortium differ in several substantive ways. Hancock County, which borders the Atlantic Ocean, is highly dependent on tourism and other seasonal industries, including fishing, clamming, and lobstering. Employment in the county experiences sharp seasonal fluctuations, plummeting in the winter months and rising rapidly during the summer. Piscataquis County's employment is dominated by manufacturing, particularly woods-related industries. Penobscot County's economy is the most evenly balanced, with manufacturing and trade combined accounting for approximately one-half of employment. The typical economic establishment in the consortium is quite small in terms of employment. Only 5 percent of the business establishments in the consortium had 50 or more employees on their payroll.

The family incomes of the residents of the consortium have been well below the national average—14-25 percentage points below the national median in 1969. These results were primarily influenced by below average earnings of employed males, due to lower weekly wages and fewer year-round employment opportunities, and relatively low labor force participation rates of teenagers. Although the per capita personal money incomes of residents of the three counties grew as much or more than the national average, they were still 17 to 23 percentage points below the U.S. average in 1977.

The Political Environment

Given the structure of the consortium, counties are the governmental units most directly relevant to its operations. County government in Maine traditionally has not played a major role in the provision of public services, being primarily confined to law enforcement, road maintenance, and land deeds responsibilities. The operations of the CETA system have provided county government with major responsibilities in the human resources area for the first time. As a consortium executive remarked, "CETA has given the counties of the consortium a major role in providing human resources to people. . . it has put county government back on the map in Maine."

Each of the three counties of the consortium is governed by an elected board of three county commissioners. The nine county commissioners serve on an executive board governing the Penobscot Consortium. The executive board has not had a major independent effect on the policies or operations of the consortium. It has in effect delegated these responsibilities to the executive director, demanding only that the CETA program be run efficiently and effectively and be free of abuse.

CETA Funding and Enrollments During Fiscal 1979

During fiscal 1979, the Penobscot Consortium had available approximately $10.5 million for CETA programs, of which it spent approximately $9.04 million. In addition to its formula-funded monies for operating programs under CETA title II-B, II-D, IV, and VI, the consortium received $962,000 in title III monies to administer a migrant/seasonal farmworkers program and several national demonstration skill training programs. During fiscal 1979, 4,758 persons were enrolled in the various employment and training programs administered by the Penobscot Consortium including 3,540 new enrollees. Title II-B programs enrolled the largest number of participants (1,823, or 38 percent of the total).

Organization and Operations

Formation of the Consortium

The current organizational structure and policymaking processes of the Penobscot Consortium have been influenced substantially by its evolution over the past few years. Each of the three counties comprising the consortium broke away from the state prime sponsor. Penobscot County assumed independent prime sponsorship during 1975. A prime mover behind this drive for independence was Earl Banks, who had been a county commissioner for the previous 12 years. Banks believed that by assuming independent operations the county would obtain more control over the distribution of CETA monies and that it would be able to provide both "more efficient and better" services to its residents.

During fiscal 1976, Hancock County withdrew from the Maine balance-of-state prime sponsor and formed a consortium with Penobscot County. In October 1978, Piscataquis County joined this consortium. These two counties' decisions to affiliate with Penobscot County were influenced by their dissatisfaction with the quality of services provided by the balance-of-state prime sponsor, their desire for greater autonomy in CETA decisionmaking, and their perceptions of the Penobscot prime sponsorship as an efficient, professional, and nonpolitical organization. In addition, Chuck Tetro, the executive director of the Penobscot prime sponsor, lobbied the commissioners of the two counties to join the consortium, because he believed that the additional administrative monies from such growth were critical to successful operation of the CETA program.

The evolution of the Penobscot Consortium has influenced its policies and organizational structure in several key respects. First, the executive board governing the consortium consists of the county commissioners of the three counties, each of which has *equal* voting power despite substantial disparities in population. Second, the consortium allocates monies under each CETA title and subpart to each county on the basis of the federal allocation formulas used to distribute national CETA monies among prime sponsors. Third, to guarantee residents of each county access to practically the entire range of employment and training services, the consortium has established a highly decentralized intake, assessment, and service delivery system. Each county contains a local office of training and employment programs (OTEP), which serves as the primary service delivery arm of the consortium.

Organizational Structure

During fiscal 1980, the consortium assumed operational responsibility for a statewide Job Corps center. The consortium is the only prime sponsor in the nation that operates a Job Corps center. The consortium also implemented the consolidated youth employment program, a national demonstration youth program designed to integrate the delivery of educational, employment, and training services to youth at the local level. Partly in preparation for these new program responsibilities, the Penobscot Consortium underwent a major reorganization during the summer of 1979, the fourth such change since it assumed prime sponsorship.

The organizational structure of the Penobscot Consortium Training and Employment Administration has been shaped by three major factors. First, the Penobscot prime sponsor has explicitly recognized the diversity of the labor market problems experienced by its unemployed and economically disadvantaged residents. To combat these problems effectively, the consortium has emphasized individualized employability planning and the provision of an array of services to enrollees, including participation in multiple employment and training programs both within and among various CETA titles and subparts.

Second, to increase participants' access to the full range of available employment and training services, the consortium has attempted to construct a "one stop" delivery system by establishing a network of offices of training and employment programs (OTEPs).

Third, the executive director of the consortium views the CETA prime sponsor as not only a human resource development agency, but also as an "institutional change agent." Since assuming the post of executive director in 1975, he has attempted to establish an integrated delivery system that could effectively respond to changes in both local economic conditions and national priorities for the CETA system. With only a few exceptions, the prime sponsor does *not* deliver employment and training services directly to participants. Tetro has placed a high priority upon actively working with existing institutions (schools, training institutes, employers, labor unions, the job service) in providing services to participants, while simultaneously trying to make them more responsive to the employment and training needs of the unemployed and the economically disadvantaged.

The central administrative offices of the consortium are located in Bangor, in Penobscot County. Earl Banks, the key mover behind Penobscot County's initial drive for prime sponsorship, serves as a special assistant to the executive director. He is a trusted adviser to Tetro and an ambassador to the county commissioners and the community at large who has played a critical role in keeping the operations of the consortium free from politics.

The division of community employment and training programs houses the major service delivery arms of the consortium and is responsible for providing a wide range of services to participants under CETA title II-B, II-D, IV, and VI programs. The division consists of the network of OTEPs and three offices providing an array of support services to them. Each OTEP is headed by an administrator, who oversees a staff of 18 to 30. The OTEPs are responsible for delivering the full array of employment and training services to CETA-eligible residents of the consortium. These services include outreach, assessment, testing, employability development planning, referrals to classroom training, work experience and PSE programs, OJT development and placement, supportive services, and job search assistance.

Staffing

The Penobscot prime sponsor has experienced substantial employment growth as its geographic coverage expanded and it assumed major new program responsibilities, especially the Job Corps. The staff of the consortium had grown from 15 during the first year of operation to 268 permanent employees by April 1980, of whom 105 were on the staff of the Job Corps center. The employees of the consortium are not protected by any civil service system. The personnel classification system of the consortium contains 11 job grades, with a heavy concentration in grade 5 positions which include the bulk of the intake, employability development, and job placement personnel in the OTEP offices.

The salary structure for consortium staff is determined independently of that of county government. The salary of the executive director is set by the county commissioners, and they also review and approve the salaries of other high level executive staff. An analysis of the salary structure of the Penobscot Consortium in the summer of 1979 indicated that the consortium was competitive with the salaries paid for key executive and managerial staff by other prime sponsors in the region.

Hiring authority is quite decentralized and free of political influences. The department heads have authority to hire and fire their own staffs, as do the OTEP administrators. Several OTEP administrators have also delegated responsibility for the hiring of lower level staff to specialists in their offices. The characteristics of professional staff, particularly in OTEP offices, have changed somewhat with the recruitment of older, more experienced, and more stable employees. Overall staff turnover has been rather low—less than 10 percent in 1980, according to the personnel director. Turnover rates varied by job grade, being lowest among the higher level executive staff and OTEP administrators and highest among clerical workers and intake and employability development staff.

Management Systems

The OTEP offices maintain comprehensive and detailed records on CETA program participants. The participant intake, work history, change of status, and termination forms compiled by the OTEPs are also submitted to the consortium's management information System (MIS) unit. The intake and work history data are reviewed by MIS staff as a final check on the eligibility of participants and are used to prepare a wide variety of internal biweekly and monthly reports for use by consortium executives and administrators in monitoring the on-going performance of the local delivery system. These data are also used to produce the required federal quarterly reports on enrollments, terminations, and placements.

The accounting unit pays vendors within 5 days of receipt of a proper invoice. Local service deliverers cited prompt payment as a very favorable factor in their dealings with the prime sponsor. The fiscal and MIS units of the consortium are closely integrated, with allowance payments tied to MIS approval of required paperwork.

The Penobscot Consortium systematically and comprehensively monitors and evaluates its program activities. OTEP employability developers and job developers monitor enrollees' progress during their participation in the program, including the use of participant evaluation forms by job site supervisors and classroom teachers. The independent monitoring unit makes on-site reviews of work experience and PSE job sites, monitors financial aspects of OJT contracts, and interviews classroom training instructors and participants. The consortium conducts in-house followup surveys of program terminees from its title II-B and II-D programs and has used the findings to influence its title II-B services mix, to encourage the use of multiple program participation, and to initiate new program efforts, including self-directed job search workshops.

All basic policymaking, program planning, and program administration decisions are made by consortium staff. Planning councils, community based organizations, labor unions, the job service, and the private industry council have contributed to the consortium's policymaking and planning process, but do not generally appear to have had a major impact upon training policies or programs. The Maine State AFL-CIO administers one part of the consortium's title II-B OJT program, emphasizing development of OJT slots in unionized firms. The private industry council recently funded a marketing campaign to get local employers involved in the consortium's OJT programs and the Targeted Jobs Tax Credit program.

Federal/State Relations; CETA and the Local Community

The executives of the Penobscot Consortium have generally maintained cordial relationships with the ETA regional office and have received its support for a number of recent program initiatives, including the development of the consolidated youth employment program and the New England Institute on Human Resource Program Management. Consortium staff members, however, have had a few conflicts with ETA field representatives, but recently more harmonious relationships have developed. Nevertheless, only legislation, not relationships with ETA staff, has had any major independent impact on the training policies and practices of the consortium.

There was a widespread feeling on the part of many consortium staff that the community's perception of CETA was beginning to improve. This positive change was attributed by several staff to the fact that the consortium was "running more of a training program now." The greater emphasis upon training was believed to be more widely respected by the community and the county commissioners.

Training Policies and Decisions

The primary goals of the Penobscot Consortium's employment and training programs are to strengthen the labor force attachment, improve the employability, and increase the earnings of economically disadvantaged residents. To achieve these goals, the consortium has designed a decentralized and integrated employment and training delivery system with five major features. First, a "one stop" delivery system enables a CETA-eligible individual to obtain the full array of available services at one location, that is, the local OTEP offices. Second, the OTEP office formulates individual employability development plans with occupational employment goals and service strategies determined jointly by the employability developer and the participant. Third, public service employment, particularly under title II-D, is viewed as an integral part of the training system, with some PSE slots used as "OJT in the public sector." Fourth, most employability development plans include participation in more than one CETA program. Fifth, job placement is the participants' responsibility, and job search workshops have recently been set up to help those who experience difficulties in securing unsubsidized employment.

Training Purposes and the Services Mix

The consortium has emphasized the role of training in enhancing the employability and earnings of many participants. The title II-B programs are considered to be the "core" of the local employment and training system and provide the bulk of training services to enrollees.

The Penobscot Consortium has allocated an increasing share of its title II-B monies to classroom and OJT training activities. This trend is attributable to several factors, including the availability of title IV monies to finance work experience activities for youth, the perception by consortium staff that many of the economically disadvantaged needed training to become employable, and the ability of consortium staff to develop good working relationships with existing education and training institutions and build new training capacities, particularly in rural areas.

During fiscal 1979, the consortium spent approximately 60 percent of its title II-B monies on classroom and OJT training. OJT commanded slightly more than one-fourth of II-B expenditures—more than double the national average. Several OTEPs had to rely more heavily on OJT because small rural communities lacked training institutions. Most OJT in these areas consisted of one slot contracts in small establishments.

Per enrollee expenditures for regular title II-B classroom training in the Penobscot Consortium were only $556 compared with $1,430 for the nation as a whole. This cost advantage exists because the consortium enrolls many participants either simultaneously in classroom training and such other activities as work experience and PSE, or in evening courses for which the tuition is cheaper. The consortium has utilized its monies under the governor's CETA vocational educational grant to finance lengthier and more costly training activities in such occupational areas as licensed practical nurses and wood harvesters.

The consortium allocated an increased share of its fiscal 1981 title II-B monies to classroom training and OJT activities despite a slowdown in the local economy during the spring and summer of 1980. After the private industry council sponsored an OJT marketing campaign during the spring of 1980, the OTEP job development staff claimed that the number of OJT contracts had risen in spite of declining overall employment opportunities.

Training Decisions

While CETA prime sponsors are allowed to utilize a portion of their title II-B and C monies to finance retraining and upgrading activities under title II-C, the Penobscot Consortium has not done so. The executive director feels that such activities will eventually lead to delivery of scarce resources to less disadvantaged individuals and that employers would tend to substitute CETA upgrading monies for self-financed training efforts.

The selection of significant segments of the population for title II-B services influences the planned services mix, as different target groups require somewhat different types and combinations of employment and training services to overcome their particular barriers to employment. For example, work experience is frequently used as an initial service component for many young persons and adult women lacking recent employment experience. Work experience in the consortium, however, is regarded as a feeder mechanism rather than a final service activity. The share of title II-B monies devoted to training activities is also influenced by the perceived capacity of the consortium to develop such activities. The planned level of expenditures on OJT is regarded as a "flexible figure" to be revised upward or downward depending upon projected local labor market conditions and the capacity of the OTEP system to develop additional OJT contracts. Finally, the title II-B services mix has been influenced by the findings of the consortium's followup evaluations. The persistent finding of more favorable immediate outcomes for participants in multiple program components (classroom training and OJT) has led to increased emphasis on the provision of classroom skills training and OJT services.

The determination of significant segments for programs under each CETA title is made by the planning department. The characteristics of significant segments have varied somewhat in line with the objectives and services provided by programs under the various titles. Youth (under age 22), women, and high school dropouts have been the major significant segments for the consortium's title II-B programs.

Since its inception, the Penobscot prime sponsor has adhered to a policy of contracting out practically all of its classroom training, both prevocational and vocational. Classroom training in the consortium has been operated by a wide variety of educational and training institutions, including regional vocational high schools, adult education programs in local public high schools, local adult learning centers, community colleges, postsecondary vocational and technical institutes, private junior colleges, and 4-year colleges and universities. Recent title VII private sector-oriented training programs have involved collaboration among community colleges, 4-year colleges, and private firms. The title

II-B OJT programs of the prime sponsor are administered by both OTEP staff and the Maine State AFL-CIO.

Selection of the facilities and occupations in which classroom training will be provided is frequently a joint decision, because the number of training institutions in the area is limited. The bulk of the classroom training consists of individual referrals to occupations and facilities jointly selected by the adult employability developer and the participant as part of the employability development planning process. These decisions are, however, reviewed by the adult employability development specialist and the OTEP administrator. The OTEPs have adopted a general policy of limiting CETA funding to no more than two semesters of training, so that CETA participants who enroll in 2-year programs are expected to find other sources of financial assistance, including federal basic educational opportunity grants, for the second year.

Training Program Administration

Training Authority

During fiscal 1979, the bulk of the consortium's classroom and OJT activities were funded with title II-B monies. Approximately 82 percent of the individuals receiving training services during that year were enrolled in title II-B training programs. The consortium allocated nearly 60 percent of its fiscal 1979 title II-B monies to classroom and OJT training activities and another 13 percent for services to participants (including testing, assessment, employability development planning, OJT development, and transportation allowances). The rural nature of most of the consortium area frequently requires participants to travel substantial distances (30-50 miles) to attend classroom training programs in Bangor.

Like many other prime sponsors, the Penobscot Consortium has experienced some difficulties in spending the congressionally mandated share of title II-D monies (15 percent in fiscal 1980) on training activities. Hence, it used title II-D monies to fund a self-directed job search workshop. This program was designed to provide skills in resume preparation, job interviewing and job search. Preliminary findings of a formal evaluation of the effectiveness of this job search program indicate that 60-70 percent of the participants were successful in obtaining unsubsidized employment.

Who Gets Trained

The basic decisions on referral of CETA-eligible applicants to specific employment and training activities are made by employability development staff in the local OTEPs. All enrollees must have an employability development plan formulated for them by the adult employability developer with the approval of the specialist. Formal testing of applicants during this process is encouraged. These plans are viewed by many OTEP staff as a type of "trial and error system" in planning occupational goals for participants. Modifications in the initial employability development plans are anticipated as participants learn through actual experience what they are capable of and interested in doing.

Adult work experience programs under title II-B are used primarily as an assessment tool to determine and/or build basic work habits and to test the occupational interests of participants. Young persons, AFDC recipients, and displaced homemakers are prime candidates for the consortium's work experience programs. The OTEP staff tends to encourage participants lacking a high school diploma to enroll in adult basic education and GED preparatory programs. Many local employers require job applicants to possess a high school diploma or GED, and the attainment of a GED is believed to improve participants' self-image and build their personal pride and confidence.

Referrals to classroom training activities consist of individuals with clear and realistic occupational employment goals. The existence of local training institutions also influences the likelihood of enrollment in a classroom training program. A substantially higher proportion of title II-B participants residing in Bangor are enrolled in classroom training in comparison with their counterparts in the more rural areas of the consortium. Women have constituted 72 percent of the enrollments in title II-B classroom training. Young persons—male and female—under 22 years of age accounted for nearly 36 percent of title II-B classroom training participants during fiscal 1979, and high school dropouts of all ages accounted for slightly more than 42 percent.

Individuals referred to the OJT programs were persons who had exhibited good work habits and who either had an established work history or had performed well in the local CETA system. The majority of the OJT referrals were indirect; that is, they had previously participated in another CETA activity, such as work experience, PSE, or classroom training. Men accounted for most of the participants in the fiscal 1979 OJT programs administered by both the OTEPs (60 percent) and AFL-CIO (79 percent). Two-thirds of the OJT participants were age 22 or older, more than seven-tenths had graduated from high school, and two-fifths were family heads.

Service Deliverers

During fiscal 1979, prevocational and vocationally-oriented classroom training was provided to title II-B participants by 71 different educational and training institutions located both within and outside the consortium planning area. The majority of these institutions, however, enrolled only one or two title II-B participants during this year. Five educational and training institutions accounted for approximately two-thirds of all classroom training enrollments under title II-B programs. These major classroom training service deliverers do not play a key role in either policymaking or planning in the consortium.

OTEP administrators and staff have begun to assume a more active role in developing an institutional training infrastructure and selecting service deliverers during the past year. Two rural OTEPs have developed and staffed in-house learning centers to expand basic educational and GED preparatory services to participants. The OTEPs also have recently designed classroom skill training programs for certified nurse aides and clerical workers. Greater flexibility in designing courses and diversity in course offerings have been sought by OTEP administrators and staff to enable them to more effectively meet the educational and training needs of current CETA participants and of new target groups.

Occupational Areas of Classroom Training

The class-size institutional training programs of the consortium during the past 2 years have concentrated on occupations with favorable employment conditions. Under title II-B, the consortium funded class-size programs for licensed practical nurses and wood harvesters, two occupations in which employment has grown rapidly within the consortium. During fiscal 1980, it used title VII monies to fund class-size training programs for medical secretaries and computer programmers—occupational choices well-justified by recent occupational employment trends in the consortium.

The bulk of the title II-B classroom skills training activities of the consortium consist of individual referrals to existing educational and training institutions. Adult employability developers in the OTEPs determine the appropriateness of training in an occupational area, with final approval by the specialist and OTEP administrator. Clerical (40 percent) and allied health occupations (29 percent) accounted for the largest shares of enrollments in title II-B classroom skills training programs during fiscal 1979. There were substantial differences in the occupational distributions of female and male skills training program participants. Women constituted 96 percent of the trainees in the clerical and allied health occupations while men dominated the craft (93 percent) and operative-related (96 percent) occupations.

OJT Program Administration

The title II-B OJT activities of the consortium are managed by both the local OTEPs and the Maine AFL-CIO. At the local OTEP level, the delivery of OJT services is carried out through the combined efforts of the employability development and job development staffs. Employability development staff generally refer individuals that they deem "appropriate for OJT" to the job development staff with supporting material on their OJT readiness. The job developers then either attempt to develop particular OJT slots for the applicants or—more often—refer them to existing OJT slots that match their occupational interests, job desires, and abilities.

Rather than relying heavily upon formal sources of labor market information, the job developers stressed obtaining leads on available job openings through personal contacts with the local business community and appressive marketing of the OJT program with local employers. Both OTEP administrators and job development staff considered the personal relationships between staff and employers as critical to the success of the OJT program, arguing that personal trust in staff and the ability of the consortium staff to deliver on its promises were primary determinants of private sector cooperation with the OJT effort. The unusually high proportion of enrollees in OJT seems to attest the success of this approach.

The Maine State AFL-CIO has three full-time job developers in its Brewer offices, two of whom devote most of their time to OJT development for the consortium. The AFL-CIO job development efforts have focused on both the union and nonunion sectors of the Penobscot Consortium; however, the bulk of the OJT positions have been in blue-collar occupations in unionized manufacturing establishments.

Training Program Operations and Quality

During the spring and summer of 1980, site visits were made to assess the operations and quality of the training provided by the six major educational and training institutions involved in the delivery of title II-B and VII classroom training services: the Bangor Adult Education Learning Center, Eastern Maine Vocational-Technical Institute, Beal College, James A. Taylor Hospital, Husson College, and Bangor Community College. As part of the evaluation, participants' views of classroom training were analyzed. For OJT, the evaluation consists of a review of consortium statistics on the OJT program.

Bangor Adult Education Learning Center

The Bangor Adult Education Learning Center is part of the Bangor adult education system, which receives the bulk of its funding from the Maine Department of Education. During 1980, the center was staffed by a coordinator and six other professional certified teachers, all employed on a part-time basis. All of the teaching staff had 5 or more years of experience at the primary and secondary school level as well as some experience in adult education programs.

The learning center routinely serves practically all applicants; it has no family income eligibility criteria or residence requirements. The center does *not* charge tuition. Learning is individually paced, with students assigned initial reading materials based upon their test scores on entrance exams administered by the center. During their participation, students are given the ABLE test or the GED pretest to determine their progress in preparing for the GED examination. The center administers the GED exam and scores the test.

CETA participants in the learning center are treated similarly to other students. Participation by CETA enrollees is open-ended, with the actual duration dependent on the time needed to acquire the desired math and reading competencies or acquire the GED. The Bangor OTEP, however, limits allowance payments for participation in the center's programs to 6 hours per week. The center's coordinator indicated that CETA students often came on their own time to the center for 20 or more hours per week.

The coordinator claimed that CETA participants were on average more stable and committed students. Relationships between the center and the Bangor OTEP appeared to be quite harmonious and based on mutual respect and trust. The effectiveness of the educational services provided to CETA participants was difficult to ascertain, because of the absence of any formal monitoring or evaluation of the center's activities by the consortium's Independent Monitoring Unit and evaluation staff.

Eastern Maine Vocational-Technical Institute

The Eastern Main Vocational-Technical Institute (EMV-TI) is a public, postsecondary technical and vocational training institute in Bangor—one of six such institutes operated throughout Maine by the State Board of Education. EMVTI operates both day and evening programs. The day program includes instruction in 11 different areas leading to a 2-year associate in applied science degree.

Most CETA participants are enrolled either in nondegree courses during the evening or in one or two courses during the day, thus saving the consortium a considerable sum for tuition, which is less for evening and part-time day students. As the OTEPs do not allow the funding of training courses beyond one year, participants desiring to enroll in 2-year programs would be required to arrange their own financing for the last 12 months. In practically all instances, CETA participants attend classes with regular students. The policy of intermingling was advocated by the EMVTI director. During fiscal 1979, title II-B CETA participants were enrolled in 20 different types of courses, but the allied health field accounted for 55 percent of those enrollments.

The directors of the institute and the adult and continuing education program claimed that the performances of CETA participants were quite mixed. They said participants in the practical nursing program performed in an exemplary manner while others, particularly title VI participants enrolled in basic construction and building maintenance courses, lacked motivation and a desire to learn. More careful screening of potential enrollees by OTEP staff was felt to be desirable.

During the past three years, the consortium has used title II-B monies to reserve slots in the EMVTI practical nursing program for CETA participants. For example, during fiscal 1980, 12 of the 45 slots in the training program were occupied by CETA participants. The CETA monies provided to EMVTI by the consortium have been used to hire additional instructors for the practical nursing program. The linkages developed between the consortium and EMVTI in this situation have expanded institutional training capacity for practical nurses.

Admission into the regular practical nursing program is quite competitive, with 200 persons typically applying for the 30 to 40 available positions. Candidates must possess a high school diploma or its equivalent, achieve a passing score on a national prenursing aptitude examination, and be personally interviewed by the program director and her staff. Final selection of candidates is made by Ms. Pederson, the director of the program.

The practical nursing program is 45 weeks long and combines classroom instruction and laboratory work in EMVTI with clinical experiences in local hospitals and nursing homes. Given the rigorous nature of the training program, consortium and EMVTI staff developed a 10-week prenursing program for CETA participants to bolster their basic skills and increase their confidence in coping with the regular course material. Once the regular practical nursing program begins, CETA participants attend the same classes with other students and receive no special treatment.

CETA participants have performed quite well in this program and in several years have outperformed other students. Their somewhat superior performance was attributed in large part to the effects of the prenursing program. Graduates of the practical nursing program are awarded a diploma by EMVTI and must then pass a national licensing exam to retain employment as a licensed practical nurse. No graduate of the EMVTI practical nursing program has ever failed the exam. The placement rate of CETA graduates has been nearly 100 percent. Practically all of the graduates line up their own jobs prior to graduation because of the tightness of the labor market for practical nurses.

Beal College

Beal College is a proprietary junior college specializing in business education that is located in Bangor. The college operates both day and evening programs during which students can enroll in courses leading to 2-year associate degrees, 1-year diplomas, or certificates.

More than 90 percent of the fiscal 1979 CETA title II-B participants attending Beal College were enrolled in clerical-related courses. A substantial majority of the CETA participants were enrolled in only one or two courses per semester, including evening courses rather than being full-time day students. The consortium has used the courses offered by Beal College to develop basic clerical skills of CETA participants rather than to enroll them in the school's 2-year degree programs.

CETA participants generally attend classes with other students and are treated in a similar manner by the faculty. The president of the college and department heads indicated that a high proportion of the CETA students have performed quite well in the classroom, but also noted that performance was quite varied. Staff claimed that women in the 25-40 age group did best, while the 18-20 year old CETA students often seemed to have attitude, attendance, and basic skill problems.

James A. Taylor Hospital/Husson College Medical Secretary Training

During fiscal 1980, the consortium funded a medical secretary training program with its title VII monies. Services under this training program are provided by the James A. Taylor Hospital, Husson College, and Bangor Community College. Enrollees also participate in several practicums involving other hospitals, medical clinics, and doctors' offices in Bangor. James A. Taylor Hospital has assumed the major coordination role for this training program. It provides classroom facilities for several of the courses and office space for the coordinator (an employee of the hospital), lends professional staff to provide classroom instruction on specialized topics, and serves as a job site for the practicum.

The medical secretary training program was designed to serve 20 participants, of whom 15 were expected to successfully complete the program and be placed in training-related jobs. Minimum requirements for acceptance into the program included a high school diploma or GED, reasonably strong English and math skills, and good communication skills. Recruitment, testing, and initial assessment were carried out by OTEP and central office staff. Final selection of candidates was made by the program coordinator and the personnel director of the hospital.

The medical secretary training program is scheduled to last 52 weeks and consists of three terms. Classroom training is planned in all three terms, and a practicum during the final term. Students will obtain 30 hours of college credit for their classroom course work.

During the site visits, teachers and administrators of the program assessed the students' performance positively. Several instructors were particularly impressed with the attendance records, dedication, and classroom performance of the students, indicating that the CETA participants performed as well if not better than the regular students. Given the fact that the program was only half completed at the time of the site visits, final judgment on its effectiveness must be deferred. It appears, however, that the participants are developing an extraordinarily diverse set of skills in the medical secretary and health area that should enhance their placement potential upon graduation.

Bangor Community College Computer Programmer Training for the Handicapped

During fiscal 1980, the Penobscot Consortium agreed to fund, jointly with the Maine state bureau of vocational rehabilitation, a computer programmer training program for severely handicapped individuals. The program is operated by Bangor Community College. While the consortium agreed to finance part of the training ($50,000) with its title VII monies, the bureau of vocational rehabilitation retained responsibilities for most program operations, including recruitment of eligible participants, selection of the contractor, job development, and placement of program terminees.

A rather rigorous screening process was employed by the bureau of vocational rehabilitation in selecting participants. Over 120 individuals applied for the 12 positions available in the program. Final selection of participants was made jointly by staff from the bureau of vocational rehabilitation and Bangor Community College and members of a business advisory group overseeing program operations.

The length of the training program was 37 weeks. The curriculum consisted of four courses for which a total of 14 hours of academic credit was awarded by Bangor Community College. The courses included an introduction to computer sciences and emphasized the application of COBOL programming techniques to business problems. The fourth segment of the program included a 4-5 week work practicum involving training-related employment in a data processing department of a cooperating Maine firm. Course instruction was provided primarily by a teacher hired by Bangor Community College.

The participants in the program seemed to have performed quite well, with all but one earning an average grade of "B" or better in their formal course work. The instructor attributed the solid performance of the class to the effectiveness of the screening process. By September 1980, all but two of the participants had received training-related job offers from companies.

The OJT Program

During fiscal 1979, there were approximately 500 title II-B OJT positions in the consortium. The vast majority (73 percent) were in establishments located within Penobscot County. Typically, OJT contracts (86 percent) consisted of only one or two slots; the largest contained 34 slots. Craft and operative-related occupations accounted for 58 percent of the OJT positions. The dominance of blue-collar occupations is readily understandable because the skills needed are more specific to the particular firm and are more likely to be acquired in an actual production setting. The occupational distributions of the OJT positions held by men and women differed substantially. More than three-fourths of the OJT positions held by men were in craft and operative occupations, while a majority of those held by women were in clerical and service occupations. The average (mean) starting hourly wage of title II-B OJT positions was $3.33, with men averaging $3.57 in comparison with $3.08 for women, largely reflecting differences in the occupational characteristics of jobs obtained. The OJT positions developed by the AFL-CIO paid $4.19 per hour, while OTEP-developed positions paid only $3.27 per hour, largely because the AFL-CIO slots were in more highly skilled blue-collar jobs in unionized manufacturing firms.

Participants' Views of the Quality of Classroom Training

The findings of a spring 1980 IMU survey of a sample of participants in title II-B classroom training revealed that they were generally quite satisfied with the training services provided. The students tended to give very high ratings to the quality of the instruction, with 87 percent describing their teachers as "very good." The equipment and supplies made available to students by the training institutions were also assessed quite favorably, with 93 percent of the respondents rating the equipment and supplies as "very good." The vast majority of the participants believed that the course material would be of value to them in finding future employment. More than 9 out of 10 participants indicated that they would recommend the training program to a friend.

Qualitative assessments of the services received by participants are also available from the consortium's 6-month followup survey. Findings of interviews with 232 terminees from the consortium's fiscal 1979 title II-B and II-D programs again revealed substantial satisfaction with the program services. Approximately 70 percent of the terminees stated that program participation had enhanced their prospects for obtaining unsubsidized employment. Again, about 9 in 10 terminees indicated that they would recommend the program to others, and over 8 in 10 rated the CETA program overall as either excellent or good.

Potential for Expanding Training Activities

The Penobscot Consortium has always emphasized its role as a "training" institution. It has stressed training more heavily during the past few years, and allocations of titles II-B and II-D monies have been shifted toward classroom and OJT activities. The consortium also seems to have developed the experience and skills for expanding and diversifying its training capabilities.

The prime sponsor has recently expanded the local training infrastructure in the areas of basic education and GED preparation by working closely with local adult basic education agencies and by developing in-house learning centers in the more rural areas of the consortium. The consortium has developed effective working relationship with the area's major public and private postsecondary educational and training institutions. The consortium has also designed and implemented innovative training programs that tie together public and private educational and training institutions and private firms.

The offices of training and employment programs have begun to plan and design a variety of mini-training programs. These programs have tied together existing institutions in a new delivery approach to expand course offerings to participants in the clerical, allied health, and basic educational areas.

The private industry council was using title VII monies to market the OJT and Targeted Jobs Tax Credit programs to local employers. The prime sponsor recently implemented a job search workshop to assist in the placement of terminees from both its title II-B and II-D programs. The private industry council and the local chamber of commerce became more actively involved in the planning and administration of the job search program, and their contributions may enhance its potential for expanding unsubsidized employment opportunities for CETA participants.

The Penobscot Consortium has steadily moved toward establishing a comprehensive, integrated training delivery system that utilizes effective service deliverers, both public and private. This system has been designed to respond effectively to the diverse needs of the local unemployed and economically disadvantaged populations. Only the future will reveal the limits of such an employment and training strategy within the context of the consortium's economic structure. Currently, this prime sponsor appears to have moved in a direction that the drafters of the 1978 CETA reauthorization would find to be highly desirable.

San Francisco
The Politics of Race and Sex

Garth L. Mangum
University of Utah

San Francisco has to be counted among the most capable prime sponsors in the nation. But competence in the CETA system must be assessed by the sponsors' ability to respond to local circumstances, rather than by a set of national standards.

This summary first sketches the economic and political environment within which CETA functions in San Francisco. It then describes the planning and decisionmaking processes that govern the city's CETA activities, including the nature of the staff and the roles of federal and state governments. That leads to a description of the program that has emerged from those decisions. Finally, it appraises the quality of training in San Francisco's CETA programs and offers insights for understanding the national system.

The Political Economy of San Francisco

Race and sex politics is the key to understanding CETA in San Francisco, a fact that has its origins more in the area's geography than in its economy.

Geography and Population

Bounded on the north and east by San Francisco Bay, on the west by the Pacific Ocean, and boxed in on the south by another political jurisdiction, San Francisco encompasses only 49 square miles. With this limited area and only 650,000 residents, it is relatively small in numbers as cities go, but it is one of the most densely populated areas in the United States.

Widely renowned for the beauty of its physical setting and its cosmopolitan atmosphere, and serving as the major U.S. door to the Pacific, the area has experienced pressures on its housing market that have tended to prevent the deterioration of private and public buildings seen in many other cities. Slums develop and are rehabilitated through private financing in relatively short cycles.

The white non-Hispanics, who dominate the U.S. population are a minority (49 percent) in San Francisco. Because the city is the U.S. door from, as well as to, the Pacific, Asians and Pacific islanders comprise the second largest population category (about 20 percent of the total). Within that group are people from at least a dozen nations, the largest groups being Chinese and Filipinos. The inflow of Orientals waxes and wanes with the fortunes of war and the economies in the Far East, with Indochina the major source in recent years. In third place is the substantial black population (16 percent of the total), which had its origin during the shipbuilding boom during the Second World War and has experienced little influx since. Finally, the majority of San Francisco's Hispanics (14 percent of the total) have their roots in Central and South America, with relatively few Mexican-Americans and fewer Mexican nationals.

The proportions of the population who are CETA eligibles—that is, the long term unemployed living in poverty, and those receiving benefits under the program of Aid to Families with Dependent Children (AFDC)—are all remarkably consistent with the ethnic ratios, except that blacks are overrepresented and Chinese underrepresented among the unemployed poor. By age, young adults are overrepresented in comparison with national norms, indicating San Francisco's role as a youth mecca during the 1960s, and its continued attractiveness to young singles.

The strong social and ethnic consciousness among San Francisco's population is perhaps not remarkable, but the degree of political organization and potency is. The city has at least a dozen strongly organized political associations based on ethnicity. Homosexuals, both gays and lesbians, constitute another well-organized and aggressive political entity. The rights of women, the handicapped, and the aging are the foci of other politically potent groups. Each of these has its role in CETA politics.

Government

Despite its apparent unification, the consolidated city/-county government in San Francisco is almost as divided as its political constituencies. City government scandals in the 1930s led to a deliberate weakening of government. A mayor is chosen at large in nonpartisan elections. A board of supervisors, each elected from a different section of the city, plays the legislative role. A chief executive officer—appointed by the mayor, confirmed by the board and removable only by impeachment—is responsible for administering the major departments of government such as health and sanitation. Another batch of professionally oriented services (such as police and fire) report to commissions also appointed by present and past mayors but removable only by impeachment. A group of relatively independent agencies, such as the airport, have the power to generate and spend their own funds, yet every expenditure must be approved by the finance committee of the board of supervisors. Several other agencies, such as the housing authority and the Bay Area Rapid Transit district, known as BART, are city/state organizations that operate outside the city civil service.

The mayor gains substantial independent power through federal programs such as CETA. Appeal to the various race and sex organizations is the key to electoral success. Organized labor traditionally has been a power in San Francisco politics, but its influence has withered as blue-collar employment drifted out of the city.

Perhaps because of the lack of other elective entities, the school districts in San Francisco are a focus of political activism, despite a relatively small school-age population. The San Francisco unified school district is responsible for elementary and secondary schools, the community college district for San Francisco City College and nine community college centers, which include adult education. The city also has an extensive parochial school system, an extraordinary number of private elementary and secondary schools, small colleges, and private proprietary training institutions. There is also in the city the state-supported San Francisco State University and the University of San Francisco, affiliated with the Catholic Church.

The Economy

In the past 30 years, San Francisco has shifted from a blue-collar labor market based in shipping, shipbuilding, warehousing, and manufacturing to a predominantly white-collar market based in company headquarters and governmental agencies. Shipping activity and traditional manufacturing have tended to move across the bay to Oakland, and other East Bay locations, while newer manufacturing enterprises have settled in the "silicon valleys" of the peninsula, some 30 miles away. Meanwhile, the selection of San Francisco as a regional headquarters for federal and state government activities has added to public employment. The westward movement of the U.S. center of economic gravity and the country's growing trans-Pacific ties have changed San Francisco's skyline (much to the chagrin of many local residents) by the growth of downtown corporate headquarters.

The outflow of manufacturing and the inflow of government reduced the city's tax base, as did the 1978 Proposition 13 limitation on local property tax rates. As a result, public services have deteriorated somewhat and the city has become more anxious to grasp every source of state and federal funds available.

San Francisco's unemployment rate—5.4 percent in April 1980 and 5.9 percent in May 1980—is not high for a central city. In fact, even construction activity was being maintained halfway through 1980. More notable is the abundance of white-collar and the dearth of manual jobs. All 41 occupations listed as demand categories for CETA purposes in the spring of 1980 were in the professional, clerical, sales, and service categories. Among San Francisco's job openings, only automotive repair, building maintenance, and truckdriving, along with a few jobs for welders and machine operators, could be described as blue-collar. Almost all of the recent employment expansion has been concentrated in services; finance, insurance, and real estate; and retail trades. That industry and occupation structure is clearly apparent in the choice of CETA clientele and activities in San Francisco.

Planning and Decisionmaking

Planning is, of course, a staff function but decisionmaking involves not only the prime sponsor's staff, but also the mayor and her staff, the board of supervisors, the employment and training council, and the influential community-based organizations (CBOs). Federal and state officials have a *pro forma* role, but not much more.

Staff Qualifications

The outstanding capability of the San Francisco prime sponsor is attributable primarily to the quality and influence of its staff. Their combination of longevity, experience, influence, and technical competence is unlikely to be exceeded anywhere in the CETA system.

The staff director, Eunice Elton, has been called the "mother of manpower" in San Francisco. She is a 43-year veteran of the California State Employment Service who has managed local offices, regional field offices, and antipoverty specialty programs, and directed the San Francisco Concentrated Employment Program (CEP), and its Community Manpower Program, which was CETA's predecessor. She has directed the Mayor's Office of Employment and Training (MOET) from the beginning of CETA (under three successive mayors) and her technical judgments are considered beyond challenge in the city. Her position is even more invulnerable than her credentials, because she has remained on the Employment Service payroll throughout her CETA service and is beyond retirement age.

Ray Holland—director of the planning, evaluation, and management information system from CETA's initiation—is a veteran of the Peace Corps and the community action program.

Elton and Holland are the only "Anglos" among the top staff. The two program directors, one for employability development (training) and youth programs and the other for public service employment programs, also have MDTA and Economic Development Act program experience and have held their positions from the beginning of CETA. One is of Puerto Rican-Filipino origin, the other of Chinese descent. The heads of the various housekeeping departments have been with MOET from the beginning though they have been promoted from lower level positions. Currently, the three top staff members heading these departments are a Chinese, a black, and a Mexican-American. There is considerable turnover in subordinate positions but almost none in top management.

Staff stability has been maintained despite the absence of formal job protection. All MOET employees are temporary city employees who, along with most of the mayor's staff, cannot achieve tenure. They receive health benefits and vacations but no retirement benefits. They are paid according to the entrance rate for the city's regular civil service grades but receive no in-grade step increases, so they earn less than their peers, although they face as many, if not more, job pressures. The explanation for MOET's staff stability must be adrenalin intoxication.

MOET has done an unusual job of structuring its lower ranks so that CETA enrollees can join the staff as paraprofessionals and then, by substituting experiences for academic credentials and perhaps taking further training, rise to technical and even professional roles. The Labor Department's regional training center is given high marks by the staff and community college and time off can be negotiated for university courses. Although staff development has included training workshops, it has consisted primarily of guided on-the-job experience.

Prime Sponsor As Decisionmaker

MOET is a paradoxical decisionmaker. Probably no CETA prime sponsor is more data-oriented and planning-minded, yet few others are more politically responsive in their decisions. The MOET staff is personally well shielded from political influence, yet recognizes the necessity of responding to political pressures on the employment and training council, the mayor, and the board of supervisors.

MOET's staff of qualified planners accumulates the available labor market information and adds a good bit of its own. It has a highly sophisticated management information system and knows almost constantly what is going on amongst a vast array of contractors. Although its decisions are, for the most part, promptly, smoothly, and objectively made, ultimately they must be recognized as political.

To a large extent, the nature of the labor market and the unusual competence of politically potent institutions make possible this combination of objectivity and politics. The San Francisco labor market has no mysteries on the demand side. It is diversified, homogeneous, and stable.

It is diversified because no one industry or set of firms dominates it, nor does its activity rise or fall appreciably with any one set of economic forces. As an export-import center, its international markets are so diversified that no one country's economic colds can become its pneumonia.

It is homogeneous because it is a white-collar and service market. San Francisco houses corporate headquarters and financial institutions, not producing or materials-handling facilities. Its jobs are white-collar managerial, not technical or scientific. Surrounding those managerially oriented jobs are service jobs (in and out of the firms) that support the executive workforce. Its use as a regional headquarters for both federal and state governments intensifies the central focus on management.

Because these activities tend to emphasize overhead personnel, San Francisco's labor market does fluctuate as much as would a more production-oriented economy. Its set of clerical and data processing occupations seem always to be in demand, and employers' demand and employees' turnover can guarantee relatively continuous employment opportunity in a number of service occupations. If demand is quite stable, a satisfactory set of institutions and programs can be developed and continued.

On the supply side, San Francisco has a remarkably diverse but unusually sophisticated population. The stream of immigrants from both domestic and foreign sources tends to be those who departed by choice and selected their destination. The most successful from along the rim of the Pacific basin—Asian, Latin-American, and Pacific Islanders—choose San Francisco as their new home. They tend to combine relatively low incomes with education and other characteristics not generally associated with poverty. The domestic youth movement makes San Francisco a target for a new life style. The typical indigenous underclass is less notable than in many central cities.

Thus, San Francisco's population includes many who are eligible for CETA by economic criteria, yet who possess an organizational and political capability unusual in a poverty community. Most of these community-based organizations (CBOs) are indigenous to San Francisco; the national organization play little or no role in CETA decisionmaking or the delivery of services. What other prime sponsor in the system states explicitly in its request for proposals (RFP) that priority will be given to programs providing services to gays and lesbians? San Francisco's indigenous CBOs can obtain access to resources and then deliver services with a level of competence that is generally beyond challenge.

The area's economic stability has made it possible to predict a continuing need for a familiar set of services. Therefore, MOET has been able to set criteria which, when met, qualify the contractor for guaranteed 3-year funding—not for a stipulated amount of money, because federal funds cannot be known in advance, but for a proportionate share of the action. Of nearly 200 MOET contractors, 14 are in that secure status currently.

As decisionmaker, therefore, MOET has been able to respond to political realities but defend its actions by standard, objective economic criteria. The use of labor market information to determine service needs and of management information to evaluate performance need not lead to markedly different decisions than those which politics would have dictated.

For related reasons, MOET has been able to spread the base of decisionmaking without losing control of the decisionmaking process. Its advisory employment and training council, though too large for optimal effectiveness, is very active in its decisionmaking, but generally sides with the staff on most issues. The council is made up of roughly one-third *ex officio* members from public agencies, one-third mayoral appointees representing various interest groups, and one-third appointees of the board of supervisors drawn from geographical areas of the city.

The council's two most potent committees are the planning committee and the evaluation committee. The first decides annually how the budget will be distributed by enrollee characteristics and service functions. The evaluation committee is supplied twice a year with a mass of data on contractors' performance. Then each contractor must publicly defend its stewardship. The careful preparation, volume, and sophistication of the data supplied by MOET staff make it highly unlikely that the council will refute it. A former MOET staff member, now in the mayor's office, also sits in on all of these sessions so that the mayor's preferences get into the decision stream early, while the staff has a strong advocate with the mayor.

If the staff gets overruled, as it does occasionally, it is generally by the board of supervisors, which is much more difficult to reach and influence as a body, although any board member can be more easily subjected to political pressure from outside.

Monthly meetings of all MOET contractors provide information, communication, and an opportunity to vent feelings and frustrations.

Despite MOET's adroit decisionmaking process and its favorable economic setting, the presence of the competent but political CBOs has costs as well as advantages. Some CETA activities which staff members consider to be of high potential, notably individual referral and high-support on-the-job training discussed below, are difficult to defend for lack of a political constituency. Politics need not and generally do not force acceptance of a less than adequate program but it may block an outstanding one that lacks political support.

Federal, State, Local Relations

MOET has the advantage of history in its relations with both the DOL regional office and the state CETA system. In effect, MOET, in the person of Eunice Elton, was there first and the others are newcomers. The state CETA system has no supervisory role over any prime sponsor. However, San Francisco has done reasonably well in garnering governor's discretionary funds. The State Employment Development Department spends considerable state CETA money in the city. In addition, a variety of state-funded programs contribute significantly to the resources available to the city.

Probably the most significant fact of MOET's relationship with other government bodies is that federal regional staff rarely hassles anyone from MOET. Residence in the regional office city helps, because misunderstandings sometimes grow with distance. MOET staff reports favorable experience with the regional training center run by a local consulting firm of strong reputation in the employment and training field. Beyond that, the regional staff is most helpful by not second-guessing MOET's decisions or intervening in its activities.

Training Policies and Practices

San Francisco's CETA program—its funding, enrollments, and performance—demonstrate a clear and longstanding preference for training over all other CETA services if training is defined broadly as employability development. In fact, that is the name of the MOET administrative unit responsible for all services except public service employment. What do CETA-eligible residents need to make them acceptable to employers in the stable San Francisco economy? Given the diversity of the population, it is not surprising that the most frequent answer is "enough command of English to be able to function in a white-collar or service job."

Table 1 summarizes the total CETA budget and enrollments for fiscal 1979. Of the Title II B-C funding total over which the prime sponsor had considerable discretion, 56 percent was spent on classroom training and 16 percent for on-the-job training. The 10 percent spent on work experience was, in effect, mandated.

Table 1. Total San Francisco CETA Funding and Enrollments, 1979

		Enrollments	
Title	Total funds	As of Sept. 30, 1979	Cumulative fiscal 1979
Total	$35,194,728	4,232	18,110
II B-C	10,247,052	588	4,926
II D	6,740,497	1,465	2,135
III	2,600,408	254	512
IV	6,626,243	206	7,165
VI	8,980,528	1,719	3,372

Maintenance of effort requirements imposed by the Youth Employment Demonstration Projects Act of 1977 dictate that MOET reserve 48 percent of its Title II-B CETA slots for youth. A substantial amount of these services take the form of work experience, because many youth are not prepared to settle down to a training program or to work in its intended occupations afterward. Work experience is an acceptable "aging vat," but the MOET director objects to the way that theory works out in practice. School counselors too often refer students who are not CETA-eligible to any jobs they hear about, usually with private employers, because they know publicly subsidized jobs are available for disadvantaged youth. Thus, youth with the best out-of-school contacts leading to the regular labor market get further reinforcement and those without any such contacts are diverted to a semi-income maintenance situation.

MOET has little or no control over that situation but has an explicit policy forbidding work experience programs for adults. Nine percent of Title II B-C funds were spent on supportive services for the disadvantaged clientele. For public service employment under Title II-D, MOET is inaugurating an approach for 1981 in which PSE enrollees will spend half the day in classroom training and the other half on the job applying those skills. Title VI will remain standard PSE.

San Francisco CETA also has one other important non-training service—advocacy programs. Seven contractors have an explicit affirmative action role on behalf of age, race, sex, or handicap groups. They provide no significant training or employment. These agencies have been effective in the comfortable demand situation in working with employers to meet affirmative action goals by hiring CETA eligibles of various characteristics. The advocacy programs and miscellaneous services absorb the 9 percent of Title II B-C funds not accounted for above.

In fiscal 1979, 192 contractors had assignments to deliver CETA services in San Francisco. Of these, 146 were hosts for public service employment. Seventeen supplied classroom training and seven promoted on-the-job training, in addition to the seven advocacy contractors. The largest investment is in English as a second language (ESL). For several contracting institutions, ESL is the primary reason for being. Each concentrates on a specific language group: Spanish, Chinese, Korean, Filipino and so forth. Each teaches English in a skill training context, primarily clerical skills, and therefore most of their pupils are women. For smaller numbers of men, each also provides some training in service occupations as a vehicle for language training.

A larger group of contractors emphasize skill training and treat language training as an adjunct skill. For instance, the Jewish Vocational Service has an outstanding program for Russian Jewish emigres. Because most of the emigres have university degrees, knowledge of U.S. weights and measures and similar material is taught to refurbish chemists, engineers, and so forth, with English instruction as an add-on. With help from the Jewish Vocational Service, a similar program is being designed for Vietnamese.

Nonlanguage training institutions in San Francisco also tend to concentrate on a single skill or a narrow range of skills. Thus, the choice of an institution at which to enroll is equivalent to a choice of training type. Intake is centralized only for youth. For those with language problems that is no handicap, because enrollees must be referred to the institution specializing in their native language. For others, however, it means that the accident of contact determines the nature of the training opportunity. The sophisticated may learn of all of the alternative institutions and their offerings and select from among them. Those who go to a Job Service office and are fortunate enough to find an interviewer who recognizes their CETA eligibility may be referred to whatever the interviewer knows to be available. A Youth Service Office, funded by MOET and operated by Job Service, provides central referral services for the young. But what is available for them is primarily work experience. A Job Service office located in the MOET building has a contract to make individual referrals to ongoing programs in regular public and private schools.

San Francisco has no actual skill center, even though one institution bears that name. Under the Manpower Development and Training Act, it approached but never achieved the qualification requirements for a skill center; the provision of training in a broad range of occupations, onsite counseling, job development and placement, and supportive services, and a concentration on the disadvantaged. In the interim, it has become one of nine nondegree community college centers serving a broader audience. It now serves CETA primarily by accepting individual referrals who can function on a par with its other students. Its one class-size CETA project—for health care professionals—has an excellent placement record but is somewhat selective in its enrollment.

The skill center is an example of a simultaneous boon and bane built into the California education system. When a CETA client enrolls in a tax supported school, that school is rewarded with the same average daily attendance education funds it would receive for any other student. Hence, the school usually absorbs the training costs; only the training stipend comes from CETA sources. That allows an attractive leverage of the CETA training dollar, but it may also bias training decisions. Better training in some fields may be available from private institutions, but the trade-off between the higher cost of these institutions and the pressure to spread available funds to serve more enrollees may tip the balance in favor of public institutions.

Some of the MOET staff would prefer a centralized intake system for assessing all enrollees and referring them to the institution offering the most appropriate mix of services. Institutions that specialize in services for particular age-race-national origin-sex groups, however, would resent such intervention between them and their client groups and have the clout to prevent it, so the MOET staff has never actually proposed to centralize intake.

The staff also harbors two related preferences that are not politically viable. Neither has a constituency of its own, and both are opposed by powerful community groups.

One is an expansion of the individual referral program. The majority of San Francisco CETA eligibles have high school diplomas and many have some college credits. By selecting trainees carefully and working with the schools, the staff members feel they could overcome the need for supportive services and purchase a higher level of training. The staff desire to move to training in higher level skills, even at higher per enrollee costs, reflects a nostalgic pride in the MOET Skill Training Improvement program experiences, all of which had been completed before this study began. This approach, too, would face opposition from those with vested interest in CBO based programs. The staff hopes to expand upgrading programs and does not expect as much opposition, because that emphasis probably can be accommodated within the current mix of contractors.

Similar political problems exist for the second staff preference: more and better on-the-job training. As noted above, the national CBOs have no political clout in the city. Only the local Urban League advocates OJT but the power lies with the indigenous organizations, which tend to look at OJT as a diversion from the resources available to them.

The staff also has no preference for standard low support OJT, which is seen as merely a wage subsidy for small employers. However, they are enthusiastic about high-support OJT, of which there have been some outstanding examples. Primarily in response to affirmative action pressures, public utilities and other large employers have occasionally approached MOET or a contractor, and CETA-eligible persons have been selected to meet these employers' needs. A MOET contractor has provided vestibule training in simulated work settings. Grooming, deportment, and basic education, as well as entry level skills, have been stressed. Then the enrollees have moved into an OJT phase but still have been coached by the contractor until secure in their jobs.

High level clerical, substantial technical, and low level management positions have been obtained in this way. A consortium of engineering and architectural firms is currently inducting young blacks into technician positions by the high support OJT approach. But such opportunities are sporadic. Employers that can provide them cannot be persuaded by a modest wage subsidy. They respond to their own needs, and their affirmative action emphasis is shifting from the entry level to the upgrading stage. Employers will not participate in the competitive RFP process, so someone has to act as surrogate for them. Without strong direct advocacy, it is difficult for MOET staff to retain an uncommitted pool of OJT funds to respond quickly to employer invitation. Any uncommitted funds are well known to the CBOs, which bring pressure on the employment and training council, board of supervisors, and mayor for their allocation.

High-support OJT seems unattainable as a regular program, but it has been accomplished often enough to remain a tantalizing dream to the MOET staff.

The Quality and Results of Training

One could summarize training in San Francisco CETA by saying that:

1. Employability development in a broad sense is the first priority of nearly all actors in the system.
2. The language problems of new immigrants are so overwhelming as to swamp other needs.
3. The skills, qualifications, and commitments of the immigrants are sufficient, combined with a favorable labor market and competent trainers, to guarantee high placement rates and even higher retention.
4. The mix of services and service deliverers is probably not optimum, but it certainly is defensible.

The correlation between program quality and program outcomes is distorted by the nature of the population and the labor market. The ESL programs are the most successful, even though not necessarily of the highest quality. The facilities are generally crowded and uninspiring. The instructors must meet community college certification requirements and are generally competent and committed. Over time, the instructors in the various ESL programs in San Francisco have developed their own approach and denominated it as vocational English as a Second Language. They all tend to take pride in and use the same approach, regardless of language. There is no way to separate the competence of the instructor and the quality of the curriculum from the commitment of the student body in assessing results. What is clear is that the participants do learn English—at least enough to get by and get a job. The job skills components of ESL are generally not well-equipped and often seem to be an afterthought. Nevertheless, placement and retention rates in the high 80s are standard across the ESL range and are bought at very low per enrollee costs.

The quality of individual referral is dependent upon the quality of the institutions involved. The private proprietary schools are designed to meet the market and generally have impressive facilities and excellent equipment. Their major handicaps from a CETA standpoint is that many CETA eligibles have not been able to survive in those competitive environments. Most of the community colleges also offer good facilities and instruction and adequate equipment. However, the skill center is housed in an abandoned elementary school and carries the marks of a second class institution. Nevertheless its health programs are taught by professionals who maintain high quality.

Most impressive in the San Francisco setting are the high support OJT projects. The initial pre-entry training is adequate but the employer involvement and commitment to hire is what makes all the difference. But these are sporadic and difficult to mount.

All in all, San Francisco can be described as a CETA system with a successful training emphasis, more because of the nature of the population and the economy than because of the training quality. In fact, San Francisco's native black and white poor would debate its effectiveness for them.

Capacity to Develop and Manage Training Programs

All of these factors are reflected in the development and management of CETA training programs. Stability of need and offering reduces the challenge to develop new programs and new approaches. That which works well can be continued without need for continuous modifications and new beginnings. A combination of ESL and clerical training is relatively easy to put together. Decentralized delivery lets the prime sponsor hold the contractors' feet to the fire without having to take full and direct responsibility for managing the training program.

Still there are always prices to pay. A decision to decentralize to service units sponsored by politically potent groups means that almost every group has a right to a funded institution of its own. They cannot all be equally competent. Only in dire circumstances can one national origin group be denied any funding and its constituents required to seek service from another group's entity. The California system of state-supported educational institutions offering free tuition is a boon to the leveraging of CETA funds, but it may lock MOET into continuation with a mediocre institution because of the low per enrollee cost. More selective individual referrals and more high support OJT are the staff's own nonpolitical preferences. The price of survival in a political atmosphere is compromise. But MOET has been able to mount an impressive service delivery mechanism in a political setting which could have been chaotic.

The diversified employability development system also has the advantage of being readily expandable. MOET received, in 1980, proposals for over twice as much training as it was able to fund. The capacity for individual referral is almost infinite, given the number of private as well as public training institutions in the city. None of the San Francisco CETA training programs is capital-intensive and expansion of language training requires only instructors, which are plentiful. Every program has a substantial waiting list of eligible applicants. MOET staff believes classroom training could be expanded by one-half in a few months if given the funding. Expanded classroom funding would also take the opposing political pressures off high support OJT, freeing resources to develop more of those programs.

Conclusion

CETA in San Francisco is well managed by any set of standards. Its decisionmaking has a broad base and responds to both politics and economics. Its staff is not plagued by turnover and has extraordinary competence. The federal agency is neither a help nor a service hindrance. A major training need—the Americanization of a new generation of immigrants—has been identified and is being met within the limits of available resources. All of these achievements are being accomplished in a highly politicized atmosphere, and the response to those pressures is adroit. One might argue for a different response—one that would centralize intake and assign clients to training institutions by need and capability. But politics is as real as economics, and there is no obvious way to choose between them.

Seattle, Washington
A CBO Delivery System

R. Thayne Robson
University of Utah

The CETA program in the Seattle-Everett SMSA, a consortium until recently of seven cities and two counties, is a strong and successful program when viewed from the perspective of the services delivered to clients, but not necessarily as viewed from the regional office. In fact, the King-Snohomish Manpower Consortium (KSMC), can almost be described as two relatively distinct systems: (1) a system for delivery of services to clients by program agents who are predominantly community based organizations, along with a significant role for the Washington State Employment Service, and (2) a higher administrative and policy level, which encompasses the regional office of the Department of Labor and the prime sponsor organization and staff, whose primary focus is the implementation of federal regulations and guidelines. The latter functions within an environment which creates friction and too often diverts attention away from the primary goal of improving the services to and the accomplishments of the clients. The distance between these two levels appears to be growing wider and causes concern for everyone involved.

The Political Economy of Seattle Area

King and Snohomish Counties cover a large area of 4,226 square miles with a population of 1,500,000. The Cascade Mountain range is the boundary on the east as the Puget Sound is on the west. Seattle is the commercial and service center of the region, and the Seattle-Everett SMSA is the seventeenth largest in the nation.

As the trading center for the Northwest, and with the expanded energy activity in Canada and Alaska, growth in aerospace and defense, and increasing trade with the Orient, the economy of the Seattle area is strong and growing. Historically, the port facilities, the trade routes to Alaska and the Orient, fishing, lumber, pulp and paper, dominated the economy of the area. Since World War II, the general growth of manufacturing, and especially electronics, and of aerospace, particularly the Boeing Company as the area's largest employer, has broadened the economic base of the area.

Unemployment, however, has been significant, averaging between 6 and 8 percent over the past several years. The migration of minorities up the west coast and the recent immigration of Asian refugees continues to confront the area with a significant population of people who are disadvantaged and eligible for CETA services.

The political climate of the area has been somewhat mixed but generally Democratic, especially in state offices and the city of Seattle. Mayor Wes Ullman, Seattle's mayor in the early 1970s, was the driving force in implementing the new CETA legislation and in gaining support and cooperation from the King County executive, John Spellman, who was recently elected governor. The state of Washington and the city of Seattle had profited in federal budgetary matters from an influential congressional delegation, especially while Senator Warren Magnussen was Chairman of the Senate Appropriations Committee.

Recent growth has occurred mainly in the suburban areas outside Seattle where more conservative views and traditions hold sway. Republicans have won important elections for the

U.S. Senate and the governorship. Even so, the traditions of the Northwest, like those of the West generally, have provided strong support for education and human services. The metropolitan areas in particular have welcomed and generally supported efforts to provide employment and training services. These traditions have given the area quality education systems and a strong employment service. Also characteristic of the metropolitan area has been the multiplicity of units of government, school districts, and community college districts, each with a high degree of autonomy.

The emergence of a CETA delivery system utilizing community based organizations is probably best explained as a result of the power void that existed within the educational and human service institutions. There was no one who could convene and organize a metropolitan delivery system. Only the Washington State Employment Service had a network of area wide offices and interests which made possible its early and strong role in employment and training programs, dating to the beginning of MDTA and subsequent activities under the Economic Opportunity Act.

The employers of the area traditionally have been strongly involved in social and community affairs, as have the labor unions. As a result, the establishment of the planning process with supporting advisory committees could draw on strong traditions of communtiy support and involvement. It is quite likely that this same tradition also explains the early and continuing involvement of elected officials in the new consortium activity.

Planning and Decisionmaking

The King-Snohomish Manpower Consortium (KSMC) was established as an independent governmental unit by the seven cities and two counties in the area. Thirteen elected officials serve on an executive board that governs the consortium. The chairperson of the executive committee has alternated between the mayor of Seattle and the county executive of King County. Seattle with three of the thirteen votes is larger in population (500,000) than all of the other cities combined, and King County outside the limits of the member cities is the largest partner, as measured by population. Snohomish County, which withdrew from the consortium during the course of this study, represented slightly less than one-fifth of the total population and had three votes, one for the county and one each for Edmonds and Everett.

During the formative period, the executive director of the KSMC was Robert McPherson who built the alliance of elected officials and community based organizations that formed the core of the CETA system. The involvement of elected officials was accomplished by the establishment of a group of "subexecutives" consisting of key staff members serving each of the elected officials who met regularly to agree on the policies and actions that could be ratified by the executive board at monthly meetings. Strong employment and training advisory committees (ETAC) were established, one for Snohomish County and one for King County, with broad based representation from public and private employers, unions, and citizens representing major interest groups in the community. Organizations contracting with the consortium to provide services became non-voting members of the ETACs. The organization of two ETACs was initially a matter of geography. The thirty-five miles between Seattle and Everett seemed to justify the wisdom of separate meetings and committees although a joint committee was created to act for the two ETACs as needed.

McPherson left the KSMC staff in September 1977 during the dramatic expansion of CETA activities resulting from the Carter countercyclical initiative and the new youth programs, a year during which the staff and funding for CETA activity in the area approximately doubled. Some of the key staff members who had been responsible for much of the development of training policies left with him.

Mayor Ullman arranged for the appointment of Lee Pasquarella as the new executive director, just prior to leaving office later that year. The switch from McPherson to Pasquarella came at a difficult time in KSMC's history and was accompanied by a sharp change in management styles. MacPherson was a recognized expert with a great deal of experience in employment and training programs. His "open door" management style involved full communication with staff, program agents, and interest groups. Pasquarella had worked for Mayor Ullman and then moved on to Washington, D.C. to work for Senator Magnusson. He had no previous experience in employment and training programs and chose a much more formal style of management with his staff and the major program agents.

Despite the loss of key staff members in 1977 and a few changes since then, the core of managers of the various functions and departments have considerable experience and are generally regarded as competent and dedicated. The managerial systems developed to handle personnel, MIS, planning, and the other functions are efficient and shared broadly with other prime sponsors throughout the nation.

The essential decisionmaking mechanisms have always involved an elaborate planning process. Staff analysis and proposals are developed after consultation and input from the program agents, and submitted to the review and comment of the ETACs. The advisory committees have done much more than simply review and approve proposals. Plans and policies have been thoroughly debated at the ETAC meetings and the differences largely ironed out. The final plans and funding are approved by the executive board at regular meetings. The planning process has been continuous, but has taken a great deal of time for at least six months of each year over the period from March to October. CETA in Seattle has been a sizeable undertaking with total funding under all titles in fiscal 1979 of approximately $84 billion dollars (Table 1).

Table 1. KSMC/CETA Funding for Fiscal 1979

Title/program	Fiscal 1979 availability[a]	Fiscal 1979 expenditures	Fiscal 1979 carry-out
Total	**$83,913,773**	**$68,001,781**	**$15,911,992**
II-B	12,466,879	10,377,650	2,089,229
II-D	15,919,346	14,164,325	1,755,021
IV SYEP	4,807,193	4,471,030	336,163
IV YCCIP	945,315	756,252	189,063
IV YETP	3,443,029	3,049,202	393,827
VI	27,256,709	24,752,382	2,504,327
VII	491,106	47,531	443,575
HIRE II	620,646	427,596	193,050
STIP I	1,720,467	1,159,879	560,588
STIP II	999,798[b]	484,476	515,322
YIEPP	10,105,362[b]	4,258,719	5,846,643
Vocational Education	757,576	757,576	—
Administration Cost Pool	4,380,347	3,295,163	1,085,184

a. Figures adjusted for Administration Cost Pool set-asides where appropriate.

b. Includes availability for fiscal year 1980.

From the outset, there has been considerable friction between the Seattle regional office of the Department of Labor and the prime sponsor. In the formative years, the KSMC staff chose to deal directly with DOL officials in Washington, D.C., a practice that proved annoying to the regional office. In recent years the communications have remained strained as the regional office has sought to enforce policies that the prime sponsor staff thought were either inappropriate or of a lesser priority. The regional office has given KSMC poor ratings for failure to maintain services to youth under Title II-B, slowness in implementing the independent monitoring unit, for lack of adequate systems to check enrollee eligibility, and other matters. Behind all of these issues have been clashes of personalities and a lack of genuine efforts to resolve issues which for the most part appear within the range of relatively easy solution. Yet the frictions at the top level do not seem to have adversely affected the delivery of services to clients.

Effective in October 1980, Snohomish County, along with its two cities, Everett and Edmonds, withdrew from the consortium and established itself as a prime sponsor. This left approximately 80 percent of the old consortium intact, with King County and the five cities of Seattle, Bellevue, Kent, Renton, and Auburn in the King-Seattle consortium. This realignment also had little impact upon service delivery since Snohomish County continued to use the same program agents to perform approximately the same functions at the same levels of activity.

Training Expenditures and Costs

Of the total fiscal 1979 funding of $83,913,773, $16,565,366 or 20 percent was devoted to training (Table 2). Of the $11 million reported as spent under II-B in that year, 77 percent went for classroom training, 14 percent for OJT, and 9 percent for adult work experience (Table 3). Skills training accounted for 85.5 percent of all classroom training funds, with adult basic education, English as a second language, and general education development accounting for the remainder.

Table 2. CETA Training Funds for KSMC, Fiscal 1979

Funding source	Funds available	Funds expended	Carryout
Total	**$16,565,366**	**$13,207,177**	**$3,358,189**
Title II-B	12,466,879	10,377,650	2,089,229
STIP I	1,720,467	1,159,879	560,588
STIP II	999,798	484,476	515,322
Vocational Education	757,576	757,576	—

Table 3. Title II-B Expenditures by Subrecipient, Fiscal 1979

Category and agency	Expenditures (includes allowances)	Percent by category
Total	**$11,210,043**	**100.0**
Classroom training	8,613,940	100.0
Concerned Chicanos	168,543	2.0
Chicano Education	307,940	3.6
Central Community College	613,782	7.1
Seattle Indian Center	161,677	1.9
Seattle OIC	4,556,480	52.9
Operation Improvement	2,805,518	37.6
OJT	1,612,967	100.0
SER	367,846	22.8
WSES	436,533	27.1
Carpenters	81,706	5.1
University of Washington	143,467	8.9
Seattle Urban League	410,192	25.4
Job Therapy	173,225	10.7
Adult work experience	983,134	100.00
Operation Improvement	531,250	54.0
New Careers	295,771	30.1
Passage Foundation	156,113	15.9

SOURCE: KSMC.

Training costs are relatively high at KSMC (Table 4) because of the cost structure of its two major classroom training institutions discussed below.

Table 4. Classroom Training Cost Analysis, KSMC, Fiscal 1979

	Cost per placement (excludes allowances)	Cost per positive outcome	Terminations	
			percent employment	other positive
Total Classroom	**$ 7,599**	**$5,179**	**50.1**	**23.4**
Concerned Chicanos	4,746	3,622	50.9	15.8
CEMS	10,866	3,675	28.0	54.9
SCCM	9,405	5,905	58.7	34.8
Seattle Indian	112,408	1,972	1.1	61.5
Seattle OIC	6,610	4,610	50.8	22.0
OIF	9,808	8,163	63.1	12.7

Who Provides the Training?

The distinguishing features of the KSMC delivery system for training are: (1) A unified recruitment, intake, assessment, and referral program operated by a largely independent unit within the Washington State Employment Security Department. These functions are carried on at 10 offices located throughout the area. (2) Community based organizations (CBOs) as the major actors in delivering both classroom training and on-the-job training. One CBO, the Seattle OIC, has conducted more than one-half of all the classroom training for KSMC, and another, Operation Improvement Foundation, manages an individual referral system which places participants in classroom training in 35 public and private training institutions. These two CBOs, OIC and OIF, provide over 85 percent of all classroom training. Two other CBOs, the Seattle Urban League and SER, are major contractors in the on-the-job training programs. (3) The Washington State Employment Security Department, in addition to the operation of the intake centers, is also a major OJT contractor, and has also been a contractor for work experience and PSE activity. Prior to 1977, WSES operated the individual referral activity which is now managed by Operation Improvement Foundation. Placement activity was formerly limited to WSES which now shares the responsibility with the other contractors. WSES still plays a major role in the placement activities for KSMC participants. WSES also handles all allowance payments from the state offices in Olympia.

There are, of course, other contractors providing both classroom training and OJT. The adult basic education, English as a second language, and general educational development programs, which account for approximately 15 percent of Title II-B funds, are operated through four contractors. The largest and most rapidly growing of the programs is an English as a second language (ESL) program for Asian refugees operated by the Seattle Central Community College. There are two small Spanish ESL programs, one in Snohomish County and the other in King County. In addition, KSMC funded a small basic education program for the Seattle Indian Center.

Of the six contractors operating OJT programs, WSES is the largest with approximately 27 percent of total funds. Seattle Urban League is second with approximately 25 percent, and SER has a program that accounts for about 23 percent of the OJT funds. In addition to the big three OJT contractors, the Seattle Carpenters' Union operates a small OJT program and there are two coupled classroom/OJT programs, one for handicapped at the University of Washington and the other a small specialized program run by Job Therapy, a non-profit group serving ex-offenders.

Who Gets Trained?

Women were over one-half of the participants in classroom training but less than one-third of the OJT placements. Minorities were 60 percent of classroom trainees and approximately 46 percent of the OJT placements. Youth were one-third of the classroom trainees but only one-quarter of the OJT placements (Table 5).

KSMC was serving approximately 49 percent youth in Title II-B prior to the introduction of the youth programs and the guidelines required it to continue to do so. The decline in Title II-B youth enrollment has been a constant source of friction between KSMC and the DOL regional office. Given the relatively low proportion of minorities in the population, the high enrollment proportion is undoubtedly due to the role of the CBOs in the delivery system, as well as the general reputation of CETA as a minority program in Seattle.

As noted above, the WSES operates the recruitment, intake, screening, and referral centers for all CETA titles. These intake centers generally screen three people for every person referred. Forty-three percent of the persons screened for service were female, 39 percent were 21 years of age or under, 38 percent were high school dropouts, but 20 percent had some post-high school training. Approximately 48 percent were minorities, 79 percent were below the poverty level, and 93 percent were unemployed.

The Geographic Issue

Executive board representatives and the ETACs of the three major geographical divisions within the KSMC area have been very sensitive to the geographical distribution of funds and activities. As a result, all reports filed by contractors must report the residence of persons served by the program. The goal for fiscal 1979 was that 53 percent of the par-

Table 5. Client Characteristics for Classroom and OJT Training by Contractor, Fiscal 1979

Contractor and type of service	Characteristics by percent			Geographical distribution by percent		
	Female	Minority	Youth	Seattle	King	Snohomish
Classroom	56.0	60.1	33.7	60.6	26.3	13.1
Concerned Chicanos	54.5	88.3	32.5	0	0	100.0
CEMS	43.7	98.3	29.4	84.9	15.1	0
SCCC	51.5	100.0	28.5	78.0	20.0	2.0
Seattle Indian	58.0	100.0	54.0	94.0	6.0	0
Seattle OIC	49.6	68.1	32.8	82.3	15.1	2.6
OIF	69.1	26.9	35.1	19.2	52.0	28.8
OJT	29.8	45.7	26.6	59.5	22.0	18.5
SER	29.9	68.4	36.7	48.6	29.4	22.0
WSES	27.1	27.4	31.0	40.4	27.4	32.2
King County Carpenters	34.4	43.8	34.4	40.6	56.3	3.1
University of Washington	45.7	15.2	7.6	73.9	21.7	4.4
Seattle Urban League	28.6	65.6	23.9	87.6	9.7	2.7
Job Therapy	24.7	41.6	13.0	62.3	9.1	28.6
OJT Direct Placement	30.0	69.2	26.9	63.8	23.1	13.1

ticipants should be residents of Seattle, 30 percent residents of King County outside of Seattle, and 17 percent residents of Snohomish County. The distribution was based upon population, estimates of need, and some recognition that the major contractors were better located to serve Seattle residents.

For 1979, Snohomish County was more nearly proportionately served by OJT than by classroom training. Seattle enrollees were overrepresented compared to goal by both types of training, and King County outside of Seattle City was slightly underrepresented in classroom training (4 percent) and OJT (8 percent) compared to goals. Since classroom training has served the largest number of people and spent the most money, this has been the area of greatest sensitivity. Because of the persistent overrepresentation of Seattle residents, the funding allocations for fiscal 1981 were based upon a formula which rewarded or penalized contractors according to their records in achieving the desired geographical distribution. This was a major factor in the withdrawal of Snohomish County.

Training Quality

Training outcomes at KSMC are more impressive in terms of wage gains than in placements. The total classroom training enrollment during fiscal 1979 was 2,787 with 2,075 exiting the program of whom 1,616 or 77.9 percent were completers. Of this latter group 50.3 percent entered employment and another 23.5 percent were recorded as positive terminations, leaving a nonpositive termination rate of 26.2 percent.

The before and after wage data for fiscal 1979 showed a median pre-CETA wage of $2.87 and a median post-CETA placement wage of $4.43 for an increase of $1.56 per hour or 54.4 percent. Only the Indian and Concerned Chicanos programs fell substantially below the average gain. However, the outcomes are probably more a product of the economy than of the training which is generally of high quality.

Seattle OIC Skill Center

The Seattle OIC, the largest skill training program in the consortium with total funding of $5.5 million in 1980, operates one of the most modern skill centers found in the United States. The center serves people who are educationally and economically disadvantaged in a full range of services from extensive counseling and GED/ABE, to skill training in any of 12 occupational areas. The facilities, equipment, and curriculum materials appear to be at or near the best available. The director and the managers are outstanding in their knowledge, experience, and skills in operating the facility. There are waiting lists of people desiring to enter the program.

Training costs are high at SOIC due to a combination of quality facilities, extensive supportive services, and unusually high administrative costs. However, the costs are not excessive in relation to the quality of the training. One of the strongest bases of support for the SOIC has been the employer advisory group which has assisted the SOIC to obtain the facilities and equipment which high quality training demands. The employer advisory group has also been important to an effective placement program for the students who complete the program.

During 1979 the costs associated with SOIC training were:

Total costs of SOIC program	$4,556,480	100.0%
SOIC costs as program agent	2,376,492	52.2%
Allowance costs (paid by WSES)	1,661,025	36.5%
Administrative costs (percent as proportion of SOIC costs)	563,963	23.6%

Based on figures showing the total number served as 1,577, the total number entering employment as 604, and total positive terminations as 866, the costs per unit of service were:

	Total	Program agent
Cost per person served	$2,889	$1,507
Cost per placement	7,544	3,935
Cost per positive termination	5,262	2,744

Seattle OIC is not without its problems. SOIC now serves well over one-half of all those enrolled in classroom training in KSMC. However, as noted, SOIC serves predominantly the residents of Seattle. Therefore, strong pressure to shift resources away from Seattle to the balance of King County threatens the continuing growth of the SOIC program. SOIC has major expansion plans underway at a time when future funding is increasingly in doubt. Two additional floors are being added to the center, and plans are underway to add additional areas of occupational training. These plans require that both SOIC and the consortium staff have a common set of goals and commitments regarding the future of classroom training, and SOIC's high role in providing training.

These issues highlight the difficulty of long-range planning given the current funding cycles of the CETA system. The gambles on expansion in the past have generally paid off. SOIC may need to explore some set of arrangements under which state and local financial support can be increased. Alternatively, employer support which has already been significant may be expandable. Can a community based organization operating a local educational facility gain access to the tax base which supports the public training institutions within the area which already has an extensive network of community colleges? The question may be a key one in SOIC's future.

Operation Improvement Foundation

The individual referral program operated by the Operation Improvement Foundation is impressive in terms of the number of training institutions involved (35) and the number of occupational areas (40) in which training is offered. Approximately 800 CETA enrollees are enrolled annually with CETA funding of $2.8 million. The entire system is difficult to evaluate simply because of its size and diversity. The community college facilities visited were generally excellent and the Seattle area has a tradition of high quality training. The state vocational education system which exercises mandatory certification has been important in assuring quality control. However, the CETA supported students are a small part of the total training programs in the area and no special attention is paid to their needs.

A smaller number of training institutions or more emphasis on class-size units would simplify the administration of the program. However, the extensive network of community colleges, vocational-technical institutions, and private training schools each claim a role that would be difficult to simplify. The geographical territory serviced by the consortium is large. Even though it appears that CETA has had little impact upon the training institutions or their curriculums, the private schools are most vocal on insisting on a share of the CETA training effort. CETA buys whatever training is available on the terms and conditions set by the institutions. These terms and conditions are generally favorable, although the length of training time does add to per enrollee and per placement costs.

Financing of training costs comes from a combination of CETA funds, basic education opportunity grants, local tax support for the colleges, and state funds for GED/ABE. Once a CETA client enrolls at a community college, the consortium's control over time in training, training given, and training costs becomes limited. The consortium does retain effective control over the payment of allowances. The primary reason for high per enrollee costs appears to be the length of time in training and the cost of operating the individual referral system with its own assessment program added to what is already done at the WSES assessment program. As noted, the average length of training in this program ranges from nine months to one year, and there are a few two-year programs still being provided to CETA enrollees. For the consortium, the individual referral system's strength is its ability to serve the residents of King County outside of Seattle. These clients are mainly Caucasian women, with high levels of educational attainment, though they qualify on the basis of economic disadvantage and unemployment.

Up to now, it has not been possible to trace carefully the success rates of enrollees by training occupation and by training institution. The steps now being taken to install a computerized management information system should remedy this lack.

Washington State Employment Service

The intake, assessment, and referral centers operated by the Washington State Employment Service's special CETA unit appear to offer an important and successful control unit in a highly pluralistic CETA delivery system. For the most part, the program levels have been maintained, slots have been filled, and waiting lists have been managed with considerable skill. Program agents can obtain from WSES referrals enrollees for the service available with client assessment information based on professional counseling and extensive testing. The Washington State Employment Service must be somewhat unique in its willingness to create a separate CETA unit with considerable autonomy within the Job Service system. While each of the major program agents sometimes find fault with the others, the WSES unit seems firmly entrenched by virtue of the support it gets from all actors in the CETA system.

Conclusions

The classroom training program in the Seattle area could easily accommodate a significant expansion. The individual referral approach is highly expansible and SOIC is already strongly programmed for an expansion which may not be forthcoming. It would be safe to conclude that the classroom training activity within the two counties could be expanded to double the present levels, if funds were available. The training appears to be of high quality. But, unfortunately, there is no data available to determine whether quality training at relatively high cost brings a commensurate improvement in the employment and income experience of its participants. A careful evaluation of training results, especially for the individual referral program, should be completed prior to any major expansion.

By most tests, KSMC must be given reasonably high marks for operating what the staff considers to be one of the ten best CETA programs in the nation. The people being served are generally economically disadvantaged and unemployed but somewhat better educated than CETA enrollees in most locations. Strong emphasis is placed on training, especially classroom training, with reasonably strong secondary emphasis on OJT. The elected officials are both involved in and supportive of CETA activities, and most other interested groups within the community have ample involvement in the planning process.

In reaching this basically favorable conclusion regarding the KSMC program, it is necessary to acknowledge that regional DOL officials have expressed some displeasure with performance during recent years, and have given KSMC an unsatisfactory rating. The major issue identified by interviews with both federal and local staff has been the failure to maintain 49 percent youth enrollment in Title II-B programs after the Title IV youth programs, including the entitlements program, became operative in Seattle. The other issues regarding eligibility, IMU, and minority staff should be easily resolvable under the circumstances. The underlying issues over the years, and more particularly under Pasquarella's administration of the consortium, have mainly related to communications and personality problems, including a general lack of responsiveness to regional office concerns. None of the issues go directly to the quality or effectiveness of the services provided.

The management of a complex CETA system is not easy. There is room for discussion and even debate over what numbers should be collected and how they should be presented for analytical purposes. There is a tendency to focus too much attention on some of the daily frictions—on the irritations of late reporting, on the present and prospective changes in regulations and funding. Under these pressures, it is possible to neglect the basic obligation to assist eligible clients to obtain improved skills and jobs.

The KSMC CETA program has been heavily funded and has operated with relatively high costs, especially in classroom training. The emphasis is on skills training with duration ranging from an average of six months at SOIC to between nine and twelve months in the individual referral program. The quality of the training provided is reflected in the wage gains if not in the placement rates. But whatever is accomplished in Seattle CETA, it is the CBOs which do it, counting the specialized WSES CETA unit as more like a CBO than a public agency.

Tucson, Arizona
Orchestrated Decentralization

Garth L. Mangum
University of Utah

The Prime Sponsor Area

Tucson is the second largest city (next to Phoenix) and the only other metropolitan area of any size in Arizona. The city, with its 1979 population of 319,300, has the only population of more than 6,000 in Pima County. Most of the county's 539,800 people live in Tucson and its suburbs, while the county spreads over a geographical area larger than the State of Connecticut.

A little more than one hour's drive from the Mexican border, the county was populated by 118,600 Hispanics, 15,000 blacks, 12,900 Native Americans, 3,600 Asians, and 352,600 non-Hispanic whites in 1978. The area's nearness to Mexico contributes to a low wage structure which makes jobs at the federal minimum wage relatively attractive, even though the area's cost of living is above the national average.

Historically, copper mining has been an important source of employment, and Pima County is still the home of the fourth and fifth largest copper mines in the country. However, attractiveness as a retirement community and an emerging electronics industry have moved to center place in the local economy. Low wages and the human resource base of the 30,000-student University of Arizona and the 22,000-student Pima Community College have been the major attractions for the emerging industry. The community suffered heavily from the 1974-75 recession but gives promise of riding through that of 1980 more comfortably.

Unemployment was at a low of 3.9 percent in the spring of 1980, rising to 5.8 percent by midsummer.

Staff and Institutional Stability

Contrary to a general CETA reputation for high staff turnover, the Tucson prime sponsor has experienced almost total stability throughout the entire CETA experience. The staff is, of course, small—a total of 35 in 1980—as behooves a relatively small prime sponsor in a modest sized city.

That staff has functioned under one director from the CETA beginning, and he directed the public employment program under the Emergency Employment Act of 1971 and was director of the Tucson Cooperative Area Manpower Planning System under the Manpower Development and Training Act prior to CETA. The Tucson Employment and Training Administration is divided into five major departments. Only one department head has ever left the post and he only to enter private business, run successfully for the city council, and become a strong supporter of his previous colleagues from that position.

Top management as well as staff has grown with the expansion of CETA, and those who came, stayed. Two technician level positions were lost to the city when a city-county consortium split in 1979 but the incumbents continued with the county prime sponsor. Thus the record of stability is maintained at the technician level. There has been the normal turnover of clerical personnel.

Only one position experiences troublesome turnover. Eleven persons have rotated through the five positions as field monitors, or service delivery coordinators in Tucson parlance, since the function was established in 1977. The job is a difficult one. Approximately 80 percent of the time is spent at CETA contractors' facilities observing and checking the delivery of service to enrollees. If there is any conflict between prime sponsor and contractor, the service delivery coordinator is in the middle of it. The service delivery coordinator is also in circulation to observe and be observed, and all who have left did so for better jobs. Because the assignment requires judgment and experience, that turnover could pose a recruitment and training problem. However, replacements are usually hired from the lower ranks of contractor staff with readymade familiarity with the CETA world.

At the director level, the explanation of the staff stability is political stability. One mayor, now in his third 4-year term, has headed city government throughout the CETA experience. Tucson also has a city manager of similar tenure. The CETA staff director reports politically to the first and administratively to the second, and has the trust of both. For the rest of the staff, the primary explanation is that all have been incorporated into the city civil service with full rights and protections rather than being grafted on in some temporary fashion as is the more usual CETA experience. In a small city like Tucson, city jobs are attractive ones, secure and competitively paid and few leave them.

However, the stability of Tucson CETA is not limited to the prime sponsor staff. The primary service delivery contractors—the Tucson Skill Center, the Arizona Department of Economic Security (DES), Tucson Manpower Development, Inc., Operation SER, and Tucson Urban League—were all actively involved under the pre-CETA Manpower Development and Training Act and Economic Opportunity Act. Other minor contractors come and go, either providing specialized services or acting as hosts for public service employment slots, but these five carry the bulk of CETA service delivery responsibility year after year.

Contractor staff are almost as turnover-free as prime sponsor staff. The skill center went through a double transition at the end of MDTA as the director left to head a private trade school. The deputy became director but was not comfortable with the annual competitive funding process of CETA. The head of the DES/CETA unit, who had served the National Alliance of Businessmen-Job Opportunities in the Business Sector (NAB-JOBS) program from within DES, took over the skill center directorship in 1977 and has remained since.

The DES/CETA unit is staffed by professional employment service staff, primarily of Mexican-American extraction, and has experienced only that one change of leadership. SER, the Urban League, and Tucson Manpower Development all continue to function under their pre-CETA leadership. Turnover below the director level has been moderate for all. Only the prime sponsor and DES enjoy the protection of tenured systems. But salaries of all are competitive within the employment and training fraternity and with the private sector in a relatively low wage labor market.

Personal relationships are good except with the SER director, who is the "stormy petrel" of Tucson CETA. Militant, aggressive, and competent, he is a constant battler for more funds to provide adult basic education and English as a second language programs for his Hispanic constituency. Private sector members of the planning and private industry councils find his conduct in meetings disruptive and irritating. But all of that is offset by SER's outstanding performance. Thus Tucson CETA tends, in cliche, to be a reasonably happy and relatively close family.

Prime Sponsor/Federal Relations

"Adversary" is a better description of relations between the Tucson prime sponsor and the Labor Department's San

Francisco regional office. For the Tucson staff, that relationship is personalized by the federal representative or "fed rep" assigned full time to the Tucson consortium and now to both the city and county prime sponsors. The position is characterized by high turnover, both because the fed reps do not stay on the job long and because there is deliberate rotation. Of the eight fed reps who have served Tucson, only the current (mid-1980) one has ever had experience as a member of a prime sponsor staff. The Tucson staff, until that recent change, have viewed the fed reps as uniformly incompetent and uncooperative, inexperienced, and unwilling to invest the time to learn the Tucson scene and the reasons for and nature of its policies and practices. Knowing no way to be helpful, the Tucson staff feel, the fed reps can only be nit-picking enforcers.

Compounding the problem of local-regional relations is the national system, devised by the Congress and the U.S. Department of Labor, which requires the prime sponsor each year to complete planning for the next without knowing what level of funding will actually be available and to adjust to frequent funding and policy changes within each program year. Then too, the Tucson director has excellent Washington contacts and invariably knows of national office decisions weeks before they are communicated to the regional office and more time passes before the regional office can translate and transmit them through field directives. Confidence in the regional office is not helped by situations in which that office is accusing the prime sponsor of noncompliance for advance response to a coming national directive.

On the other side of the coin, many of the regional staff consider Tucson staff obdurate and uncooperative. Admitting all of the shortcomings of their position, they point out that relations are good with other prime sponsors in the region, despite the same set of obstacles.

At the time of this writing, however, the whole CETA administration in the regional office has been restructured and restaffed. A new federal representative has been assigned who has several years of prime sponsor level experience behind him. He has spent extensive time in Tucson to learn local conditions and practices and has been helpful in breaking loose some longstanding requests for information. Both sides are hopeful that a new and more positive relationship may emerge.

Political Vulnerability

The Tucson experience is an instructive example of the vulnerability of the CETA system to erratic forces of local politics. Tucson CETA functioned for five years as a consortium consisting of Tucson city, Pima County, and the city of South Tucson.

At CETA's advent only the city or the county including the city had the 100,000 population required for prime sponsorship. The county, at the time, lacked the administrative structure to handle such an enterprise. A consortium was formed including the city of South Tucson—a mile square enclave of 6,000 population, three-fourths of them Mexican-American, totally surrounded by the city of Tucson.

Tucson city assumed lead position in the consortium and the CETA staff all became city employees. A liaison committee of one member each from the Tucson city council, the five county supervisors, and the mayor of South Tucson were the chief policymaking body reporting back to their larger groups. Administratively, however, the staff director reported to the Tucson city manager. The prime sponsor advisory council was dominated by contractors who could not vote on issues of pecuniary interest to them, but meetings were long and acrimonious and tainted by self-interest. Despite that flaw, the system ran well except for continuous complaints from Hispanics and Native Americans about their share of the resources.

The county outside the city limits grew to prime sponsor eligibility. However, Tucson still so dominated the county's population that four of the five county supervisors were elected by a totally Tucson constituency and the fifth represented the rest of the county along with some Tucson voters. The latter, a university professor, came to resent the city's dominance in CETA affairs and agitated for exercise of the county's right to separate prime sponsorship. The city CETA staff charge that the federal regional office staff encouraged those ambitions, but the latter deny it. At any rate, Pima County filed in 1979 for independent prime sponsorship, which became official October 1, 1979, for the 1980 fiscal year. South Tucson could only go along with the county.

The split brought no evident gain for the CETA-eligible citizens of either the county or the city or for employers or for the labor market. The city staff continued intact except for the loss of two positions. A new county staff had to be developed and the aggregate administrative cost rose. Except for one private not-for-profit organization providing rural services, the same set of contractors serve both prime sponsors and both populations. Two sets of requests for proposals go out each spring and each contractor makes two responses and keeps two sets of books and reports. The two sets of enrollees remain mixed in the receipt of services. The consortium bonus of $260,000 per year (a little less than 2 percent of the new-CETA funding authorized for fiscal 1979) was lost to both prime sponsors. A prime sponsor which had planned for an entire labor market and more was replaced by two, each operating over a fragment of both the demand and supply sides of the local labor market.

The only observable gain was reform of the advisory council structure for the city prime sponsor.

The Decisionmaking Process

The city had become eligible during the 1974-75 recession for aid under the Economic Development Act and an employer-dominated committee had been appointed to prepare the Overall Economic Development Plan (OEDP). That committee had worked well and the CETA staff director and the director of the Urban League were already members of it. At the CETA director's advice, the mayor assigned CETA responsibilities to the same committee, adding the representatives required by CETA law and regulation.

The OEDP/CETA advisory council has worked exceedingly well during its first year, despite the OEDP group's amazement at the CETA workload. A long range planning committee and a plant siting committee carry on the major OEDP responsibilities. There is a CETA planning committee with task forces for Title II-B programs, youth programs, and public service employment programs. The CETA committee actively participates in setting the boundaries for the annual request for proposals and the task forces read, assess, and rank all of the proposals and join with the staff in recommendations to the full OEDP/CETA council.

The council chairman is vice president for economic development of a major bank and the membership is heavily weighted by business interests. The private industry council (PIC) chairman, another banker, is a council member, as are all but one of the PIC members. Council membership is forbidden to any person whose salary is paid from CETA funds, thus eliminating from membership all contractors except the employment service, the skill center director whose salary is paid by the community college, and the Urban League director who is paid from United Way contributions. A nonvoting subcommittee of Community Based Organizations (CBOs) exists to give a voice to the contractors and other interested parties.

The council chairman requires advance written request for all agenda items and will not allow any meeting to last more than two hours. Appearances before the full council are by invitation only but interested parties can be heard at the task force and committee levels at their own request. Not only the chairman but other private sector members have let it be known that they will continue to serve and devote the necessary time only if the meetings are brief and businesslike and if their advice is taken seriously.

The first year of the new arrangement was promising. Several training sessions were held to acquaint the council members with CETA history, goals, and procedures. The members turned out to be strong allies of the staff in favoring objective criteria and rejecting political judgments. The mayor and council overturned only one joint council-staff recommendation. They funded a Native American contractor whose weak administrative abilities and fiscal controls produced chaos. Economic development and labor market policy decisions are admirably linked. Whether the private parties will continue to devote the needed time and energy remains to be seen.

Orchestrated Decentralization

At first look, the Tucson decisionmaking process appears to be so decentralized as to prohibit any meaningful planning. The staff, along with the CETA planning committee of the OEDP/CETA advisory council, decide what mix of age, race, and sex characteristics is appropriate for the next fiscal year's enrollees. They make their best guess of the amount of funds likely to be available under various CETA titles. They then send out a request for proposals containing only those two pieces of information. With no further guidance except past experience, contractors then propose what groups and how many they hope to serve, what mix of services they propose, and the price tag. Each contractor is expected to be responsible for intake, all service delivery, whether directly or by subcontract, job development, and placement. Proposers are provided with the limited amount of labor market data available from Department of Economic Security sources but essentially contractors are left to their own devices to judge what the labor market needs or will absorb.

Confronted with the charge that the procedure delegates or abrogates to the contractors the essential planning decisions, the director counters, "Not so." He would prefer a centralized intake system, but is convinced that the political strength of the race and ethnic groups and their community based organizations and the responsiveness of the politicians preclude it. Advance allocation of the available funds among the alternative service components would tie the hands of the decisionmakers, he argues. Suppose most of the proposals in one service area such as classroom training are mediocre while all of those on-the-job training are outstanding. It would be necessary to fund the mediocre proposals up to the limits of the allocations for classroom training and reject the outstanding ones beyond the OJT limit. Under present procedures, staff and council select the best from an open "smorgasbord" of proposals and assemble a community employment and training program from among a concrete set of proposals rather than supposition and expectation.

But where is the impact of employer need and labor market information? The contractors know the needs of their constituent groups better than anyone else can, is the argument, while response to the demand side is kept flexible by the role of the skill center. A high proportion of the eligible enrollees need remedial education, language preparation, and job search training—all determined by the labor supply. Most training occurs in the skill center which contracts to deliver training unbounded by predetermined occupational clusters. If changing demand is signaled, by either employer contacts or placement rates, enrollments are simply shifted from less- to more-demanded occupations. In reality, of course, the CETA training occupations in Tucson, as elsewhere, tend to be in a set of high turnover, continuous demand entry level occupations which rarely change significantly. Therefore, the key decisions in Tucson are seen to be the relative competence of the contractor and the choice between occupational and nonoccupational prerequisites of employability. These choices can be made from the proposed smorgasbord.

The Primacy of Training

Training, in the broad sense of employability development, is clearly the preferred choice of the prime sponsor, most contractors, and most eligible applicants whenever discretion is given and perceived. CETA Title VI offers no choice but public service employment. Title II-D funds could legally be used for training, but they are designated as public service employment (PSE) and the possibilities for reallocation are viewed as a legal technicality rather than a practical possibility. Depending as it does upon contractor initiatives to change the mix of services, the Tucson prime sponsor has been slow to take advantage of the invitation—and now the directive—to add and enlarge a training component to accompany Title II-D PSE. However, it has declared an intention to move more strongly in that direction in 1981.

Work experience is considered appropriate for youth and maintenance of effort regulations added by the Youth Employment Demonstration Projects Act keep a substantial amount of Title II-B funds allocated to youth programs and, therefore, in part to work experience.

Beyond that, however, Title II-B funds, over which the prime sponsor has greatest discretion, are spent entirely on various forms of employability development with emphasis on occupational skill training (Tables 1 and 2 provide the mix of expenditures and enrollments for 1979). Under the Tucson smorgasbord approach, the training priority is exercised in the selection of contractors. And since each contractor performs its own intake, contractor selection to a substantial degree determines who is to be served as well as what services are to be provided.

Table 1. CETA Funding for Tucson, Pima County, Arizona, Prime Sponsor, Fiscal 1979

	Available funds		
Funding source	1978 funds still available in 1979	1979 funding authority	1979 funds carried over to 1980
Total	**$303,229**	**$15,648,679**	**$1,869,620**
Title II-B	15,963	3,098,374	217,500
Title II-D		2,925,509	
Title III	287,266	691,979	119,817
Title IV		2,302,338	195,982
Title VI		3,700,261	922,462
Discretionary		1,248,991	340,745
Admin. pool		1,681,227	73,114

Table 2. CETA Enrollments under Programs Funded by the Tucson, Pima County, Arizona, Prime Sponsor, Fiscal 1979

Funding source	As of September 30, 1979	Total for fiscal 1979
Total	**1,660**	**7,997**
Title II-B	410	2,349
Title II-D	553	700
Title III		322
Title IV	176	4,008
Title VI	521	618

SER serves a substantially Hispanic population and emphasizes English as a second language (ESL) and adult basic education (ABE). Its program is a well articulated and highly effective one in which those who are monolingual in Spanish undergo six months to one year of ESL instruction, are taught job search and survival techniques at the same time, and are then placed by SER's job development staff. To add skill training to such extensive language training is considered to be an excessive investment in some individuals at the expense of others when SER applicants already wait two to four months.

For those with limited English speaking ability (LESA), SER conducts a program offering a few weeks to a few months of English language instruction followed by referral to the skill center for occupational skill training or to on-the-job training. For those verbally functional in English but of limited literacy, there is a three-level ABE program. The ambitious goal which has been accomplished by the average enrollee is to achieve three years of basic education advancement for each six months of enrollment, the most advanced level leading to a General Educational Development (GED) certificate. The ABE program does not lead into the skill center but into on-the-job training or direct placement.

The services of the Tucson Urban League are available to all, but they are used by a primarily black population. After intake, the Urban League specializes in on-the-job training, job search training, and referral to the skill center for occupational training. On-the-job training has been the specialty of the national Urban League, and the Tucson chapter has followed that lead. Substantial numbers of Tucson employers are susceptible to affirmative action pressure, and the Urban League uses these pressures as leverage for on-the-job training placements.

In addition, the Tucson Urban League staff were instructed by their national and regional leaders in the arts of job search training as that activity came into vogue across the country. The Tucson Urban League therefore initiated a pre-job training program through which, in a 2-week format, those considered job ready are taught how to search for their own jobs. Aided also by the job developers, enrollees in this 2-week sequence have maintained placement rates well above 80 percent.

Finally, Urban League, like SER, maintains responsibility for 31 slots at the Tucson Skill Center. All league applicants considered appropriate for skill training are first sent to the skill center for vocational assessment. Though the skill center must accept for skill training whoever the Urban League (or any other contractor) refers to slots controlled by the contractor, the assessment helps determine who should receive what service. Those referred by Urban League to its skill center slots continue to receive stipends from the contractor and return for job development and placement at the completion of training. (That is also true for the other major contractors.) Tucson Urban League has also referred a few of its applicants to private clerical and trade schools, paid tuition for their enrollment, but has not found them effective because of their lack of supportive services.

The CETA unit of the Department of Economic Security belies any implication that the employment service cannot or will not serve the disadvantaged. Staff members pulled out of their regular DES activities appear to do as well in serving the total poverty population as the community based organizations do for their racially and ethnically concentrated poor. DES/CETA performs a broadly based intake role from a central city multipurpose center and outlying employment service offices. After counseling by one of the counselors assigned to the unit, clients are referred directly to jobs or to on-the-job training, classroom training, or pre-job training, prior to job development and placement.

DES/CETA maintains 13 OJT slots with cooperating employers. It maintains an additional 35 slots at the skill center. Many of the numerous applicants it cannot serve in either of these ways are put through its pre-job training program, similar to the Urban League approach but somewhat higher in volume, with approximately 15 entering each two weeks. The mixes of age, race, sex, education, public offender status, and handicap give no evidence of preselection. A lone staff member puts them through an intensive week of motivation, self analysis, resume writing, videotaped simulated interviews, and telephone practice. They then decide upon an occupation to pursue and draw from the telephone yellow pages and other sources a list of employers likely to hire in that occupation. Goaded and cajoled by the instructor, they then spend the second week on the telephone eight hours a day seeking interviews or out being interviewed until a job is found. The placement rate is above 90 percent. The retention rate, as in all Tucson CETA programs is essentially unknown.

The skill center is the primary source of occupational skill training in Tucson. A few applicants have been individually referred by contractors to a private clerical college and a trade school. The trade school had a direct CETA contract. The training in these two institutions is of high quality, but trainees can survive it only if they have the same attributes as the general student bodies. The prime sponsor and the contractors prefer to allocate the training dollars to an institution designed to serve the disadvantaged.

The Tucson Skill Center is such an institution. It began under MDTA within the jurisdiction of the vocational education department of the public schools but made a successful transition to CETA and administration as a unit of the Pima Community College. It conducts an extensive vocational assessment program using an extraordinarily broad range of assessment tools. In fact, many schools and other institutions in the area refer their enrollees and applicants for assessment on a fee basis. It employs a sympathetic counseling staff, maintains a nurse on site and a doctor on call, has some supervised residential facilities, maintains two vans to bring students in from rural areas and Indian resevations, keeps its curriculum bilingual in Spanish and English, and offers basic education supplementations.

Current occupational offerings at the skill center are: auto body, automotive repair, basic financial skills (teller, cashier, etc.), building maintenance, business and office, electrical helper, electromechanical assembly, food service, and health occupations (licensed practical nurse and nurses aide). However, the skill center obligates a blanket number of slots to CETA without limiting them by occupational area. Intake is left to the other contractors acting as referral agencies. The vocational assessment unit recommends an appropriate assignment for each referral. However, that is not binding on the referring agency or the applicant. The skill center must accept whoever is referred except that licensing requirements make it necessary to impose a high school graduation or equivalent minimum for the nursing program. If some occupational clusters grow as others shrink in response to the referral process, the skill center must meet the administrative challenge.

Despite administrative attachment to the community college system, skill center staff have none of its job security, few of its fringe benefits, and a lesser level of pay. On the other hand, they are not required to have the same set of credentials, though many do. Most instructors have substantial trade experience, receive less pay than they had been accustomed to, but have more job security and more pleasant surroundings. Above all, they enjoy the challenge of teaching and the sense of community service.

The skill center has a well developed philosophy of education based on the enrollee as an adult self-directed learner and the instructor as a resource person. It follows practices of open entry (enter any time from any background), open exit (leave whenever job ready), and individualized modular instruction. It trains in broad occupational clusters from which placement is possible into a range of jobs. It maintains a remedial learning center to which trainees are referred by their skill instructors according to need. It designs its own curricula as well as drawing upon those obtained from other sources. It is gradually using its community college affiliation as leverage, so that its enrollees are now eligible for federal Basic Education Opportunity Grants and it is beginning to give community college credit in some courses.

The skill center has worked closely with new or expanding employers in coupled classroom-OJT programs. Most recently in electronic assembly, the trainees receive short periods (typically two weeks) of pre-entry instruction from the skill center before entering an OJT phase of CETA subsidized employment.

The skill center maintains a completion rate above 85 percent. It is not responsible for job development and placement. The enrollees return to the referring contractors for that. For 1979, placement rates were 74 percent placement rate for SER enrollees, 67 percent for Urban League, and 86 percent for DES/CETA. However, data are not available to break out skill center completers from those overall placement rates.

The only black mark on the skill center escutcheon is its facility. An abandoned department store in a declining part of town, its oft-remodeled innards resemble catacombs and its plumbing and air conditioning facilities (a must in the

Tucson climate) are in frequent disrepair. For overflow it rents other buildings which are even worse. However, help is on the way. As another by-product of the fortuitous OEDP/CETA partnership, an industrial park developer member of the committee has offered to provide new space at submarket rates which will be designed specifically for skill center needs. Given the high maintenance costs of the present facility, the actual cost will not be much higher. If the Tucson skill center can maintain the current attitudes of dedication within the new setting, it will be a most admirable institution.

Overall, Tucson intake agencies report that 85 percent of CETA applicants request skill training. But skill training costs over $7,000 per trainee, including stipends, whereas OJT costs average less than $1,000 per enrollee and job search training costs about $150 per person. Table 3 provides a comparative breakdown of Title II expenditures between training and other services. The preference for classroom training is demonstrated by the fact that nearly all funds available for that purpose are spent, whereas there is less pressure to spend OJT and supportive services funds. The other services exist because the prime sponsor attempts to maintain a balance among alternative services. Waiting periods for CETA enrollments range from two to four months for all contractors. But within budget limitations, classroom skill training is nearly everyone's favorite.

The Tucson training system is still essentially what was put in place under the Manpower Development and Training Act. It has proven its adaptability as well as its durability. The decentralized nature of the system enables it to expand and contract without breaking. There is no large investment in buildings and equipment. No permanent commitments are made to instructors who seem to be readily available. Expanding means renting space and adding instructors. Contracting requires the opposite. The Tucson CETA training system appears to be capable of operating in a range of 75 percent to 125 percent of current enrollments with no undue strain.

Table 3. Title II-B Authorizations and Outlays, Tucson, Pima County, Arizona, Prime Sponsor, Fiscal 1979

Service	Authorization	Outlays	Outlays as percent of authorization
Total	**$3,098,373**	**$2,965,001**	**96**
Classroom training	2,166,434	2,146,943	99
On-the-job training	72,588	56,227	77
Work experience	358,831	402,608	112
Supportive services	500,520	359,223	72

Need for Specialized Institutions

One of the lessons of the Tucson experience is the need for institutions that specialize in the serving of various populations. The Tucson Skill Center, SER, the Tucson Urban League, DES/CETA, and Tucson Manpower Development (not described here because of its youth concentration) survived their MDTA origins because they continued to meet a need. All serve a racial and ethnic mix, but their enrollees appear to have a preference for those that carry their own identity. That specialization is crucial when language and sharp cultural differentiation is involved. Thus SER specializes in bringing Hispanics to the point where they can compete in the skill center and the job market. The Papago Indian tribe meets most of CETA's reservation Indian responsibilities, as does a rural contractor for the Yaquis. Lacking a competent urban Indian contractor, members of those tribes living in the Tucson metropolitan area (and some of the reservation dwellers) are served by the skill center and other contractors but not without considerable dissatisfaction.

But despite the need for racial and ethnic specialization, there are plenty of CETA eligible non-Hispanic whites as well as the less culturally different of other races who can be served effectively by a sympathetically specialized unit within the employment service. DES/CETA has the advantage of direct linkage to major labor market and social welfare institutions. But without the specialized assignment to serve the CETA eligible, it is doubtful that they would seek and receive the same level of service from the mainstream Job Service offices.

As training institutions, the community college and the private proprietary schools can serve those few CETA eligibles who possess all of the characteristics of their regular student bodies except for family income. However, if there were not a skill center in Tucson, someone would have to invent it. There are too many of culturally different and competitively disadvantaged backgrounds who could neither survive in training institutions nor succeed in the labor market without specialized help.

Is CETA Worthwhile?

Hardly anybody in Tucson would categorize CETA as a four-letter word. Judging from employers who serve on the advisory and private industry councils and participate in OJT programs, the business community welcomes its help. Organized labor is not strong in Tucson but has been supportive of CETA to the extent of cooperating in specialized programs not described here for lack of space. The racial and ethnic communities want only more. The political support is bipartisan. To the extent they are aware of the situation, all would respond to the federal government, "Leave your money and go away and don't bother us. We need your resources, but, in administration and planning, you are only in the way." One can hope that attitude is subject to change.

CETA's administrators and decisionmakers have well articulated policies. To an outside observer, it would appear that a centralized intake and assessment process would be more likely to get each applicant the most compatible assignment to services. The actors on the scene have concluded that the political price would be too high.

The labor economist sees the need for a greater labor market information input into planning, including projections of the future level and structure of employment by occupation and industry. The administrators argue that a flexible training institution responding to employer and enrollee demand and placement rates is more dependable. The truth in between is that the occupations trained for are those characterized by high turnover and always in demand or undergoing secular expansion such as the local electronics industry.

But do the enrollees complete training and get jobs? The administrator responds with impressive placement rates. But are those jobs which would not have been obtained without program participation, do they last, and are the benefits worth the cost? The administrator cannot answer except to protest that followup is too expensive, taking scarce money better spent on direct participant services, that control groups are impractical, and that only limited analysis is possible without a computerized management information system. The observer/analyst responds, "I know in my heart you are doing good but I can't prove it."

Utah
The Perils of Pioneering

R. Thayne Robson
University of Utah

Utah's experiences served as a model in the design of the Comprehensive Employment and Training Act. Today, however, the state is a backwater in the CETA mainstream. Perhaps that fate is a penalty of pioneering. Utah established a statewide manpower planning council in 1969 by gubernatorial initiative and legislative act. From then until 1972, Utah was a manpower mecca beckoning visitors from around the country. In 1972, the same governor who initiated centralized manpower planning chose to decentralize it among nine multicounty associations of government. That pattern persisted into 1981 with Utah listed with the Labor Department as a single statewide consortium which consists in actuality of nine relatively autonomous planning and operating units. At the close of 1980, when two of the larger counties indicated they were withdrawing from the statewide consortium to become prime sponsors, the director of the Utah CETA consortium advised and the subsequent governor agreed to disband the consortium. Utah's innovative period actually ended before CETA became law. For CETA as a whole, the state offers little to write about. But there are useful lessons for a study of training.

The Utah Setting

Utah, relatively large in territory and small in population, is surprisingly urbanized. Approximately 80 percent of its nearly 1.5 million people live in what is essentially one metropolitan area 15 miles wide and 80 miles long. As Ogden, Salt Lake City, and Provo and their overlapping suburbs are plastered onto the lower slopes of the Wasatch Mountains (the westernmost range of the Rockies), the metropolitan area is informally known as the Wasatch Front.

Demographically, Utah's major claims to distinction are the nation's highest birthrate (30 per 1,000 or about double the national average) and one of the lowest minority percentages (7 percent divided among Hispanics, blacks, Native Americans, and Asians in that order). The state has the nation's highest median years of school (12.8) and the second largest proportion of college graduates (17.5 percent). In addition, 37 percent of Utah's population is under age 18, compared with a national figure of 29 percent.

Without an industrial base, Utah was hard hit by the depression of the 1930s. The Second World War brought a defense-based prosperity but a postwar vulnerability which kept Utah's unemployment rates well above national levels until the 1960s. Then a gradual growth of diversified manufacturing, followed by resurgence of its mineral wealth (coal, uranium, oil, oil shale, and tar sands, in addition to the longer exploited copper and allied metals), reversed that relationship so that Utah's unemployment rate is now about 2 percentage points below the national level. The State Office of Labor and Training estimated CETA eligibility to be 52,000 during 1979, of whom 41,000 had been unemployed 15 weeks or more. Nearly 8,000 persons were registered for Aid to Families with Dependent Children (AFDC).

Politically, Utah shows the general conservatism of the mountain west. Its entire congressional delegation (two congressmen and two senators) all classify themselves as conservative Republicans. Yet the state is just beginning its fifth 4-year term of being led by two conservative moderate Democratic governors. With brief exceptions, the legislature has been Republican since the end of the Roosevelt era. While the rhetoric in Utah is persistently anti-federal, every available federal dollar is aggressively pursued and federally funded programs are generally well-administered, in part because of an oversupply of well-trained administrators.

Utah as a CETA Pioneer

Utah's pioneer position in CETA was part of a drive by its 1965-76 Governor, Calvin Rampton, to strengthen the Governor's office by consolidating state activities. During his first 4-year term, he had learned that the governor was largely a figurehead with power vested in the relatively autonomous merit system-protected department heads. Many of these departments operated with federal funds and were somewhat autonomous of the legislature as well as the executive branch of state government. Ramptom resolved to corral these independent operations by consolidating them into cabinet departments headed by his own appointees.

The Johnson-Goldwater presidential race produced the first Democratic legislature since the Roosevelt years and made that consolidation possible. The Republicans swept back into control of the legislaure two years later, but the governor chose the most able of those 2-year Democratic freshmen as his appointees to head the new departments supported by new funds.

By 1968 Rampton was chairman of a National Governors' Association subcomittee with responsibility for employment and training programs. He found that other governors shared his concern that federally funded manpower programs operated through state agencies without any control from the governor's office. Hearing national discussion about the need to decentralize and decategorize manpower programs, Rampton resolved to add that effort to his own consolidation drive. In 1969, he persuaded the state legislature to establish a state Manpower Planning Council, composed of all state agencies involved in employment and training, and authorizing the council to direct and coordinate all such activities within the limits of federal law. Thus while the Congress was debating the CETA legislation from 1969 to 1973, Utah was operating a significant pilot program for all to see. In what would later emerge as CETA language, Utah was operating a statewide prime sponsorship.

In another vagary of personality politics, Rampton, upon being elected to an unprecedented third term in 1972, suddenly moved from consolidation to decentralization as the thrust of the manpower policy of his final term. As CETA was being shaped with the Utah experience as a major model, the Utah statewide system was being, in effect, split up and delegated to nine local associations of government (AOG) which had originally emerged around reclamation and natural resource issues.

The State Manpower Planning Council, as a statutory body, continued to exist but became meaningless insofar as CETA was concerned. The original chairman, a Rampton-appointed university professor, and the executive director who was also state planning coordinator, resigned. The deputy director, a nationally experienced manpower expert, became director but soon found the position to have little clout and moved on to take over the public employment service of a neighboring state. A State Office of Labor and Training (SOLT) was established, primarily to collect federal funds and disperse them largely autonomous to multicounty associations of government on the same formula by which they are allocated from the federal government to the state. As of 1980, Utah had six entities eligible to be CETA prime sponsors—Salt Lake County, Salt Lake City, Weber County, Davis County, Utah County, and a 25-county balance-of-state. Because each had the autonomy of individual prime sponsors and had won additional concessions from the state, the eligible jurisdictions, all of them strung along the Wasatch Front, agreed to remain within the official statewide prime sponsorship.

CETA in Utah appears on the Department of Labor's map as a single prime sponsor, but funding is immediately divided among the nine state associations of government. Funds for fiscal year 1979 were divided among those units in the pattern shown by Table 1. Each planning district prepares its own annual plan and these are merely consolidated for the state plan.

Administering CETA in Utah

"Don't rock the boat" seemed to be the operating slogan of Utah's CETA program, but the program did not lack sound administration. Utah's high levels of education compared with its relatively small size and its economy's orientation to the basic industry, have generally provided an ample supply of high quality public administrators. Despite the antifederal rhetoric heard in Utah political campaigns, the state has long had a reputation among federal agencies for outstanding conduct of federally funded programs. Competency is high and turnover low at both the state and AOG levels in CETA. Each of the small AOGs have from two to five CETA staff positions and often share staff with related activities. Those eligible for independent prime sponsorship have staffs ranging from 5 to 43, whereas the state office employs a staff of 30. Most at all levels are college graduates and a high percentage have specialized advanced degrees in human resource management.

These are the people who make the CETA decisions. The elected officials of the multijurisdiction planning units are mostly part-time politicians and have very little involvement. The state office does not try to tell the AOG professionals what to do except "obey the law." The statutory statewide

Table 1. CETA Expenditures in Utah, Fiscal 1979[a], by Planning District and CETA Title

Planning districts	CETA Title				
	Total	II-B, C	II-D	IV	VI
Statewide	$24,813,611	$6,085,910	$3,855,978	$4,950,903	$9,920,820
Salt Lake/Tooele Counties	9,506,395	2,227,774	1,541,692	1,771,137	3,965,792
Weber/Morgan	4,098,016	896,378	708,465	883,153	1,610,020
Mountainlands	3,717,231	1,101,015	493,034	723,456	1,399,726
Davis County	1,601,484	431,372	233,450	264,365	672,297
Bear River	1,669,753	426,688	207,399	369,136	666,530
Central	1,438,370	305,295	277,069	257,262	598,744
Southeast	863,482	268,635	108,023	189,913	296,911
Southwest	1,074,150	258,662	214,079	193,511	407,898
Uintah	529,587	124,252	72,767	101,195	231,373

a. These figures are prior to final accounting adjustments and do not include special projects or the Governor's grants.

Manpower Planning Council has lapsed into disuse. A state Employment and Training Council has been created, but it can get no handle on the decentralized system. Each AOG has an advisory council, but few really give advice. CETA in Utah is a local staff responsibility.

A favorable economy, a small minority population, and a waiting list of relatively homogeneous CETA-eligible applicants simplify decisionmaking and administration. Whatever CETA funds are not earmarked for other purposes go into classroom and on-the-job training, primarily the former. Until the 1980 recession, which slowed but did not reverse economic growth, job opportunities were plentiful and obvious. CETA's task in Utah has been to prepare the disadvantaged for jobs. The eligible populations were sufficiently homogeneous to allow first-come, first-served policies to distribute the available slots except in the metropolitan Salt Lake City and Ogden areas and in the Uintah Basin, and Southeastern planning districts which include major Indian reservations.

The CETA planning process consists of (1) getting an estimate of available funds from the State Office of Labor and Training, (2) contracting with the one pubilc postsecondary training institution in the planning district for provision of classroom training (only two districts have more than one such institution), and (3) contracting with the state Job Service for promotion of on-the-job training and for intake, determination of eligibility and placement. With these processes established, neither planning nor administration is difficult. The State Office of Labor and Training makes no attempt to shape or influence local decisions but offers technical assistance. The only complexities in CETA administration are those imposed by federal legislation and regulation.

The minority populations of Salt Lake City and Ogden are sufficient to place the local CETA staffs under some political pressure. In response, in Salt Lake County particularly, the CETA staff has chosen to allocate funds to community based organizations for orientation, adult basic education, English as a second language, and similar nonskill training activities, as well as a minimum number of on-the-job training slots. Having purchased peace at that price, the staff allocates most of the remainder of the budget to the skill center at the local public technical college and to Job Service, as in the other planning districts. As followup and evaluation have been largely ignored by the planning districts and have not been pushed by the state office, the administrative assignment of the planning districts consists of getting the contracts negotiated and the money out. In the rural districts the CETA director knows personally everyone involved in the delivery of CETA services and often every individual enrollee, so formal evaluation does not seem essential. For Job Service, the assignment consists of identifying CETA eligibles, adding them to a waiting list, and peeling them off for referral to on-the-job and classroom training. Employer contact representatives maintain established relationships with employers and continue to negotiate on-the-job training contracts with a limited number of establishments. New on-the-job training employers enter the system primarily at their own initiative. The system has been a simple one, with never a taint of scandal. At one end, complexities are added by federal requirements, but these are blunted by the state offices which maintain all federal contacts and act as an intermediary *vis-a-vis* the planning district. At the other end, an internal squabble between the State Board of Vocational Education and the state Board of Regents about who should control postsecondary vocational education in the state adds the only touches of complexity confronting state and local CETA administrators.

The Quality of Training

How good is the training under Utah's decentralized CETA system? The simplest generalization is "very good." CETA classroom training occurs in two technical colleges, one university, two 4-year colleges, three 2-year colleges, and four area vocational schools. One technical college and one 4-year college operate separate skill centers maintained for CETA and other disadvantaged clients. All other classroom training follows the individual referral model, with all CETA enrollees included in the same classroom groups as the non-subsidized student body. Utah's educational institutions enjoy high rankings and these institutions are among the state's best. The major issue, leaving aside for the moment the two skill centers, is whether the training needs of the CETA clientele are adequately met by immersion in mainstream training situations.

With the exception of the Indian population near the reservations and the minority populations where the skill centers exist, the answer appears to be yes. Statewide, blacks constitute 3 percent, Hispanics 14 percent, and Indians 4 percent of the CETA population—in each case, about three times their overall population proportion. Only in counties containing skill centers do blacks exceed 5 percent of the CETA population. Hispanics exceed 10 percent only in the Wasatch Front and the mining-oriented southeast. American Indians exceed 6 percent of CETA enrollment only in the planning district which contains part of the Navajo reservation. Only 60 percent of CETA enrollees have high school educations, although only 13 percent of Utah's high school students leave before graduating.

At any rate, no planning district has any difficulty finding CETA eligible people capable of competing successfully with the non-CETA enrollees in the available training institutions. In fact, there are waiting lists of such people needing only tuition and training allowances to make training as attractive as possible. Once enrolled, trainees are not identifiable among other students in the same classrooms. Exception in Wasatch Front North and South (Ogden and Salt Lake City and their environs), those who cannot compete in the classroom are relegated to work experience (if youth) or left out of CETA entirely, because they are unlikely to be acceptable to employers, public or private, hosting public service employment or on-the-job training. CETA enrollees who enter these training institutions with CETA stipends get excellent training, and the vast majority (generally over 80 percent) get jobs. Those not placed are typically women who withdraw from the labor market or youth who are not yet ready to settle into it.

The Salt Lake and Ogden residents and CETA system are more typical of national patterns. CETA enrollees in the Ogden area (Weber-Morgan planning district) are approximately 9 percent black and 20 percent Hispanic. The Salt Lake County area (Wasatch Front South) enrolls 5 percent blacks, 22 percent Hispanics, 4 percent urban Indians, and 5 percent Asians. Davis County, between the two districts geographically, enrolls 11 percent Hispanic but hardly any other minorities. These minority populations are large enough to have their own ethnic organizations. There is also a noticeable women's movement in this metropolitan setting. As a result of the larger number of minorities enrolled in these counties, the training institutions there have been designed to handle a more disadvantaged population, and CETA planners have responded with a more diversified mix of programs. One can be less confident of the quality of training offered, but more assured that the disadvantaged are being served.

The Wasatch Front South district has allocated 74 percent of its II-B funds to classroom training and 19 percent to on-the-job training. Of the classroom training funds, 45 percent go to Skill Center South, administratively attached to the Utah Technical College at Salt Lake City; 45 percent for orientation, adult basic education, English as a second language, and similar employability related but nonskill training; and 10 percent to a nonprofit organization that assists women who wish to break into nontraditional jobs. Except for a few slots at the women's organization, the on-the-job training is managed by the Utah Job Service.

The quality of the training provided by the community-based organizations (CBOs) is doubtful at best, but may still be worthwhile. These CBOs lack both staff and facilities for quality training, but do provide access routes for the small groups of minorities who might otherwise be left out of the CETA action entirely. CBO support does not depend on large minority populations, but occurs wherever ethnic groups feel the need to organize. The CETA contracts offer the only significant funding source for the struggling CBOs. Funding them not only increases the visibility of minority populations but also offers a visible source for employers wishing to meet affirmative action requirements. In addition, significant portions of their enrollees then enter the skill centers.

The women in the nontraditional occupations program have a tough assignment in a traditional community. The program's success rate is low and it spends more effort on raising the level of consciousness and assertiveness among its enrollees than on providing skills or persuading employers. Its enrollment is small, its placement rate ranges from 33 percent to 50 percent, and many of these jobs are not far from being traditional. However, many of its completers then enter the skill center for occupational training (in the traditional occupations). The effort is probably best thought of as a pilot project which should be tried without expecting quantitative success.

The Salt Lake Skill Center suffers the same limitations as many similar institutions. It offers quality training to a disadvantaged population in a second class facility. Although the skill center's instructors have the same training, experience, and credentials as those on the technical college campus, its equipment and buildings are only marginally adequate. The curriculum is limited to clerical, auto mechanics, and welding programs.

The primary problem at the skills center is one of stigma. The skill center is clearly second-class when compared with the technical college programs. The trainee in a 26-week CETA course may get as much training of equal quality hour for hour at the skill center as the enrollee in a 1- or 2-year program at the technical college. But in both the students' self-assessments and the employers' assessments, those who can claim technical college credentials are way ahead.

The same problem exists for Skill Center North at Ogden. It is administratively attached to Weber State College, a 4-year academic institution with a substantial on-campus 2-year technical offering. The skill center is housed in an abandoned high school closer to the central city, which nevertheless is fully adequate; its instructors are fully qualified; and its equipment is more nearly adequate than at the Salt Lake Skill Center, because the whole operation is of more recent date. Skill Center North has its own curriculum development unit, a good library, and its own day care center. Its course offerings are broader, ranging over bench and service trades, building trades, clerical, health services, and metal trades, and supported by adult basic education, and English as a second language. Objectively, it maintains an excellent program. But still, the stigma is there. The short scope of the courses and the disadvantaged backgrounds of those eligible give some objectivity to those negative judgments, but there is probably a significant stigmatic component from the facility itself. Providing CETA-sponsored courses on one or both of the two campuses would be an interesting and worthwhile experiment in public relations.

Nevertheless, a placement rate averaging over 80 percent at a cost of only $1,650 per placement should remove any doubt that the current program is worthwhile. Education in the State of Utah is in a financial bind, squeezed between a taxpayer revolt and an extraordinarily high birth rate. What little state moneys have gone into training the adult disadvantaged are likely to disappear. Federal training moneys available in Utah are on the decline. The waiting list of eligible applicants is already six months long and growing. The economy remains promising despite the 1980 slowdown. Facilities, equipment, and instructors are available for a doubling of enrollments. The only missing element is the inevitable one—budgets.

Conclusions

Prior to CETA, Utah was a national pioneer and innovator in employment and training activities. But the pioneer often experiments, shows the way, and then gets locked into some mode while those who followed pass it by. In Utah's current CETA stance, nothing is worthy of special notice and emulation. There is no significant labor market planning and no innovation. Nevertheless, there is in place a solid program resting upon service delivery by efficient and effective Job Service and vocational education systems. Federal statutory provisions, regulations, guidelines, and policies are given a scripture-like sanctity and followed to the letter. The system is a conservative one, seeking always to avoid conflict. Moneys are carefully accounted for, with never a breath of scandal. Most important, eligible enrollees get, for the most part, high quality training and jobs. This study has not examined nontraining services, but training is clearly the preference of nearly all actors in the system.

The common thread throughout the entire history of employment and training programs in Utah has been the prominent role played by the Utah Job Service and the State Office of Vocational Education. Most of the area councils of government have obtained the services of well-educated and competent CETA planners and administrators. While the programs differ considerably from one AOG to another, there are few if any serious problems relating to improper management, misuse of funds, or failure to implement the programs in a timely fashion. Utah has managed to spend CETA funds as they became available.

The relationship between the Utah CETA administrators and the federal Department of Labor Officials has been both friendly and supportive. Utah has given little cause for federal monitors to be concerned. The regulations have been followed, and the State Office of Labor and Training has served to keep some distance between the federal representatives and the program operation levels. On the other hand, federal representatives have had no influence on the nature or quality of the programs.

Elected officials have not played a strong role in the Utah CETA system. In the rural areas, many elected officials serve only part time and generally lack interest and time to follow programs such as CETA, and policy is made by the CETA planner/administrator, with participation by representatives of the Job Service and educational agencies. In metropolitan areas, the elected officials have been more involved in planning because of the competition for funds and programs, but their involvement has usually been confined to an annual review of funding allocations. During the period when PSE was operating at its peak level, the elected officials became involved in the allocation of funds among departments wanting PSE slots, but their activity in PSE did not carry over into other CETA programs.

The decentralization of Utah's CETA system to the nine subgrantees changed the relationship between the federal program managers and the program operating levels by placing the state in the role of middleman, translator, and buffer. It would be difficult, however, to identify any specific programmatic impact of this role. Indeed, the Utah CETA program operates under an umbrella at the local level without either a strong federal or state role. The State Office of Labor and Training can legitimately claim to be carrying out some functions which the federal managers would carry out if each of the eligible prime sponsors operated independently, so the "feds" may miss the Utah consortium more than anyone else. On the other hand, the new prime sponsors may learn for the first time how onerous federal regulations can be.

The work of the State Office of Labor and Training cannot be separated from the general acknowledgement that the Utah Job Service is among the best in the country by all DOL rating schemes. The state's educational agencies likewise rate well in comparison with others throughout the country. Furthermore, the local AOGs through 1980 had jealously protected their autonomy (there had not been time at the conclusion of this study for them to react to the governor's announcement). In short, the Utah CETA system is very much a product of the institutions, traditions, and general level of public service in the state.

Organization, Management and Policy

The most important conclusion of this case study is the recognition that the present system seemed satisfactory to almost all of the actors. There was little or no pressure for change within the system itself, although Salt Lake County, Davis County, Utah County, and Salt Lake City had threatened to withdraw from the consortium. Each time an eligible prime sponsor threatened to pull out, the governor intervened to encourage a continuation of the system. The primary benefits of the consortium are increased overall funding and better services in the rural areas. The prospective urban prime sponsors have been told that a breakup of the consortium might endanger the cordiality of overall urban-rural relationships. In addition, the governor had resolved some non-CETA issues during discussions about the preservation of the consortium.

During 1980 the Mountainlands AOG, or more particularly Utah County within that AOG, went on record as intending to pull out of the consortium the following year. This county has grown somewhat faster than the state as a whole and has claimed that it is being underfunded. The claim, while probably true, would not affect funding until allocation formulas are revised to conform with the 1980 census data. Present policy about using federal formulas to allocate funds among the subgrantees gives the state little flexibility in handing out money. In fact, the whole system has been remarkably free from controversy over fund allocations. In the midst of this apparent stability, the governor's announcement of intent to disband the consortium was a complete surprise to all of the actors, except apparently the SOLT director who gave his advice concurrent with his resignation.

An important question is, "What can be done to restore some managerial and policy initiatives to employment and training programs in Utah?" The answer must begin with the simplification of the federal statute, a reduction in the number of separate programs that it entails, and more flexibility for local decisionmaking. The local actors are somewhat intimidated by the system, but at the same time, they seem pleased with their ability and success in accommodating to it.

A second change at the state level would require strong leadership from the governor's office and some attempt to focus on broader labor market aspects beyond the local AOGs. With the spread of large coal-fired power plants, the advent of the synthetic fuels program and other energy developments, and the possible deployment of the Air Force MX Missile system, the state appears to be on the verge of massive and perhaps disruptive development. In the years ahead, there is likely to be stronger support for more statewide planning. The governor could have chosen to use the statewide consortium as a vehicle for much of the labor market aspect of that planning. On the other hand, the metropolitan areas will be affected only indirectly by the pending energy and defense developments. A strong balance-of-state system dominated from the governor's office might be better able to shift CETA resources from one part of the state to another in accordance with need than could the present system which assures each area of the state of its proportion of limited CETA funds. Whatever happens, the pace of development makes clear the need for training and promises jobs for those trained.

Training Policy and Practice

Probably the single most important impact of Utah CETA and its predecessor and related programs has been to broaden the base of state funding for classroom training for high school dropouts. MDTA programs were coordinated in the larger cities by creating the two skill centers and providing more counseling and other support services, thus underscoring the needs of people who had dropped out before completing high school. The State Board of Education first requested the legislature to raise the upper age limit at which the state educational program could pay for high school completion from 18 to 21. It then abolished the upper age limit completely, thereby making all area vocational centers, skill centers, and adult education programs of the various school districts eligible for regular state support to provide high school completion to dropouts regardless of age. These resources were utilized most effectively by those institutions which, because of their federal CETA, WIN, and related programs, were serving significant numbers of persons who had left school without a diploma.

A third step in the process occurred when the Board of Regents strengthened their claim over the governance of the two skill centers by obtaining from the state legislature a small but significant line item of support from state funds. As federal funding has declined appreciably, the existence of the high school completion support funds and the general appropriation have kept the two skill centers alive. The decline in federal CETA and WIN funds clearly will alter the nature of the institutions and the clientele they serve. The federal programs provide funds and disadvantaged enrollees and when federal funding declines, the state support will shift to enrollees who are less likely to be disadvantaged.

For the most part, the training in Utah is of high quality with institutions, curriculums, instruction, and facilities operating within the general framework of postsecondary public education. Except for the Salt Lake and Ogden areas, individual referrals to existing programs dominate classroom training. In the Ogden area, all training is done at the skill center except for a small project for the handicapped. In Salt Lake, the skill center is the largest training institution, but five CBOs also have relatively small programs.

Funding CBOs appears motivated as much by perceptions about the institutional identification and support for ethnic groups as by the need to provide high quality training. The criteria to be applied in funding allocations for CBOs and for the skill center are not, and probably cannot be, the same. The recognition of this fact seems to enforce the need to preserve local options and flexibility, but the forces that must be dealt with go far beyond any geographic area. The CBO is to the ethnic group or to the feminist movement in the modern city what the national grange movement and the national cooperative movement were to the farmers 50 years ago. CETA and its predecessor programs have been the one consistent source of funding sustaining these institutional developments. The CBOs in Utah provide opportunities for identification and self-realization to the groups involved—both for the administrators and the clients served. Utah is an interesting setting from which to observe the CBOs because its minority population is less than 7 percent of the total. CBO support does not depend upon a large minority population any more than the success of the farm cooperative movement hinged on the size of a state's agriculture. The "movement" goes well wherever the setting creates an environment in which the ethnic groups feel the need to develop organizational and social support.

The skill centers are caught accidently in the issue of governance between the State Board of Vocational Education and the Board of Regents. It is over who should govern postsecondary vocational education and would exist if there were no skill centers. It does complicate the lives of the skill centers, however. The funding and autonomy issues impact the centers more directly. Educational administrators dislike depending on funding from programs not under the control of the educational establishment. Education in Utah cherishes its autonomy and does not like the CETA funding process or the evaluation and monitoring from outsiders. Whether to maintain separate identities for the skill centers, absorb them into their parent institutions or, in the case of Skill Center North, transform it into an Area Vocational School, all are options centrally related to the issue of control.

Those directly teaching or administering the training programs, however, are not concerned about these issues. They understand that CETA is a source of enrollees as well as funds, and the skill center staffs are generally committed to serving the enrollees referred under the CETA program. They are comforted by the fact that every study has praised their effectiveness. There are people whose need for training is very great and these same people achieve significant success: between 6 and 8 of every 10 people served gain a substantial boost in income, employment, and self-image, although the immediate success rate declines during recession years.

The portion of Title II-B funds going into classroom and OJT training has risen in recent years from two-thirds to approximately four-fifths. There are waiting lists of persons who want to be enrolled but who cannot be served because programs are operating at capacity. In some cases prospective enrollees have waited from six months to a year to enter a program.

Among the most important conclusions of this study of CETA classroom training in Utah is that the present classroom training system could be doubled or even quadrupled without reaching all CETA-eligible clients. The training facilities can accommodate more students, and many eligible enrollees are not now being served or must wait too long for service. The long run promise is also for a rapid growth of jobs which can be met only by training or by importing labor. Equally important, CETA has served to identify and refer to training significant numbers of disadvantaged people who would not receive training were it not for the CETA linkages between jobs, training, and income maintenance. While some progress is being made in educational circles to obtain more state funds for the disadvantaged, it is also clear that if CETA were to disappear, the disadvantaged would be the first to be dropped from educational services.

If CETA is to continue as a major funding source for classroom training and for on-the-job training, the system should greatly expand efforts to develop curriculums and more importantly to finance training equipment and supplies. Indeed, it may be appropriate to require state and local matching funds in defraying training costs to make possible the better funding of curriculum development and training equipment and facilities. Finally, institutions providing classroom training are not immune from the ravages of inflation, and when increasing costs are incurred during a period of declining funding, the entire system is subjected to a serious strain that threatens not only quantity but quality of training as well. There is little in CETA funding and administration that reflects an awareness of, or an effort to meet, the rising costs which inflation thrusts upon the program operators.

Major Conclusions

Looking to what now exists, the important conclusions of this case study are:

1. Very little real planning is being done in Utah CETA, and the planning that is taking place is short term—usually confined to the next fiscal year.
2. CETA staff members defend their work but show little real enthusiasm for the system within which they operate. The Utah vocational education establishment divides almost equally between those who think CETA and similar programs will eventually disappear, and those who think that CETA, or something which accomplishes much the same objectives, will continue indefinitely.

3. State and local advisory councils play a very limited role in Utah CETA. They meet infrequently, show poor attendance, and function mainly to ratify CETA staff actions worked out in advance with the Job Service and education authorities.

4. The entire system seems to be conservative and oriented toward avoiding risk and conflict. In achieving this goal, the system rates high marks.

5. One advantage of a CETA organization which delegates program responsibility to the local area councils of government is the coordination of CETA with other social programs in the rural areas. Here, staff positions are sometimes shared, the problems are small, the number of clients few, and the linkages well established.

6. Only in the Salt Lake/Tooele Wasatch Front South area does CETA take on the attributes of a system generally associated with larger cities. It is the only case in Utah where CBOs have contracts to provide services and where there is any degree of competition for the roles which Job Service and the public education agencies perform elsewhere in the state.

7. The CETA system has made a great contribution to the current acceptance and strength of the Associations of Government (AOGs) by providing staff and program money to give these relatively new governmental entities a strong role in their respective areas. Undoubtedly, this potential dominated the decision to decentralize the CETA system in 1972. To this extent, the current organization of CETA in Utah may be an accident of history—even so, it will not be easy to change.

8. The statutory Utah Manpower Planning Council, created by the state legislature in 1969 with a mandate to coordinate all federally funded manpower programs within the state, has fallen into almost total disuse, even though it still exists on paper.
9. It is difficult to determine just what the State Office of Labor and Training staff might have done differently given the diffusion of power and the decentralization or fragmentation of the system. The expertise of the state staff has been available to the local subgrantees, and its role in compiling reports, plans, and in establishing standards and interpreting regulations and guidelines has been substantial. It would be too easy to reach a wrong conclusion and blame the SOLT staff for the demise of the once-strong state role in employment and training programs. The key decisions were made in the office of the governor, and any effective state-level impact on the administration of CETA would require the governor's power to coordinate the state's three major CETA actors; namely, the Job Service, the educational agencies, and the SOLT staff with local counterparts.
10. Through it all, eligible participants have received sound training and the preponderance of them have obtained jobs. That is the bottom line.

Worcester, Massachusetts Decentralization in a Tight Labor Market

Morris A. Horowitz
and
Joanne Loscalzo
Northeastern University

The Labor Market

In mid-1980, the economy of the Worcester Labor Market Area (LMA) exhibited considerable strength. Employment reached record highs, unemployment rates indicated near full employment, the industrial structure of the local economy appeared to be sound, and a number of firms were completing significant capital investment projects. Substantial labor shortages existed for many categories of labor, especially skilled machinists, computer programmers, medical care personnel, and some types of clerical workers. The local economy appeared to be providing jobs for almost all of the available labor force.

The Worcester LMA is located entirely within Worcester County in central Massachusetts and contains only one city, Worcester, the second largest in the Commonwealth of Massachusetts, and 26 towns. The population of the LMA at the time of the 1975 state census was 385,600, up 1.9 percent from the 378,300 at the time of the 1970 federal census. The population of the City of Worcester declined by 2.4 percent in the 5-year period, from 176,600 in 1970 to 172,300 in 1975.

The Worcester Employment and Training Consortium (WETC) is located within the LMA, and contains the City of

Worcester plus 13 surrounding communities. The population of the consortium in 1975 was 306,600, or almost 80 percent of the population of the LMA, and the consortium area continues to contain about 80 percent of the population and the labor force. Nonwhites represented 1.5 percent of the population and of the labor force in both the LMA and the consortium area. The participation rate was substantially lower for nonwhite males than for white males; and the same held true for nonwhite females compared to white females. Except for a slight dip in 1977, the labor force has grown steadily since 1974. From 1974 through 1979, employment rose every year, for a total gain of 11.4 percent over the period. Unemployment increased sharply in 1975, but recovered relatively quickly, and by 1978 was below 5 percent. The Worcester unemployment rate has been consistently below the national and state figures.

By far the greatest demand among occupations in short supply is for skilled machinists; other skilled trade positions, auto body mechanics in particular, are also going begging. The largest shortage among white-collar occupations is for nurses aides, showing a continuing shortage of health care personnel in the area.

The only significant change in the demographic and economic characteristics of job applicants available and those actually placed in new jobs through the division of employment security offices throughout the Worcester LMA was the substantial decrease in the number of economically disadvantaged individuals—from about 36 percent of all applicants in fiscal 1978 to about 16 percent in fiscal 1979. Possibly, improved economic conditions—combined with concerted efforts at training, job development, and direct job placement—increased significantly the employability of the economically disadvantaged. There are job orders for employees in a number of semiskilled and skilled occupations. There are needs for sales and service employees. The implication is clear that training programs are the basic tools which can help match those persons seeking employment and the job openings in the labor market.

The Political Climate

While the Worcester Consortium is composed of the City of Worcester and 13 surrounding communities, the city, with 56 percent of the population, has taken the lead as prime sponsor of CETA activities. All of the surrounding communities are very small and depend upon the city for their economic activities and life. The CETA prime sponsor for the consortium is in fact the City of Worcester and is run by the employment and training office, which reports directly to the city manager. The Worcester Employment and Training Consortium functions as an agency of the city's government.

The Worcester city manager is appointed by and reports to the elected city council. The city manager, who has held the position for more than 30 years, considers himself a professional who does not have to play day-to-day politics. As a result, the prime sponsor's staff members are employed because of their skills and experience. This professionalization assures a capable staff, but the staff has little political clout of its own.

The Prime Sponsor's Staff and Organization

WETC's organizational structure is unusual, at least within Region I of the U.S. Department of Labor. Operationally, the CETA prime sponsor is the office of employment and training, directly responsible to the city manager. This office is the administrative and planning unit for CETA provisions which involve the employment and training of the economically disadvantaged, but not the public service employment (PSE) provisions. The office of employment and training provides no direct services to CETA participants, but rather contracts out all services to community-based organizations (CBO).

The relationship between the prime sponsor's staff and the regional office has been cordial, but each has been critical of the other. Members of the prime sponsor's staff feel that insufficient understanding and assistance from the regional office have affected the WETC organization and operations. The regional office staff feels that WETC has not acted on any of the significant suggestions made to it.

The public service employment (PSE) program—not operated by the office of employment and training—functions as a branch of the city's personnel department. This arrangement appears relatively unusual, especially because the prime sponsor is a consortium of 14 communities. The PSE program provides services ranging from intake to job development, as well as the administrative, planning, and monitoring functions, for the public service employment program. The office of employment and training and the PSE program maintain separate fiscal units which, according to the regional office of the employment and training administration, "perpetuate problems, past and present, of coordination and of administrative cost control, financial recordkeeping, audit resolution and overall accountability by the prime sponsor." No formal agreement outlines the responsibilities and defines the lines of authority between the prime sponsor and the PSE program. Hence, the relationship between the two organizations could falter severely if other (different) persons were involved. These programs should not depend on the chance of congenial personalities.

Over the past two years, the current PSE director has built the organization as it stands today, increasing the staff from

20 to 53. For some time, intake was conducted independently by each consortium town, but it is now centralized. The fiscal officer has been in the personnel department; now PSE has an in-house fiscal unit with a staff of 10. Assessment had been contracted out, but starting in fiscal 1981 it was conducted in-house at some savings.

Turnover for the principal positions in the office of employment and training has been surprisingly low. During the past five years the key officers—the director, deputy director, management information system supervisor, and chief planner—changed only once. The directors' and the supervisor's positions are currently filled with persons who were on the staff in lower level positions, indicating WETC either provides career opportunities for staff or it does not recruit from the outside with much success. It came as a surprise that turnover was low, because the salary structure is also shockingly low. According to the "Employer Salary and Fringe Benefit Survey for All New England Prime Sponsors," November 1979, the Worcester Consortium has the lowest salaries in Region I for director and PSE director, and is well below the median for other staff members. This survey showed that the maximum salaries for directors ranged from $21,944 (in Worcester) to $39,374. A similar comparison for job developers showed a low of $10,062 and a high of $26,286. Staff salaries are determined in accordance with the City of Worcester's established salary structure.

The fiscal 1980 regional office assessment revealed that an affirmative action plan does not exist for the Worcester Consortium staff. Of 11 principal positions, 6 were filled by white males, 2 by black males and 3 by white females. Nonwhites represent less than 2 percent of the population and of the labor force in the Worcester LMA and in the Worcester Consortium area.

A review of the education and work experience of five key staff indicates that the length of employment with WETC ranged from 10 months to 7 years. Average tenure has risen as staff members have advanced within the organization. Levels of education attainment vary, but every top staff member has at least a bachelor's degree.

Management System

WETC operates a totally decentralized system with each program operator conducting intake, assessment, and eligibility determination. Information is submitted monthly by the program operators to the management information system (MIS) unit on standardized forms. At the time of the study an automated data processing system was being developed in the MIS unit, and this will increase the prime sponsor's ability to analyze the data.

All participant and program monitoring data are collected and analyzed by the MIS unit. Functional areas analyzed include intake, assessment, eligibility determination and services to participants. For an evaluation of a followup of participants, WETC has contracted with the Worcester Consortium of Higher Education, Inc., an organization of representatives from local institutions of higher education. This annual report is one factor in assessing the performance of program operators.

The results of the evaluation and information gathered while monitoring are compiled and presented to the employment and training council's (ETC) subcommittees. Worcester's ETC appears well informed, and meetings of the planning and review and the evaluation and monitoring subcommittees suggest that the evaluation and monitoring results are a meaningful consideration when recommending modifications and funding levels for programs.

While evaluation and programmatic monitoring are done by the prime sponsor's MIS unit, the independent monitoring unit (IMU) is concerned with compliance monitoring. The IMU was established in August 1979. Although a work plan and monitoring tools were developed during the first quarter of fiscal 1980, many questions concerning roles and procedures remained. Independence is the key to the IMU's operations, but it appears to function as a part of the prime sponsor's staff rather than autonomously. Further, several areas are monitored by both the IMU and MIS staff, suggesting that the functions are not clearly defined.

Decisionmaking

As mandated by federal law, WETC established three advisory councils: the employment and training council, the youth employment and training council, and the private industry council. After consulting with the current chairperson, the prime sponsor's director forwards recommendations on council memberships to the Worcester city manager, who selects council members and chairpersons. The CETA coordinator provides staff support to the councils.

WETC has demonstrated creativity and organizational expertise in working with its councils, committees, and task forces. An intercouncil agreement was drafted outlining membership, responsibilities, roles and procedures for conflict resolution. A recent assessment by ETA regional office staff found the intercouncil agreement "effective and innovative."

Because WETC relies on contractors to deliver services, its planning and decisionmaking process is more intricate than that of prime sponsors providing in-house services. It thus must begin the process quite early to select all the contractors and determine the allocations before preparing the annual plan required by the DOL. An inherent problem with this procedure is that WETC begins allocating funds to contractors before DOL releases the preliminary funding levels.

The prime sponsor's staff does a thorough and professional job in preparing and presenting information to the various committees and councils. In general, the staff members are highly regarded by the employment and training council, and staff recommendations are always given serious consideration. Council members' questions to program operators about their programs are pertinent, indicating knowledge about the program operators' services and local labor market needs.

While there has been relatively little turnover of organizations that have obtained funding under the CETA program, the decisions on contracts and size of funding appear to be based on objective criteria. The committee views the staff recommendations as professional judgments, with no political axe to grind. The prime sponsor's staff views the council members as persons with a public interest, acting without the pressures to make political decisions on program contracting and funding.

Training Policies

With the ready availability of jobs, the CETA programs have focused largely on job placement and job readiness (basic and prevocational education), rather than occupational skill training. The distribution of funds between vocational training and other CETA programs has remained relatively stable over the past few years. In fiscal 1980, the career education training center (CETC), which handles almost all of the vocational skill training programs, received $251,000, or 11.2 percent of the total title II-B funds. The proposed allocation for fiscal 1981 showed a decline for CETC in absolute terms, to $246,000, but because the total title II-B allocation declined even more, CETC was to receive a slightly larger percentage (13.5 percent). One may note that this is a relatively small percentage of the total allocation of funds under this title. Neighborhood Youth Corps (in-school and out-of-school) was to receive over $328,000; New Careers, over $80,000; and Opportunities Industrialization Center, almost $138,000. In general, one can conclude from the fiscal 1981 funding recommendations that vocational skill training does not have the highest priority.

The WETC evaluation of economic conditions may be the principal reason for the vocational classroom training versus nontraining fund distribution. However, within the scope of the training funds there are choices and decisions to be made, in terms of titles used, program deliverers selected, and occupations trained. These decisions and choices do not always appear thoughtful from the perspective of contractors competing for funds. Nevertheless, the funding allocations can be rationalized from the standpoint of conditions in the labor market.

Serving those most in need while maintaining low cost per participant frequently presents conflicts for programs that are also attempting to train for higher paying occupations. In an effort to show a good record, contractors could "cream" among eligible clients, and some of this undoubtedly occurs. Intricate compromises must be made when distributing funds to contractors, always keeping in mind placement and cost rates, which are areas emphasized by the federal Department of Labor.

An analysis of contractors' program status summaries shows minimal movement of participants between program activities. Evidently, under a broad policy of decentralized intake and referral, contractors operate independent programs, thereby reducing opportunities for participants to receive a range of CETA activities.

An additional deterrent to transfers between program activities is found in WETC's program design: there is little evidence of coordination between contractors concerning course scheduling and content. It appears that the situation may be improved during fiscal 1981.

Training Decisions

The process of making training decisions is very complex. With numerous individuals and organizations involved at different levels and at different stages. There are various and different inputs of information at all points of the process, as well as pressures by the numerous organizations and groups that are affected by the decisions.

Key participants in the training decisions of WETC are the three councils. As in any large organization with diverse representation, key functions are performed by committees, principally the planning and review committee and the monitoring and evaluation committee, each composed of eight ETC members.

Program operators participate in the decisionmaking process in a number of ways, especially through their representation on councils. The prime sponsor's staff contributes to the decisionmaking process by analyzing program operators' performance data, conducting site visits, analyzing labor market information, and recommending program modifications, if necessary. The ultimate staff authority is the WETC director, David L. O'Toole, who reports to the city manager. In fact, however, decisions work their way through the process, and action by the employment and training council has turned out to be final.

Many sources of information are used in various combinations to make the basic decision about trainees, occupations and service deliverers. A key source is an analysis of needs of both prospective clients and the labor market, which the staff prepares from data provided by the division of employment security, the Massachusetts department of manpower development, and the Lawrence Berkeley Laboratory. Another source is the six-month follow-up study of title II-B participants which presents pre- and post-program profiles of participants and analyzes their job and wage status six months after they leave a CETA program. A third source is the MIS monitoring reports which contain performance indicators, such as placement rates and costs for each program operator.

An examination of the characteristics of clients served and the occupations for which they are trained, indicates that WETC is similar to the national picture. Women represent 66 percent of the enrollees in classroom training programs under title II-B, most of which focus on white-collar clerical jobs. The title VII program, concerned with private sector opportunities for the economically disadvantaged, trains electronic technicians, machinists and computer operators—male-dominated fields—and enrolls 80 percent men. Only 11 percent of the higher paying positions are filled by women.

A core of established program operators has provided the employment and training services in Worcester for many years. As a management strategy, WETC seems to encourage the program operators to alter their programs as needed and then retain them, rather than examining each proposal, old and new, on its merits. Fortunately, the monitoring reports by MIS staff straightforwardly address performance and administrative issues, and program operators apparently heed the recommendations and continue to strive for better performance. Evidently, also, program strategies are adjusted in order to comply with staff and committee recommendations.

The total funding requests submitted by potential program operators for fiscal 1981 under title II-B were approximately 50 percent higher than the fiscal 1980 funding and about 85 percent higher than the proposed funding for fiscal 1981. Actual funding was reduced by 20 percent. Clearly, the requests had to be reduced below the 1980 level. The WETC staff recommended that no new programs be funded for fiscal 1981, which clearly supported the current program operators and therefore got their support. Thus, when total funding is severely slashed, the staff is prepared to make drastic recommendations. However, new programs are not likely to receive funding unless ETA funding is increased substantially. The better of the existing programs were cut back in their funding in a relatively uniform percentage. WETC is more committed to maintaining the *status quo* than to introducing innovative programs.

Training Administration

The general framework of CETA policies is not determined at the local level, but in Washington when funds are allocated by formula to the prime sponsor and to specific titles.

In fiscal 1979, WETC received a total of $14.8 million across all CETA titles. The $3 million allocation to title II-B represents approximately 20 percent of total funding, and it is under this title that most vocational training is funded. The CETA legislation requires prime sponsors to use 15 percent of the title II-D funds allocated in fiscal 1980 for training. WETC allocated 18 percent for training, although nearly half of this was applied to a work experience component. Over 40 percent of title II-B expenditures in 1979 were allotted to classroom training activities, which include basic education, English as a second language, and prevocational education. It is quite evident that a substantial proportion of the resources available to WETC is not devoted to occupational training and related instruction in labor force participation skills and basic literacy. To some extent, this is an overt decision by the prime sponsor as a result of functioning in a relatively tight labor market where job opportunities exist even for those with comparatively few occupational skills.

Regardless of the title, the majority of CETA participants served are men, with 62 percent under title II-D and 54 percent under title II-B. The smaller proportion enrolled under II-B probably reflects the heavy emphasis under this title on white-collar clerical occupations, which attract more women.

Representation by ethnic groups was also similar for each title, with whites constituting 62 percent of title VI, 71 percent of title II-D and 73 percent of title II-B. The comparable percentages for blacks were 13, 10, and 10, respectively—on the order of 10 times the percentage of blacks in the local labor force. Hispanics were the largest minority under all titles, and they accounted for 24 percent of title VI participants.

A typical title II-B training participant for fiscal 1979 was white, young, a female, and a high school dropout. Further, title II-B enrolled a higher proportion of ex-offenders, of AFDC recipients, and of handicapped persons than any other title.

Quality of Training

WETC has four major deliverers of training services. The career education training center (CETC), sponsored by the Worcester vocational school department, provides occupational training, English as a second language, and basic education. The opportunities industrialization center (OIC) offers prevocational clerical courses, English as a second language, and basic education. The National Alliance of Business (NAB) provides all the on-the-job training. The preemployment seminar program teaches job seeking to all public service employment participants and, upon request, to classroom-training enrollees. In addition, four CBOs offer smaller training programs for the special population groups of women, physically handicapped, youthful offenders, and persons over 55 years of age.

The career education training center was started in August 1972 to meet the needs for more extensive vocational and skill training in the Worcester area. As a unit of the vocational school department, CETC receives technical assistance in curriculum design from the vocational school staff. The center offers CETA-funded programs to qualified individuals, and during fiscal 1980 the following programs were offered under title II-B: bookkeeper, general office clerk, culinary arts, patient care assistant, secretary, ward clerk, and English as a second language. Course offerings under title VII differed substantially and included electronics technology, machinist, and computer operator.

CETC requires applicants to spend two half-days in the actual classroom situation for assessment by instructors and to complete a pretraining test. Those not selected are to be referred to the prevocational training program run by OIC, but because there is no centralized intake system, some rejected applicants never receive any CETA services or training.

The ETA regional office has directed WETC to discontinue the tests for selection and has encouraged WETC to implement a centralized intake system which would make available the full range of CETA services to all eligible applicants. WETC is the only prime sponsor within Region I that does not conduct centralized intake and assessment. WETC's resistance to change has been due largely to the attitude that its placement rates indicate it succeeds without a centralized system.

The Worcester opportunities industrialization center (OIC) aims to assist participants in establishing and attaining realistic career goals, through skills assessment, career counseling, basic education, and general educational development (GED). The following programs are offered by OIC:

1) *General prevocational*—10-week program providing education and job readiness skills that will lead to further skill training.
2) *Clerical prevocational*—12 weeks of prevocational and English as a second language courses.
3) *Hispanic prevocational*—20 weeks of prevocational and English as a second language courses.

OIC also provides assistance in determining interests and skills, individual counseling, group counseling, referral for supportive services, and referral to further training or employment opportunities.

OIC is basically designed to help trainees get accepted into higher level skill training programs, although about one-fourth do obtain jobs directly. The staff has increased the length of time required for each course, claiming that it was needed to master the material. The lengthening of courses suggests that OIC is moving toward operating vocational rather than prevocational programs. Since many of their participants are not interested in further training and 35 percent of those referred to CETC (during two quarters of fiscal 1980) were not accepted, this seems to be the logical step to take. It is not, however, consistent with the OIC goals of operating a prevocational center.

The preemployment seminar program (PSP) is a series of motivational seminars, under the authority of the CETA public service employment (PSE) program. PSP is designed to assist PSE participants in acquiring the motivational skills and self-confidence necessary to obtain an unsubsidized job. PSP has been operating for two years and is mandated for all public service employment participants. Unfortunately, no evaluation and followup is conducted on this program, so it is impossible to assess its quality based on assisting clients with a job search.

The National Alliance of Business (NAB) administers all WETC's on-the-job training services. Although the division of employment security conducts intake and initial assessment, NAB operates as a personnel agency after it receives a referral. Except for one class-size project, bank teller training, OJT positions are individual placements, made in a large variety of firms in different industries.

The one class-size project conducted by NAB is sponsored by the American Institute of Banking and enrolls 9 to 12 trainees per year. The program has been in operation since 1970 and the current funding is 34,000 at $2,700 per placement. Although this program leads to unsubsidized employment within the occupation trained for, the numbers involved are so small as to make this OJT program in Worcester of very minor consequence.

Results of the six-month follow-up study of title II-B participants conducted six months after termination indicate that post-CETA incomes remained low; in fact, 33 percent would still have qualified as economically eligible for the program. Participants enrolled in training for 21 weeks or longer earned substantially more than those enrolled for less than 21 weeks ($6,884 and $5,934 respectively). Clients who were job-placed, that is, placed in jobs developed by the programs, had higher post-CETA incomes than those who were not job-placed ($6,312 compared to $5,559 respectively). NAB-OJT emerged as the program producing the highest post-CETA main income, at $8,809, while CETC averaged $5,818.

Two-thirds of those surveyed were employed six months after terminating from CETA. Again NAB stood out, with 84 percent employed, while CETC had 68 percent and OIC had 53 percent.

Although a sizable proportion of trainees were employed six months after leaving, apparently only OJT participants realized a substantial income gain. If WETC is concerned with increasing the earning power of participants, their skill training programs must be lengthened and must encompass more than secretarial and clerical courses.

Conclusions

The Worcester prime sponsor is somewhat atypical in at least three separate areas. One is the relatively tight labor market area that WETC has been operating in for a number of years. The second is the rather complete decentralization of the total system, the result of an overt decision by the prime sponsor. The third distinction is the administrative separation of the PSE program from other CETA programs. This separation has not had substantial or significant effects on the training programs or the public service employment program, but the cooperation between the two organizations depends upon the personal relationship between the directors.

Prime sponsors continually face decisions on how to design, implement and maintain employment and training programs. Because of the system's decentralized structure, the decision process starts at the staff level, where relevant information is gathered and analyzed. Program operators and potential operators participate at various levels of the process, sometimes as members of a committee, and sometimes only as discussants. The principal organization in the making of major decisions is the employment and training council. In fact, the recommendations of the ETC are final decisions, and all participants in the process are aware of this and expect it.

In identifying target groups, the staff found more people were eligible for CETA than could be served in a meaningful way with the available funds. WETC's response to this issue defined certain segments of the population as most in need, estimated their size and characteristics, and specified appropriate levels of service. WETC's staff planning unit presents this information in its annual analysis of need.

WETC adheres to a complex process of selecting training occupations through analysis of many sources of information. Apparently the most important element in the decisions relates the current program operators' training capability and capacity. The bulk of WETC's training occurs in the secretarial and clerical fields, with only one contractor offering a small program for machinists, which are much higher on the list of growth occupations.

WETC has an elaborate and thorough method for selecting service deliverers. Although for several years no change among the major service deliverers had taken place, the deliverers are subject to exhaustive performance monitoring. Monitoring results are used wisely and contribute significantly to improved program performance.

Communication between WETC and the ETA regional office on management and decisionmaking appears limited to routine, noncontroversial matters. In general, the federal representatives have made little or no positive contribution to the operation of CETA programs in the Worcester area. Several WETC staff members expressed a reluctance to ask the regional office for advice; they felt that the regional office staff was overly critical and made no effort to understand their problems. For the most part, no federal intervention concerning planning decisions has occurred; management issues addressed in the 1980 assessment include assuring the independence of the independent monitoring unit and consolidating the financial management systems of the prime sponsor and the public service employment program.

Performance indicators alone do not adequately assess the quality of training offered under the sponsorship of WETC. Some program operators claimed that the CETA system's instability was a deterrent to the long-range planning necessary for excellent program development.

In our opinion, WETC has the capacity (in terms of facilities and staff) to expand its training program quickly and economically. The following suggestions, if implemented, would increase WETC's capacity to develop and manage programs:

1. Implement a centralized intake system, permitting selection, assessment, and referral to programs on a more equitable basis. Individual employability could be developed and kept up to date, rather than starting over with each program. Transfers among program activities could be based on participants' needs, and job development could be conducted in an intensive nonduplicating manner.

2. Restructure the organization, merging the public service employment organization with the Worcester Employment and Training Consortium. The cooperation of the two organizations should not depend upon the personalities and relations of the two directors.

3. Assign the responsibility for coordinating program operators to one staff member. Currently, many staff members contact a program operator, but no one person monitors the memoranda of agreement among

community-based organizations. It is left to each agency to coordinate its CETA services with other agencies.

4. Increase the frequency of the present 6-month followup study report. This would make the results available and useful in planning of the training programs.

5. Require the contractors to eliminate the use of tests and other preselection devices which tend to screen out eligible clients from CETA training programs. Such tests are inequitable, and are a "creaming" device which eliminates those most in need of CETA services.

6. The role of the independent monitoring unit should be clarified to differentiate its responsibilities and functions from those of the management information system unit. Further, the autonomy of the IMU should be strengthened.

CONTRIBUTORS

Edward F. Dement is a former coordinator of a local OJT program (1966-69) and assistant director of North Carolina's first manpower planning office (1969-70). In 11 years with MDC, Inc.—a nonprofit research firm—he has authored numerous papers on planning and programming under MDTA and CETA, and since 1976 has directed five national studies dealing with PSE, youth programs, and CETA grants to governors.

Paul E. Harrington is a research associate in the Center for Labor Market Studies, Northeastern University. He has been engaged in research work in the area of labor market and occupational information and local program evaluation.

Morris A. Horowitz is professor of economics and chairman of the economics department, Northeastern University, Boston, Massachusetts. He has written widely on evaluation of employment and training programs.

Sar A. Levitan is research professor of economics at The George Washington University and director of its Center for Social Policy Studies. He has been a close observer of federal employment and training programs dating back to the days when manpower was still a respectable term.

Joanne Loscalzo is a research assistant, economics department, Northeastern University. She is currently completing evaluation of a Title III on-the-job training program in the garment industry, and previously was M.I.S. supervisor for the Lane County Prime Sponsor, Eugene, Oregon.

Garth L. Mangum is the McGraw professor of economics and management and the director of the Institute for Human Resource Management of the University of Utah. He was also chairman of the National Council on Employment Policy during the course of this study.

Robert McPherson is director of Human Resources Professionals Program at The University of Texas at Austin. He has been actively involved in designing and implementing employment and training programs at all levels. He is former executive director of the King-Snohomish County Manpower Consortium, and has served as a consultant to the U.S. Department of Labor.

Marion W. Pines is the founding director of the Mayor's Office of Manpower Resources in Baltimore, Maryland, which administers one of the largest and most complex CETA systems in the nation, and president of the Applied Institute of Manpower Management (AIMM). She has lectured and written extensively on public issues related to manpower.

R. Thayne Robson is the executive director of the Bureau of Economic and Business Research, professor of management and research professor of economics at the University of Utah. He is former chairman of Utah Manpower Council, and former director of President's Committee on Manpower.

Andrew M. Sum is associate professor of economics and director of the Center for Labor Market Studies within Northeastern University. He has been actively involved as a practitioner and researcher in the areas of labor market research, labor market and occupational information, and human resource program planning and program evaluation.

Robert Taggart is director of the Youth Knowledge Development Project funded by the Charles Stewart Mott and Edna McConnell Clark Foundations. He was formerly administrator of the Office of Youth Programs, U.S. Department of Labor and executive director of the National Council on Employment Policy.

E. Earl Wright is director of The W. E. Upjohn Institute for Employment Research in Kalamazoo, Michigan. He has been extensively involved in research and evaluation of employment and training programs.

Gregory Wurzburg is the director of operations, research and policy for Youthwork, Inc., former executive director of the National Council on Employment Policy, and a former research associate of the Center for Social Policy Studies. He has also worked in employment and training programs in the Washington, D.C. city government.

THE W.E. UPJOHN INSTITUTE FOR EMPLOYMENT RESEARCH
ESTABLISHED 1945

0-911558-93-4