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## The Concentrated Employment Program

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# THE CONCENTRATED EMPLOYMENT PROGRAM†

DEREK I. MEIER\*

On March 14, 1967, President Johnson announced the creation of the Concentrated Employment Program (CEP), "a special program using all available resources to provide concentrated assistance to those with the greatest need."<sup>1</sup> The Secretary of Labor and the Director of the Office of Economic Opportunity were directed to begin this program immediately, with the assistance of other federal agencies.<sup>2</sup> CEP was conceived as an administrative delivery system.<sup>3</sup> Its purpose is to focus the various manpower programs and related services, made available primarily by the Manpower Development and Training Act of 1962 (MDTA)<sup>4</sup> and the Economic Opportunity Act of 1964 (EOA),<sup>5</sup> on those areas with the highest unemployment rates. In essence, CEP is a highly concentrated application of the 1967 amendment to the EOA,<sup>6</sup> which created several programs and provided for comprehensive training services on a citywide basis.<sup>7</sup> CEP enables those programs to have a significant impact in the hard-core unemployment areas by concentrating program enrollment efforts on target area residents.

The purpose of this paper is to examine CEP—why it was created, how it functions, and what problems it has encountered. Essential, however, to an understanding of the role of CEP in the rapidly expanding field of manpower development is an awareness of the needs of the urban poor and of the inadequacy of the governmental response to those needs prior to CEP's creation.

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† The Editors gratefully acknowledge Mr. Marion R. Tillard, Director of Community Affairs, Concentrated Employment Program for his assistance in reviewing this article.

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1. Special Message to the Congress by President Johnson, America's Unfinished Business, Urban and Rural Poverty, Mar. 14, 1967.

2. *Id.*

3. *Hearings on H.R. 18037 Before the Senate Comm. on Appropriations*, 90th Cong., 2d Sess. (1969).

4. 42 U.S.C.A. §§ 2571-2620 (Supp. 1969).

5. 42 U.S.C.A. §§ 2701-2994 (Supp. 1969).

6. *See* 42 U.S.C.A. §§ 2737-49 (Supp. 1969).

7. *Id.*

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### I. THE NEEDS OF THE URBAN POOR

The findings of a 1966 Department of Labor survey of unemployment in selected slum areas<sup>8</sup> supplied the impetus for the creation of CEP. The unemployment picture for the nation in 1966 may be summarized as follows:

Even with the relatively low levels of unemployment which prevailed during 1966, 2.4 million persons were unemployed at least 15 weeks during the year and 840,000 were unemployed more than half the time during the year. An additional 1.2 million looked but did not find work at any time. An average of 2 million persons was working part-time but sought full-time jobs. There were 1.8 million men between the ages of 25 and 64 who, though able to work, were neither working nor seeking jobs; 500,000 were between 25 and 49. Nearly three-quarters of a million households were headed by men who were not workers. At least 5 million persons were working at wages below the federal minimum.<sup>9</sup>

In the urban slum areas surveyed, the unemployment rate was three times the national average.<sup>10</sup> One out of every three slum residents who already had a job, or could find one with suitable help, was either jobless or not earning enough to live above the poverty level.<sup>11</sup> Generally, the slum areas were characterized by a predominance of Negro residents, an even greater predominance of Negroes among the unemployed, and high proportions of large and woman-headed households.<sup>12</sup> It is no exaggeration to compare the 1966 Negro unemployment rate to the national rate during the depression of the 1930's<sup>13</sup>

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8. MANPOWER REPORT OF THE PRESIDENT (1967); DEP'T OF LABOR, REPORT ON MANPOWER REQUIREMENTS, RESOURCES, UTILIZATION, AND TRAINING (1967). Since these two reports are bound as one, they shall hereinafter be cited as MANPOWER REPORT (1967). Such reports of other years will be cited with the appropriate date, as: MANPOWER REPORT (1969).

9. G. Mangum, *Government as Employer of Last Resort*, in TOWARDS FREEDOM FROM WANT 135, 152 (S. Levitan ed. 1968) [hereinafter cited as Mangum].

10. MANPOWER REPORT (1967) at 74.

11. *Id.* at 74-75, 124-33. The poverty-line annual income figure was approximately \$3,000 for a family of four. *Id.* at 74.

12. *Id.* at 76-77.

13. Wetzel & Holland, *Poverty Areas of Our Major Cities*, MONTHLY LABOR REV., Oct., 1966, at 1106. "[N]onwhite men in the central ages carry double their proportionate share of the problems which result from nonparticipation in the work force, as well as more than double their share of unemployment." MANPOWER REPORT (1967) at 133. One survey found that the 15 largest metropolitan areas in the nation, while accounting for 31 per cent of total United States unemployment, accounted for nearly 40 per cent of the nonwhite jobless total. *Unemployment in 15 Metropolitan Areas*, MONTHLY LABOR REV., Jan., 1968, at v.

—and this at a time when the national rate had dropped below 4 per cent for the first time in 13 years.<sup>14</sup>

Forty-four per cent of the unemployed workers in slums cited lack of education, training, skills, or experience as the primary reasons for their inability to find jobs.<sup>15</sup> Though other factors contribute to the problem, the facts support their conclusion. Only a third of the unemployed slum residents were high school graduates; more than a quarter had only an eighth-grade education or less; and inadequate, overcrowded slum area schools provided only inferior education and contributed to the high dropout rate.<sup>16</sup>

A wide variety of other factors stand as barriers to employment for urban slum residents. Due to the high rate of large families and woman-headed households in slum areas, the availability of good child-care facilities is extremely important to the family whose income is, in whole or in part, dependent on the earnings of the mother.<sup>17</sup> The survey found such facilities almost totally lacking, only 3 per cent of the working mothers using group-care arrangements for their children.<sup>18</sup> Poor housing, poor diet, and inadequate medical services combine to make ill health a barrier to employment for 10 to 20 per cent of the slum residents.<sup>19</sup> About one out of every ten unemployed job applicants has a police record to overcome, and all too often mere arrests or petty offenses prevent employment.<sup>20</sup> Discriminatory hiring practices, lack of information about where and how to look for a job, and lack of transportation to job sites further handicap the slum resident.<sup>21</sup> Finally, job prospects for the uneducated, untrained, and unskilled slum resident are limited, on the whole, to low-paid, low-status, low-skilled occupations which offer little hope of advancement.<sup>22</sup>

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14. MANPOWER REPORT (1967) at xi.

15. *Id.* at 78; see also Mangum, *supra* note 9, at 157.

16. MANPOWER REPORT (1967) at 78-79.

17. *Id.* at 81.

18. *Id.*

19. *Id.* at 79-80. "Negroes not only suffer the most from inadequate health care, poor nutrition, and poor living conditions, but can less often qualify for white-collar and other jobs suitable for workers with limited physical disabilities." *Id.* at 80.

20. *Id.* at 84-85.

21. Job sites have been steadily moving away from the central city to the suburbs. *Id.* at 85-88.

22. *Id.* at 81-82.

Low-status, low-paying jobs represent the primary means of livelihood for workers in poverty neighborhoods. Of the 6.2 million persons in poverty areas employed in 1967, 57 per cent were employed in semiskilled, un-

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Underlying all of the above factors are the more complex psychological barriers which life in an urban slum engenders.<sup>23</sup> In the midst of a society which measures an individual's worth by the job he holds and views steady employment as the proper path to a more affluent life, the slum resident more often than not finds himself either jobless or employed only at a menial level. Low-paying, menial jobs are often rejected or, if accepted, held only on a short-term basis when personal or family needs are great. Such jobs offer no more—and often less—for the present or the future than dependence on welfare, or “hustling.”<sup>24</sup> Many of the urban poor become permanent welfare recipients because the lack of meaningful job opportunities has convinced them that it is futile to attempt to gain employment.<sup>25</sup> Some turn to illicit activities out of frustration, disillusionment, and anger.<sup>26</sup>

Generally, the 1966 survey found that the problems of joblessness and poverty in urban slum areas had grown worse since 1960 in spite of the national gains in employment and improvement in the standard of living. It was concluded that these slum areas were rapidly “becom[ing] a separate world, with a rising proportion of Negroes in an increasingly deprived population.”<sup>27</sup> This grim reality has not greatly improved to date; the same problems persist despite continued improvement in the national unemployment rate.<sup>28</sup>

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skilled, and service occupations, and fewer than one-third held white-collar jobs. In contrast, over half of the employed persons in other urban neighborhoods held white-collar jobs, and less than one-third were in semiskilled, unskilled, and service jobs.

Ryscavage & Willacy, *Employment of the Nation's Urban Poor*, MONTHLY LABOR REV., Aug., 1968, at 17.

Such jobs are a large factor in the phenomenon known as underemployment or sub-employment. Underemployment describes those workers who, though employed, are still unable to earn enough to live above the poverty line. It is generally recognized that sub-employment is at least as serious as, and perhaps more serious than, unemployment. See MANPOWER REPORT (1968) at 34-36, 83-85; *Hearings on Employment and Manpower Problems in the Cities: Implications of the Report of the Nat'l Advisory Comm'n on Civil Disorders Before the Joint Economic Comm.*, 90th Cong., 2nd Sess., at 48-54 (1968) [hereinafter cited as *JEC Hearings*]; REPORT OF THE NAT'L COMM'N ON URBAN PROBLEMS, pt. 1, at 35 (1968).

23. See generally R. STAGNER, *PSYCHOLOGICAL DYNAMICS OF INNER-CITY PROBLEMS* (1968).

24. MANPOWER REPORT (1967) at 83.

25. *Id.*

26. *Id.* at 83-84.

27. *Id.* at 88.

28. See MANPOWER REPORT (1968) at 83-95; MANPOWER REPORT (1969) at 42-49, 141-42; Wetzels & Holland, *Poverty Areas of Our Major Cities*, MONTHLY

## II. THE INADEQUATE GOVERNMENTAL RESPONSE

Until the beginning of the War on Poverty of the 1960's the United States Employment Service (ES) represented the principal governmental response to the problem of unemployment.<sup>29</sup> Created in 1933, ES was established to promote and develop a national system of employment offices for men, women, and young persons who are legally qualified to engage in gainful occupations.<sup>30</sup> In practice, ES's function was to fill employers' labor requirements by testing and selecting job applicants who could meet those requirements. ES's role was to find qualified workers among the unemployed, not to help the unemployed become qualified for available jobs.<sup>31</sup>

The War on Poverty brought about a shift of emphasis in the "manpower policy" of the 1960's. The change was from the idea of manpower as a developable economic resource to the concept of aiding the disadvantaged in their search for employment.<sup>32</sup> This trend may be seen by outlining the legislative development in the manpower field from 1962 to 1968.

### A. MDTA

In 1962, Congress enacted the Manpower Development and Training Act (MDTA).<sup>33</sup> As its statement of purpose<sup>34</sup> indicates, the

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LABOR REV., Oct., 1966, at 1105; Bullock, *Poverty in the Ghetto—The View From Watts*, MONTHLY LABOR REV., Feb., 1967, at 26; *Unemployment in 15 Metropolitan Areas*, MONTHLY LABOR REV., Jan., 1968, at v; Flaim, *Jobless Trends in 20 Large Metropolitan Areas*, MONTHLY LABOR REV., May, 1968, at 16; Ryscavage & Willacy, *Employment of the Nation's Urban Poor*, MONTHLY LABOR REV., Aug., 1968, at 15; Ryscavage, *Employment Developments in Urban Poverty Neighborhoods: A Status Report*, MONTHLY LABOR REV., June, 1969, at 51; *JEC Hearings*, *supra* note 22, at 97-107; REPORT OF THE NAT'L COMM'N ON URBAN PROBLEMS, pt. 1 (1968); REPORT OF THE NAT'L ADVISORY COMM'N ON CIVIL DISORDERS, chs. 6, 7, 16, & 17 (Bantam ed., 1968) [hereinafter cited as KERNER REPORT].

29. 29 U.S.C.A. §§ 49-49(k) (Supp. 1969).

30. 29 U.S.C.A. § 49(b) (Supp. 1969).

31. See discussion in text concerning operational problems, *infra*.

32. *Hearings on S. 3063, S. 3249, S. 2938 Before the Subcomm. on Employment, Manpower, and Poverty of the Senate Comm. on Labor and Pub. Welfare*, 90th Cong., 2nd Sess. at 318 (1968) [hereinafter cited as *Clark Comm.*].

"There is no federal manpower policy in the dictionary sense . . . . However, there are programs and practices which can be extracted." The new emphasis of the 1960's "is attested to more by legislative and administrative efforts and public discussion than by expenditures of less than \$2 billion per year." *Id.*

33. 42 U.S.C.A. §§ 2571-2620 (1964). See also 42 U.S.C.A. §§ 2571-2620 (Supp. 1969).

34. 42 U.S.C.A. § 2571 (Supp. 1969).

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emphasis was primarily on meeting the need of industry for more and better-trained personnel. But, the Act did provide for testing, counseling, and training for unemployed or underemployed persons who could not reasonably be expected to secure full-time employment without training.<sup>35</sup> The year 1966 saw a redirection of the MDTA program toward meeting the needs of the most disadvantaged.<sup>36</sup> The bulk of the training effort was directed toward reclaiming the hard-core unemployed, and the target number of trainees was reduced to allow for more intensive, individualized training.<sup>37</sup>

Presently, the United States Training and Employment Service (USTES), a component of the Department of Labor, is responsible for selection of participants and occupations for all training conducted with MDTA funds.<sup>38</sup> These funds are divided between the two basic components of MDTA: (1) On-the-Job Training (OJT), and (2) MDTA-Institutional. OJT is designed to provide skills to the unemployed and to upgrade the skills of the underemployed in order to increase their earning ability. Directed by USTES, OJT provides training in an actual work situation, with enrollees receiving wages at the prevailing scale in the area. USTES contracts with private employers or other agencies which are reimbursed with MDTA funds for the cost of training the participants.<sup>39</sup> MDTA-Institutional, directed by the Office of Vocational Education, Department of Health, Education and Welfare (HEW), provides classroom training by public and private agencies, vocational schools, skill centers, technical schools, and private employers.<sup>40</sup> Institutional training is now frequently coupled with OJT to fit the needs of the individual.<sup>41</sup>

### B. EOA

The most significant legislation in the War on Poverty was the Economic Opportunity Act of 1964 (EOA).<sup>42</sup> Designed to combat a

35. 42 U.S.C.A. § 2582 (Supp. 1969).

36. MANPOWER REPORT (1967) at 50-51.

37. *Id.*

38. OFFICE OF ECONOMIC OPPORTUNITY, DEP'T OF H.E.W., EMPLOYMENT PROGRAMS FOR THE POOR 45, 47 (1969) [hereinafter cited as EMPLOYMENT PROGRAMS].

39. *Id.* at 48; *Clark Comm.*, *supra* note 32, at 320; MANPOWER REPORT (1969) at 89-93.

40. *Clark Comm.* at 320; MANPOWER REPORT (1968) at 205; MANPOWER REPORT (1969) at 76-80; EMPLOYMENT PROGRAMS at 47.

41. EMPLOYMENT PROGRAMS at 49.

42. 42 U.S.C.A. §§ 2701-2981 (1964). *See also* 42 U.S.C.A. §§ 2701-2994 (Supp. 1969).

wide variety of ills common to the urban poor, EOA created Community Action Programs, the Job Corps, and the Neighborhood Youth Corps. It offered Adult Basic Education, employment and investment incentives, and Work Experience programs.

Community Action Agencies (CAA) were established to provide an areawide attack on poverty through mobilization and systematic utilization of available public and private resources. The goal of the Community Action Program (CAP) is to enable low-income families and individuals of all ages to attain the skills, knowledge, motivations, and opportunities needed to become self-sufficient.<sup>43</sup> The Act, as presently amended, provides financial assistance for a wide range of services from education and housing to legal services and the prevention of narcotics addiction.<sup>44</sup>

The Job Corps<sup>45</sup> was designed to serve disadvantaged youths who need training and a change of environment in order to become productive citizens.<sup>46</sup> The Corps locates disadvantaged, out-of-school, and unemployed youths between the ages of 16 and 21 and enrolls them in its residential programs. There they receive educational, vocational, and social instruction, the goal being placement in a job offering opportunities for the future.

The Neighborhood Youth Corps (NYC),<sup>47</sup> designed to offer work experience opportunities to unemployed youths between the ages of 16 and 21, seeks to improve the employability of its enrollees by offering them the opportunity to develop good work habits, to learn basic skills, and to acquire a record of successful employment. The NYC consists of in-school, out-of-school, and summer programs, all of which encourage continued school attendance while paying wages for limited working hours. Enrollees work in schools, libraries, parks, hospitals, cafeterias, and museums, and have assisted with surveys on slum area housing needs and helped to register persons eligible for Medicare benefits.<sup>48</sup>

43. 42 U.S.C.A. § 2781(a) (Supp. 1969); *see generally* NAT'L ASS'N FOR COMMUNITY DEV., COMMUNITY PROGRAMS ON EMPLOYMENT & MANPOWER (1966).

44. 42 U.S.C.A. § 2808 (Supp. 1969).

45. 42 U.S.C.A. §§ 2711-20 (1964); 42 U.S.C.A. §§ 2711-29 (Supp. 1969).

46. 42 U.S.C.A. §§ 2711, 2713 (Supp. 1969); MANPOWER REPORT (1967).

47. 42 U.S.C.A. §§ 2731-36 (1964). (Sec. 2731 was repealed by Act of Nov. 8, 1966, Pub. L. No. 89-794, tit. I, § 112(a), 80 Stat. 1454. Secs. 2732 to 2736 were omitted in the reorganization of U.S.C.A. by Act of Dec. 23, 1967, Pub. L. No. 90-222, tit. I, § 102, 81 Stat. 682). *See also* 42 U.S.C.A. §§ 2740(a)(1) & (2) (Supp. 1969).

48. MANPOWER REPORT (1967) at 95-96.



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Adult Basic Education (ABE), originally part of EOA,<sup>49</sup> is now administered by HEW's Bureau of Adult Vocational and Library Programs, Office of Education, as part of the Elementary and Secondary Education Act.<sup>50</sup> The goal of ABE is to provide basic literacy and arithmetical instruction to functional illiterates and those with only minimal academic skills. The program develops reading to the eighth-grade level and arithmetic to the equivalent of sixth-grade. It also improves writing ability to enable the enrollee to complete applications and other employment forms clearly and legibly, to compose simple letters, and to make out routine work orders, etc. ABE further provides speech coaching in order that the enrollee may understand instructions and be understood when speaking in normal employment situations.<sup>51</sup>

Finally, EOA established Work Experience programs to expand the opportunities for constructive work experience and other necessary training available to persons who are unable to support or care for themselves or their families.<sup>52</sup> These programs are used primarily as holding devices whereby participants, mostly welfare recipients, get the opportunity to earn enough money to meet their basic needs while being encouraged, counseled, and given supportive services.<sup>53</sup>

### C. 1966-1968 Innovations

By the end of 1966, there were many vital services being provided to the poor and the unemployed. Nevertheless, as the Labor Department survey of that year revealed, the conditions of poverty and unemployment in the urban slums throughout the nation had grown worse since 1960.<sup>54</sup> Available services were not effectively reaching those who most needed them. MDTA training programs depended on referral of applicants by local ES offices, but those offices made only a limited attempt actively to seek out prospective enrollees. Not until late 1965 did ES establish Youth Opportunity Centers in poverty areas to any significant degree, and even these, as their name implies,

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49. 42 U.S.C.A. § 2801 (1964) (originally enacted as Act of Aug. 20, 1964, Pub. L. No. 88-452, tit. II, § 212, 78 Stat. 520). This section was repealed by Act of Nov. 3, 1966, Pub. L. No. 89-750, tit. III, § 315, 80 Stat. 1222.

50. 20 U.S.C.A. § 1201 (Supp. 1969).

51. EMPLOYMENT PROGRAMS, *supra* note 38, at 28.

52. 42 U.S.C.A. § 2921 (Supp. 1969).

53. Interview with Gordon Henderson, staff writer for the Human Development Corp., in St. Louis, Mo., Sept. 29, 1969.

54. *See* note 28 *supra*.

did not stress enrollment of the older unemployed and underemployed.<sup>55</sup>

Furthermore, and almost by definition, the most disadvantaged were often neither aware of the programs nor among those actively seeking employment. Job Corps and NYC were limited to those under 21 years of age. Because of their citywide perspective, the Community Action Agencies were unable to focus on the needs of the most severely disadvantaged. The broad range of services which they supplied prevented them from providing all of the manpower services necessary for a comprehensive manpower program.<sup>56</sup>

Realization of the failure of the War on Poverty to reach the most disadvantaged caused a great deal of creative action in 1966 and 1967. As noted above,<sup>57</sup> the MDTA program was redirected from "job orientation" to "person orientation." This was accomplished by adoption of Human Resources Development (HRD) as a basic part of ES in 1966.<sup>58</sup> More a concept than a program, HRD is an attempt to focus all ES efforts on serving those individuals who have the greatest difficulty in obtaining suitable employment: youth, the elderly, the handicapped, members of minority groups, and the urban and rural hard-core unemployed. It includes efforts to identify and attract those most in need of employment services through the use of mobile units and neighborhood centers. Emphasis is placed on the team approach to counseling and training in order to provide continuity for the client from unemployment to a job which matches his interests and capabilities.

Many innovative steps were taken outside the traditional ES framework. Jobs Now, an experimental project launched in Chicago in September, 1966, combined the efforts of industry, labor, private community groups, and public agencies to provide employment and training for 3,000 problem youths.<sup>59</sup> This program provided two weeks of orientation in human relations, personal appearance, money management, and local transportation services. The enrollee was then hired immediately by cooperating industries, no questions asked. Personal coaching was continued in order to provide support for the trainees,

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55. MANPOWER REPORT (1967) at 48.

56. See EMPLOYMENT PROGRAMS at 7.

57. MANPOWER REPORT (1967) at 50-51.

58. See MANPOWER REPORT (1968) at 199; MANPOWER REPORT (1969) at 126-27; DEP'T OF LABOR, JOB DEV. FOR THE HARD TO EMPLOY 10 & n. 1 (1968) [hereinafter cited as JOB DEV.].

59. MANPOWER REPORT (1967) at 54-55; JOB DEV. at 16.

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both in the plant and at home. Meanwhile, local industry personnel enlisted the support of other businesses in developing jobs. The key factor in the success of the project was the active cooperation of employers in waiving their usual hiring standards and offering immediate employment.<sup>60</sup>

The 1967 amendments to EOA created new programs specifically designed to meet the manpower needs of the urban poor. In addition to providing federal funds for day-care for children,<sup>61</sup> the new amendments created the New Careers, Special Impact, and Operation Mainstream programs. All of these programs were consolidated under a single prime sponsor in each Community Program Area.<sup>62</sup> Together, these programs are designed to provide a comprehensive work and training program for an entire city.<sup>63</sup>

New Careers,<sup>64</sup> administered by the Department of Labor, is designed to serve a dual function. First, it trains the unemployed and underemployed for professions with career potential. Second, it helps provide professional personnel for the critically undermanned human service activities: education, health, welfare, neighborhood redevelopment, and public safety. The agencies which guarantee the jobs offer promising candidates classroom and on-the-job training.<sup>65</sup>

Special Impact<sup>66</sup> concentrates on specific neighborhoods in an attempt to promote economic, business, and community development. Special Impact funds are specifically made available for manpower programs in the target areas.<sup>67</sup> The program offers inducement to private business to establish new facilities in or near ghetto neighborhoods and to hire and train the hard-core unemployed. Contracts for up to thirty months cover expenses involved in testing, counseling, basic education, medical services, and transportation, together with the wages paid during classroom training. In addition to this inducement to outside business, Special Impact places emphasis on internal economic development through financial and technical assistance for

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60. For more on the Jobs Now program, see Mouat, "Jobs Now" Gears Unskilled Youth For Working World, *EMPLOYMENT SERV. REV.*, May, 1967, at 44; Still, *Chicago's Jobs Now*, *EMPLOYMENT SERV. REV.*, Aug.-Sept., 1967, at 36.

61. 42 U.S.C.A. §§ 2931-33 (Supp. 1969).

62. 42 U.S.C.A. § 2740(b) (Supp. 1969).

63. 42 U.S.C.A. §§ 2737-38 (Supp. 1969).

64. 42 U.S.C.A. § 2740(a)(4) (Supp. 1969).

65. See *MANPOWER REPORT* (1969) at 102-03; *Clark Comm.*, *supra* note 32, at 323; Mangum, *supra* note 9, at 147-49.

66. 42 U.S.C.A. §§ 2763-68 (Supp. 1969).

67. 42 U.S.C.A. § 2764(3) (Supp. 1969).

businesses owned and operated by area residents. Such assistance is typically provided by a community corporation which may itself become a developer of business projects.<sup>68</sup>

Operation Mainstream,<sup>69</sup> administered by the Department of Labor, provides employment for those chronically unemployed adults who are unable to find jobs because of age, lack of skill, or lack of employment opportunity. Basic education, skill training, counseling, and other supportive services supplement the work experience. Operation Mainstream essentially parallels the Neighborhood Youth Corps, providing work experience for adults similar to that which NYC provides for the young. Enrollees, many of whom are 55 years of age and older, are employed in community beautification and improvement activities administered by public and private nonprofit agencies.<sup>70</sup>

In addition to these new programs created by amendment of EOA, amendment of the Social Security Act in 1967 created a Work Incentive Program (WIN) for recipients of Aid to Families with Dependent Children (AFDC) and to children of unemployed parents (AFDC-UP).<sup>71</sup> A comprehensive manpower program designed to break the cycle of poverty for public assistance recipients, WIN stresses development of immediate and meaningful employment opportunities in order to start AFDC recipients on the road to self-sufficiency. Provision is made for subsidized public or private nonprofit work for those who can not be trained or placed in competitive employment.<sup>72</sup>

In January, 1968, President Johnson announced the creation of Job Opportunities in the Business Sector (JOBS),<sup>73</sup> the last of the 1966-68 innovations. JOBS is a national effort to enlist the support of private industry in the task of employing and training the hard-core unemployed in the largest cities in the country. Led by the National Alliance of Businessmen, the program operates through the eight regional offices of the Manpower Administration, Department of Labor. The

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68. See MANPOWER REPORT (1968) at 198; MANPOWER REPORT (1969) at 104-05; *Clark Comm.* at 323.

69. 42 U.S.C.A. § 2740(a)(3) (Supp. 1969).

70. The median age for Operation Mainstream enrollees is 49.7 years. MANPOWER REPORT (1968) at 203; MANPOWER REPORT (1969) at 103-04; *Clark Comm.* at 323.

71. 42 U.S.C.A. §§ 630-44 (Supp. 1969).

72. MANPOWER REPORT (1968) at 204-05; MANPOWER REPORT (1969) at 106-07; EMPLOYMENT PROGRAMS, *supra* note 38, at 52.

73. MANPOWER REPORT (1969) at 93-94; *Clark Comm.* at 522-23; EMPLOYMENT PROGRAMS at 51-52.

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hiring companies bear the normal training costs, but, because the people hired under this program are less qualified than those usually hired by the participating employers, many of them require basic education, medical and transportation services, personal counseling, and other supportive services. The government bears the costs of these services.

These various programs supplied a great number of services vital to lowering employment obstacles for the disadvantaged,<sup>74</sup> but they did not emerge as a part of any systematic effort to identify and provide each of the services needed. Rather, individual acts were written and amended in rapid succession with little regard for comprehensive planning on a national scale.<sup>75</sup> Consequently, the essential services were available through no one program, agency or labor market institution. Each program was a separate entity, limited in the services it could offer, and budgeted without rational relation to need.<sup>76</sup> Despite this unsystematic national approach, the 1967 amendments to EOA did recognize that a comprehensive approach was essential to the attack on unemployment in the urban slums.<sup>77</sup> Those amendments provide not only for comprehensive work and training programs on a citywide basis,<sup>78</sup> but also for the further concentration of manpower training efforts in limited target areas within those cities.<sup>79</sup> This further concentration is the purpose of the Concentrated Employment Program.

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74. For a comprehensive list of these services, see *Clark Comm.* at 318-19.

75. *Id.* at 158-59; *JEC Hearings, supra* note 22, at 191-92. For illustrative documentation of the administrative maze of federally supported manpower programs, see S. LEVITAN & G. MANGUM, MAKING SENSE OF FED. MANPOWER POLICY 9-16 (1967). For more on the variety of manpower programs, see generally MANPOWER REPORT (1968) at 194-212; MANPOWER REPORT (1969) at 73-136; S. LEVITAN, FED. MANPOWER POLICIES AND PROGRAMS TO COMBAT UNEMPLOYMENT (1964); S. LEVITAN, PROGRAMS IN AID OF THE POOR (1965); S. LEVITAN & I. SIEGEL, DIMENSIONS OF MANPOWER POLICY: PROGRAMS & RESEARCH (1966); S. LEVITAN, THE DESIGN OF FEDERAL ANTIPOVERTY STRATEGY (1967); S. LEVITAN, ANTIPOVERTY WORK AND TRAINING EFFORTS: GOALS AND REALITY (1967); Mangum, *Evaluating Manpower Programs*, MONTHLY LABOR REV., Feb., 1968, at 21; and E. MESICS, THE HARD-CORE UNEMPLOYED, AN ANNOTATED BIBLIOGRAPHY (1969).

76. *Clark Comm.* at 318-19.

77. 42 U.S.C.A. § 2737 (Supp. 1969).

78. 42 U.S.C.A. § 2738 (Supp. 1969).

79. 42 U.S.C.A. §§ 2737, 2740(a)(5) (Supp. 1969).

## III. THE CONCENTRATED EMPLOYMENT PROGRAM

## A. The Concept

The inspiration for CEP came largely from the experimental Jobs Now project in Chicago.<sup>80</sup> The essential features of that project were combined with the Human Resources Development concept<sup>81</sup> to produce a *delivery system* rather than a substantive program.<sup>82</sup> CEP combines individual manpower programs into a united effort in a limited target area. Target areas are selected by the Manpower Administration of the Department of Labor on the basis of survey and census data, and on the basis of three major criteria. First, the area must have a high concentration of unemployment and poverty. Second, the area should already have related programs such as JOBS and Model Cities.<sup>83</sup> Coordination of CEP efforts with other programs having related objectives helps to increase the overall impact on the problems of the disadvantaged. Third, there must be potential for success. Factors given consideration in this determination include: (1) the demonstrated interest and motivation of local businesses and unions; (2) the degree of success in executing previous manpower projects; (3) the extent of cooperative efforts by state, county, municipal, and private agencies; and (4) the potential of the local job market for providing permanent and meaningful employment.<sup>84</sup>

Designed to achieve a blend of all programs in a particular area, CEP provides training and supportive services to the most disadvan-

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80. MANPOWER REPORT (1968) at 195; JOB DEV., *supra* note 58, at 16; *Clark Comm.* at 435; DEP'T OF LABOR, THE CONCENTRATED EMPLOYMENT PROGRAM (1969).

81. See materials cited note 58 *supra*; see also MANPOWER REPORT (1969) at 127.

82. CEP is really a delivery system rather than a program. JOB DEV. at 13; DEP'T OF LABOR, CEP HANDBOOK, Introduction ¶A (1969) [hereinafter cited as HANDBOOK]. As a former Labor Department official replied when asked whether additional legislation was needed:

Over the past half dozen years we've had a cornucopia of legislation. Now we need to consolidate and ingest and digest all these programs, to get them operating in such a way that they serve the people best.

Interview with Seymore Wolfbein, MANPOWER, Apr., 1969, at 9.

83. See HANDBOOK § 550.

84. *Id.* § 110; see also DEP'T OF LABOR, GUIDELINES FOR DEV. AND OPERATION OF A CONCENTRATED EMPLOYMENT PROGRAM IN SELECTED POVERTY AREAS 7 (1968) [hereinafter cited as GUIDELINES]; SYSTEM DEV. CORP., TECHNICAL MEMORANDUM: CEP PLANNING SOURCE BOOK 4 (1968) [hereinafter cited as SDC-TM].

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tagged unemployed and underemployed.<sup>85</sup> The overall CEP goal is to enable these severely disadvantaged people to become self-supporting, productive members of society. Conceptually then, CEP rests on two premises. First, it presumes that the various independent programs and agencies serving the needs of the poor can be integrated and focused through a single local institution. Second, CEP assumes that while sufficient resources can not be marshalled for a measurable impact at the national level, concentration on narrowly defined target areas may result in an appreciable improvement in a limited number of urban slums and rural depressed areas.<sup>86</sup> The Labor Department guidelines<sup>87</sup> for CEP list its official objectives as: (1) demonstrating the feasibility of such a program by producing substantial job opportunities for unemployed and underemployed people; (2) developing appropriate mechanisms for mobilizing and actively involving the business, labor, community and public leadership in the planning and implementation of the program; and (3) expanding and improving ongoing manpower and training programs by providing additional job and training opportunities in both the public and private sectors.<sup>88</sup> Essentially then, CEP is an attempt to reduce hard-core unemployment in limited areas by opening job opportunities to the hard-to-employ and by combining existing programs and business community cooperation on a united front.<sup>89</sup>

### B. Funding and Administration

Although the CEP concept had become the approved model for delivering comprehensive manpower services to hard-to-employ workers in selected target areas by late 1966,<sup>90</sup> the first CEPs were not initiated and funded until April-July, 1967.<sup>91</sup> CEP thus came into

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85. See note 82 *supra*. As former Secretary of Labor Wirtz stated during appropriations hearings in 1969, CEP does not require separate statutory authorization and is, furthermore, not the subject of appropriations requests because it involves only the special concentration of existing programs on hard-core unemployment areas. Thus, it utilizes funds appropriated for those existing programs. *Hearings on H.R. 18037 Before the Senate Comm. on Appropriations*, 90th Cong., 2nd Sess., at 6 (1969); see also *Clark Comm.*, *supra* note 32, at 318; Briggs, *Manpower Programs and Regional Dev.*, MONTHLY LABOR REV., Mar., 1968, at 60.

86. JOB DEV. at 6-7; *Clark Comm.*, Background Information 159; GUIDELINES at 2-5; HANDBOOK at § 120B.

87. GUIDELINES, *supra* note 84.

88. *Id.* at 6.

89. HANDBOOK at Introduction ¶C.

90. JOB DEV. at 6.

91. *Id.*; MANPOWER REPORT (1969) at 133; HANDBOOK at Introduction ¶A.

existence almost simultaneously with the New Careers, Special Impact, and Operation Mainstream programs which were all to play a role in the CEP effort.

CEP receives its funds indirectly<sup>92</sup> from Title II of the Manpower Development and Training Act<sup>93</sup> and Title IB of the Economic Opportunity Act.<sup>94</sup> In its role as a coordinating system, CEP utilizes funds appropriated for the various programs and services provided by those acts.

MDTA's Title II provides funds for special programs of testing, counseling, training, and educating people over 45 years of age.<sup>95</sup> Training allowances comparable to unemployment insurance are provided for up to two years,<sup>96</sup> and transportation and subsistence expenses may be defrayed by MDTA.<sup>97</sup> The 1966 amendments to MDTA provide funds for programs for needy persons requiring work experience and supportive services, as well as training.<sup>98</sup>

Title IB of EOA provides funds for comprehensive work and training programs "to overcome the complex problems of the most severely disadvantaged in urban and rural areas having high concentrations or proportions of unemployment, underemployment, and low income."<sup>99</sup> The Act requires<sup>100</sup> that such programs attempt to provide participants an unbroken sequence of services which will enable them to obtain and hold employment. They must provide a systematic approach to planning and implementation and must link relevant component programs with one another and with other appropriate public and private programs and activities. Section 2740 of the Act lists the various activities eligible for EOA funds. The list includes Neighborhood Youth Corps,<sup>101</sup> Operation Mainstream,<sup>102</sup> and New Careers.<sup>103</sup> Section 2740(a)(5) incorporates the CEP approach.<sup>104</sup>

92. See notes 82 & 85 *supra*.

93. 42 U.S.C.A. §§ 2581-2610(c) (Supp. 1969).

94. 42 U.S.C.A. §§ 2731-49 (Supp. 1969).

95. 42 U.S.C.A. § 2582 (Supp. 1969).

96. 42 U.S.C.A. § 2583(a) (Supp. 1969).

97. 42 U.S.C.A. § 2583(b) (Supp. 1969).

98. 42 U.S.C.A. § 2610(c) (Supp. 1969).

99. 42 U.S.C.A. § 2737 (Supp. 1969).

100. 42 U.S.C.A. § 2738(a) Supp. 1969).

101. 42 U.S.C.A. §§ 2740(a)(1) & (2) (Supp. 1969).

102. 42 U.S.C.A. § 2740(a)(3) (Supp. 1969).

103. 42 U.S.C.A. § 2740(a)(4) (Supp. 1969).

104. 42 U.S.C.A. § 2740(a)(5) (Supp. 1969) provides that the Director of OEO may provide funds for

special programs which concentrate work and training resources in urban and rural areas having large concentrations or proportions of low-income,



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Primary responsibility for administering CEP rests with the Department of Labor's Manpower Administration. Nevertheless, full support is expected from the Office of Economic Opportunity (OEO) and from HEW to insure systematic implementation.<sup>105</sup> CEP administration is conceptually the same as the broader-based community work and training programs established by EOA.<sup>106</sup> The Department of Labor contracts with, and channels funds through, a single, responsible "prime sponsor" in each target-area community. The prime sponsor is usually the local Community Action Agency which normally administers OEO and HEW funds in that community.<sup>107</sup> The prime sponsor, in turn, is responsible for negotiating subcontracts with various local agencies to provide specific services and elements of the program.<sup>108</sup> For example, during CEP's first year of operation in St. Louis, the Human Development Corporation (the prime sponsor) contracted with the Missouri State Employment Service for the major role in CEP, including recruitment, intake, counseling, job development, job placement, and follow-up.<sup>109</sup> The Jewish Employment and Vocational Service contracted to provide vocational evaluation of clients, while the Urban League and Work Opportunities Unlimited contracted to develop jobs for clients in local industry. Other subcontractors included the St. Louis Housing Authority, the City of St. Louis, local hospitals, universities, fire departments, and a nursing association. Specific subcontractors and their functions vary with each CEP, depending upon which local agencies can best deliver the needed services.

While prime responsibility for organizing and contracting rests with the local CAA as prime sponsor, ES is ostensibly the prime deliverer

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unemployed persons, and within those rural areas having substantial out-migration to urban areas, which are appropriately focused to assure that work and training opportunities are extended to the most severely disadvantaged persons who can reasonably be expected to benefit from such opportunities, and which are supported by specific commitments of cooperation from private and public employers.

105. GUIDELINES at 5.

106. 42 U.S.C.A. § 2737 (Supp. 1969).

107. 42 U.S.C.A. § 2740(b) (Supp. 1969); MANPOWER REPORT (1968) at 195; MANPOWER REPORT (1969) at 133-34; JOB DEV. at 13; *Clark Comm.* at 40.

108. 42 U.S.C.A. § 2739 (Supp. 1969); DEP'T OF LABOR, MANPOWER ADMIN. ORDER No. 14-69 (1969) [hereinafter cited as MAO 14-69]. MAO 14-69 and ATTACHMENT 2 thereto, entitled "Outline for Renegotiation of CEP Contracts and Continuing Management of CEPs," are the basic guidelines for CEP administration for fiscal year 1970.

109. HUMAN DEV. CORP., COMPREHENSIVE REPORT ON CEP, June 21—Dec. 31, 1967 [hereinafter cited as HDC, COMPREHENSIVE REPORT].

of the various CEP manpower services.<sup>110</sup> Recent guidelines<sup>111</sup> increase the role of ES while leaving nominal responsibility in the CAA. The effects of this change and the relationship between these two agencies are discussed below.

### C. Operational Elements

The following functions are essential to every CEP. They combine to produce the delivery system—the process through which the unemployed are located, counseled, and prepared for regular employment in a job with a future.<sup>112</sup>

Outreach<sup>113</sup> is the process of identifying eligible persons and developing interest in the program. Outreach refers to all activities related to informing target area residents about CEP. It includes active, door-to-door recruitment by Outreach workers and volunteers, publicity campaigns which encourage people to “walk in,” and referrals from other public and private agencies. The Outreach function is crucial to the successful enrollment of the hard-core unemployed for which CEP is designed because, while some individuals will “walk in” or be referred by other agencies, many clients require face-to-face contact with recruiters for their enrollment. The only effective Outreach workers are those familiar with, and accepted by, the target community. Indigenous personnel are best able to reach and recruit those who have “dropped out” of society. For this reason, the CAAs in many areas are better able to provide personnel for this function than ES. Nevertheless, the recent guidelines stress the presumption that ES will supply even this crucial element.<sup>114</sup>

110. MANPOWER REPORT (1968) at 195; MANPOWER REPORT (1969) at 133; JOB DEV. at 13; MAO 14-69, ATTACHMENT 2 at 6-7.

111. See note 108 *supra*.

112. See GUIDELINES, *supra* note 84, at 17-22. For an example of CEP operation (in Houston, Texas) see Markowitz, *Training and Job Creation—A Case Study*, 18 LAB. L.J. 488 (1968) [hereinafter cited as Markowitz].

113. SDC-TM, *supra* note 84, at 53-54; HANDBOOK, *supra* note 82, at § 300A.

114. MAO 14-69 at 5, ATTACHMENT 2 at 6-8. These guidelines emphasize that the complete manpower delivery system in each CEP is to be subcontracted to the state ES agency. *Id.*, ATTACHMENT 2 at 8. Although, in theory, the Outreach, Coaching, Orientation, and Follow-up functions may be excluded from this package and subcontracted to another agency, or to the CAA, as a practical matter, the emphasis on the ES-EDT concept demands that ES provide all functions from Outreach to Follow-up. In St. Louis, an attempt to divide the package, and to use CAA-type Outreach workers who already had neighborhood offices in the target area failed. ES personnel demanded control of these positions. HDC, COMPREHENSIVE REPORT, *supra* note 109, at 33. ES then employed indigenous

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Intake and Vocational Assessment<sup>115</sup> includes a determination of eligibility for enrollment in the program,<sup>116</sup> initial assessment of the individual's employability needs, and development of an individual employability plan. At this point, a decision is made as to whether the client is "job ready" or requires supportive, remedial and/or training services.

Supportive Services<sup>117</sup> provides indirect assistance to developing the client's employability by alleviating personal problems. Because of the characteristics of the target populations, the normal employment-related services—education, training, and job development—are usually not all that the client requires. As the Labor Department's 1966 survey pointed out, employability of the disadvantaged is also hampered by ill health, lack of transportation, lack of child-care facilities, and legal problems, to name only a few. Only when these basic needs are

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Blacks to perform the Outreach function. Interview with Marion R. Tillard, Director of Community Affairs, CEP, in St. Louis, Mo., Nov. 14, 1969.

Involvement of the poor in CEP is an essential element which tends to increase the likelihood of response to the program from those ghetto residents who have a natural distrust of officials and the "outside world" in general. For this reason, all the coaches and 50% of the entire CEP staff must be residents of the area served. HANDBOOK § 230; *see also* 42 U.S.C.A. § 2739(d) (Supp. 1969); MANPOWER REPORT (1969) at 122-23; Markowitz, *supra* note 112, at 489. However, counselors and other members of the EDT do not have to be residents. Interview with M. Tillard, *supra*.

115. SDG-TM, *supra* note 84, at 5, 55-58.

116. To be eligible for CEP, an enrollee must be a target area resident and disadvantaged. Disadvantaged is defined as a poor person who does not have suitable employment and who is either: (a) a school dropout, (b) a member of a minority, (c) under 22 years of age, (d) 45 years of age or over, or (e) handicapped. Detailed criteria for disadvantaged individuals are contained in MANPOWER ADMIN. ORDER No. 1-69. The Manpower Administration has also issued uniform standards for applying the term "Disadvantaged Individual." Beside these criteria, enrollees who are not job ready at the end of their orientation period have to meet the criteria of the specific program component (e.g., New Careers, Operation Mainstream, NYC) which they enter within the overall CEP operation. Thus, other program criteria issued by the Manpower Administration determine selection of enrollees for specific CEP components. HANDBOOK §§ 400-50. In addition to these criteria, each CEP has some discretion to set other standards as its particular situation demands. Interview with M. Tillard, *supra* note 114. For instance, the St. Louis CEP emphasizes enrolling primarily heads-of-household and a minimum of 75% males. HUMAN DEV. CORP. OF METROPOLITAN ST. LOUIS, CONCENTRATED EMPLOYMENT PROGRAM GRANT HEARING FOR GRANT PERIOD DEC. 15, 1968—AUG. 31, 1969 (May 13, 1969) [hereinafter cited as HDC, GRANT HEARING].

117. SDG-TM, *supra* note 84, at 6, 72-74; HANDBOOK, *supra* note 82, at § 310; EMPLOYMENT PROGRAMS, *supra* note 38, at 31; Markowitz, *supra* note 112, at 489.

met can the enrollee successfully continue in his preparation for employment.

Orientation,<sup>118</sup> usually a two-week course, provides participants with a basic knowledge of the working world, instills self-confidence, and develops insights into the factors affecting their employability. The course familiarizes participants with application forms, general hygiene, consumer education, budgeting, transportation services, appearance, the responsibilities of being an employee, and the purpose of CEP. For many, orientation provides an initial awareness of the mores and conduct of the world outside the ghetto.<sup>119</sup>

Coaching,<sup>120</sup> a concept primarily derived from the Jobs Now project,<sup>121</sup> provides enrollees generalized support and assistance during the entire period of their involvement with CEP. All coaches are expected to be target area residents.<sup>122</sup> Their function is initiated at Intake and continues after Job Placement in order to help the enrollee adjust to regular employment and to prevent minor problems which may arise from causing the client to lose his new job. Thus the primary function of the coach is to encourage the client and to sustain his morale and interest in the program.

Basic Education, discussed above,<sup>123</sup> is a prerequisite to participation in further program components for some enrollees. But once this prerequisite is met, the client is either "job ready" or in need of skill training or work experience.<sup>124</sup> Generally speaking, skill training provides trainees with job-marketable skills required to begin employment. Training is carefully suited to the desires and capabilities of the client and normally involves enrollment in subcontracted, component programs. Thus the client may attend MDTA-Institutional classes at a vocational school, or he may enroll in MDTA-OJT, NYC, Operation Mainstream, or Special Impact programs.<sup>125</sup> Those who need more basic work experience may be placed in more remedial Work Experience programs.<sup>126</sup> The most promising clients may en-

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118. SDC-TM at 58-60.

119. Markowitz, *supra* note 112, at 490.

120. SDC-TM at 70-72; HANDBOOK § 300D.

121. *See* notes 59 & 60 *supra*.

122. HANDBOOK § 230.

123. *See* notes 49-51 *supra*; *see also* SDC-TM at 63-64; HANDBOOK § 300E.

124. SDC-TM at 63-64; EMPLOYMENT PROGRAMS at 27.

125. *See* notes 38-41, 47, 48, 64-70 *supra*.

126. Special Impact funds are used for Work Experience work crews. *See* note 67 *supra*; HDC, COMPREHENSIVE REPORT, *supra* note 109, at 7; HDC, GRANT HEARING, *supra* note 116, at 13.

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roll directly in New Careers<sup>127</sup> after orientation. Target area residents eligible for the WIN program<sup>128</sup> are initially referred to that program but may then be transferred to a CEP program.<sup>129</sup> CEP enrollees are given priority in recruitment for the JOBS program and may be referred to a job directly through it.<sup>130</sup>

Job Development<sup>131</sup> is perhaps the most crucial function in CEP. This operational element locates and develops appropriate jobs for CEP enrollees. If education, training and supportive services are to be of any value to the CEP client they must lead to meaningful employment. Job developers, whether they be ES personnel or other subcontracting agencies, must work in close liaison and cooperation with local business. They work to create jobs which previously did not exist and to involve the private business sector in the program. The JOBS program was designed to meet part of the job development burden for CEP.<sup>132</sup>

Job Placement,<sup>133</sup> almost uniformly a function of ES, matches the skills, potentials, and interests of the client with the requirements of particular jobs and employers. For the "job ready" this is the only service required. For the rest it is the final phase after orientation, basic education and/or skill training.

Follow-Up<sup>134</sup> attempts to maximize CEP effectiveness by preventing job-loss after placement. Basic to CEP is the emphasis on "no drop-outs."<sup>135</sup> During CEP training, coaches provide the necessary encouragement to the client to continue in the program. Once the CEP "graduate" is placed in a permanent job he faces his hardest test—can he hold it? To aid the new employee during the crucial first six months or more on the job, his coach continues to give him valuable follow-up counseling by contacting him either in person or on the telephone at gradually increasing intervals. In this way, personal and on-the-job problems are alleviated before they can cause loss of the job.

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127. See notes 64 & 65 *supra*.

128. See notes 71 & 72 *supra*.

129. HANDBOOK § 530; EMPLOYMENT PROGRAMS at 52.

130. EMPLOYMENT PROGRAMS at 52.

131. SDC-TM, *supra* note 84, at 66-70; HANDBOOK § 300G. For a detailed analysis of the job development function see JOB DEV., *supra* note 58, at 24-119. at 24-119.

132. See note 73 *supra*; Clark *Comm.*, *supra* note 32, at 28-29, 31, 37.

133. SDC-TM at 6; HANDBOOK § 300H.

134. SDC-TM at 6; HANDBOOK § 300I; EMPLOYMENT PROGRAMS at 36.

135. EMPLOYMENT PROGRAMS at 50.

Data Collection and Research,<sup>136</sup> the final operational element, provides basic information on each participant, the activities surrounding his program placement, and the operational and financial functioning of CEP components. This information is used for administrative control of the program, evaluation of program effectiveness, and future program planning.

The systematic progress of a CEP participant, as depicted in the diagram, was the normal pattern through fiscal year 1969. The Labor Department, however, has directed that this pattern be somewhat altered in fiscal year 1970.<sup>137</sup> Instead of separate coaching, orientation, assessment, and job development units, the new plan calls for the use of Employability Development Teams (EDT) within ES.<sup>138</sup> Although a team's composition is flexible and may include Outreach and Intake functions as well, each team consists of at least one qualified vocational counselor, one job developer, one work and training specialist, one coach, and a clerical worker.<sup>139</sup> Each CEP enrollee is assigned to an EDT with which he remains from Intake to Follow-up. The teams are limited to a specified number of enrollees, depending on the team's capacity. Emphasis is placed on limiting the number of enrollees to the level at which the team can give the most effective individual attention to the client. The implications of this change to EDTs are discussed below.

#### D. Growth

Since the funding of the first CEP in Cleveland, Ohio in mid-1967,<sup>140</sup> the number of CEPs has increased considerably. By the end of June, 1967, prime contracts had been entered into for CEPs in nineteen urban target areas and two rural regions.<sup>141</sup> Six months later, 51,000 individuals had been interviewed and screened, and of these 34,000

136. SDC-TM at 6; HANDBOOK § 300J.

137. See MAO 14-69, ATTACHMENT 2, *supra* note 108.

138. *Id.*, ATTACHMENT 2, at 5.

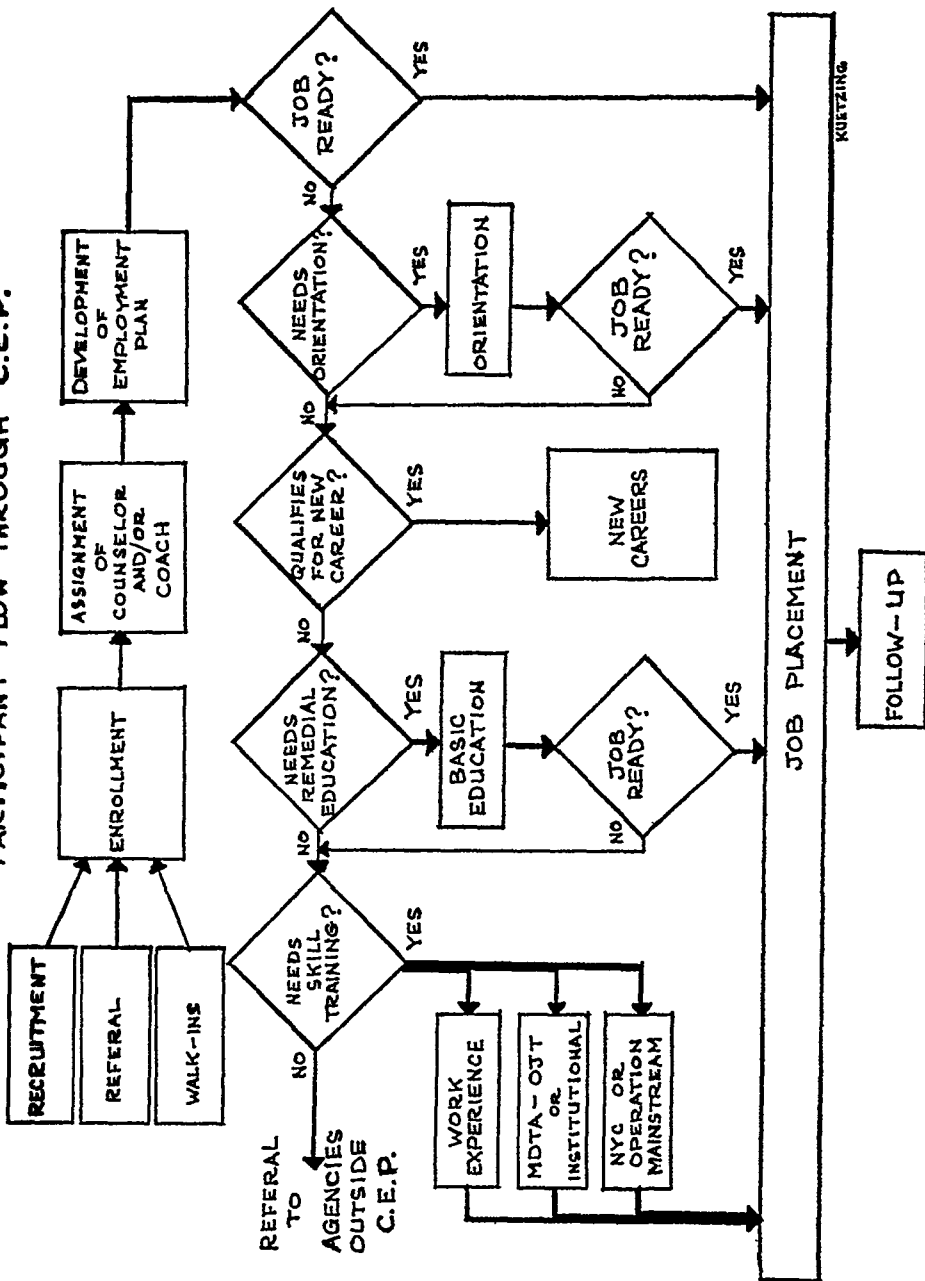
139. *Id.* In St. Louis, ES contracts for the entire manpower delivery package, from Outreach to Follow-up. Its EDTs consist of one counselor, two Outreach workers, two job developers, one work and training specialist. Interview with M. Tillard, *supra* note 114.

140. MANPOWER REPORT (1969) at 133.

141. Atlanta, Baltimore, Birmingham, Boston, Chicago, Cleveland, Detroit, Houston, Los Angeles, Newark, New Orleans, New York, Oakland, Philadelphia, Pittsburgh, San Antonio, San Francisco, St. Louis, Washington, Northern Michigan and the Mississippi Delta. Markowitz, *supra* note 112, at 488; GUIDELINES, *supra* note 84, at 1; Mangum *supra* note 9, at 156.

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had already received some services.<sup>142</sup> In late 1968, seventy-six CEPs were operational, thirteen of which were located in rural areas.<sup>143</sup> By the end of September, 1968, some 118,000 people had been interviewed and screened for CEP enrollment. Of these, about 38,000 were placed in regular employment; nearly 4,000 others were enrolled in MDTA-OJT; 5,000 participated in New Careers; and about 25,000 had completed basic education or other institutional training.<sup>144</sup> September of 1969 saw seventy-nine operational CEPs with three more scheduled for funding in fiscal 1970.<sup>145</sup>

### E. Operational Problems

The implementation of the CEP concept has not been as simple or as trouble-free as its organizational structure and growth might suggest.<sup>146</sup> As with the experience of other programs related to job creation for the competitively disadvantaged,<sup>147</sup> there have been problems in moving from concept to reality.<sup>148</sup> No attempt is made here to evaluate CEP in detail. Rather, the author intends only to highlight the major problems encountered in making CEP operational.<sup>149</sup>

In its conceptual form, CEP could well be characterized as "potentially the best coordinated manpower effort developed so far."<sup>150</sup> It meets the need mentioned in the Kerner Report<sup>151</sup> for inter-agency and inter-governmental coordination of manpower and related services.<sup>152</sup> But several administrative and operational factors have caused problems, either generally or within individual CEPs.

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142. MANPOWER REPORT (1968) at 195.

143. MANPOWER REPORT (1969) at 133.

144. *Id.* For a detailed breakdown through Mar., 1968, see *Clark Comm.* at 30-38. For final 1968 figures by state and area, see MANPOWER REPORT (1969) *Statistical Tables Supp.* 96-97.

145. MAO 14-69, *supra* note 108, at 2.

146. *Clark Comm.*, *supra* note 32, at 394. For one CEP success story, see Driscoll, *Lessons From Charcoal Alley*, MANPOWER, Feb.-Mar., 1969, at 3.

147. Mangum, *supra* note 9, at 159.

148. *Clark Comm.* at 331.

149. Three official studies are currently in process: (1) into the reasons for CEP "dropouts;" (2) into CEP's effectiveness in increasing job opportunities for the disadvantaged; and (3) into CEP problems and their potential solutions. See MANPOWER REPORT (1969) at 178.

150. Study on job training programs by Greenleigh Associates, Inc., *Clark Comm.*, Background Information Supp., at 161.

151. See note 28 *supra*.

152. KERNER REPORT, *supra* note 28, at 415; *JEC Hearings*, *supra* note 22, at 134-35, 190-96.



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Initially, CEP was designed to deal with and solve a large variety of problems. These ranged from reducing potential riot situations by relieving economic frustration to reducing rivalries between agencies managing the various manpower programs.<sup>153</sup> Such a multitude of difficult objectives would have taxed even a well organized effort,<sup>154</sup> but CEPs suffered as well from inadequate organizational underpinnings due to the "crash nature of their implementation."<sup>155</sup> One Labor Department study<sup>156</sup> notes several organizational shortcomings. First, little real organizational planning preceded the creation and implementation of CEPs. Second, no attempt was made to develop common perspectives for agency personnel on the nature and importance of job development. Third, the agencies placed too much dependence on existing know-how rather than on developing new expertise to meet the special needs of CEP's comprehensive approach. Finally, no effort was made to reconcile the divergent manpower orientations and practices of the agencies involved so as to achieve a well-coordinated effort.

All of these shortcomings are exemplified in the forced marriage of

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153. Dr. Louis Ferman of the Institute of Labor and Industrial Relations states that CEP was intended to deal with the following nine problems:

1. Reducing potential riot situations in the area by relieving some of the economic frustrations through jobs for the hard-to-employ.
2. Reducing the length of time necessary to make "employables" out of "unemployables."
3. Reducing the number of hard-core unemployed.
4. Enlisting the cooperation of business, labor, and community leaders in programs to employ hard-to-place workers.
5. Facilitating coordination of existing training opportunities.
6. Increasing the efficacy of all HEW, OEO, and Department of Labor programs for the poor.
7. Reducing inter-agency rivalry between agencies that have manpower programs to aid the poor.
8. Acting as a stimulus for needed change in traditional manpower agencies.
9. Involving local, state, and federal agencies in manpower programs for the poor.

JOB DEV., *supra* note 58, at 8.

154. *Id.* at 7.

155. MANPOWER REPORT (1969) at 134. Part of the problem stems from the difficulty in transplanting an effective operational program from one city to another. See *Clark Comm.* at 331, 435-37.

An excellent example of the problems and rivalry which may result is the experience in Philadelphia, where Rev. Leon Sullivan had already established a comprehensive program. See *JEC Hearings* at 200-27; *Clark Comm.* at 397-98.

156. JOB DEV. at 7. This report by Dr. Ferman (see note 153 *supra*) was prepared under contract with the Department of Labor, but does not necessarily reflect official opinion. JOB DEV. at ii.

ES and CAA.<sup>157</sup> Generally, these two agencies represent two conflicting philosophies. CAAs are community oriented. Their goal is to aid the poor. They are staffed largely by personnel who are indigenous to the area served, and who, therefore, have established a rapport with the residents. Compared to ES, CAAs are new and free-wheeling agencies, not tied to rigid operational guidelines or to the merit system. On the other hand, ES is an old, established, civil service, merit-system agency. For years both the business community and ES personnel have viewed ES as a service for employers rather than the unemployed. The traditional role of ES has been to receive job orders from the business community and to test and select applicants who meet employer requirements. Rather than developing jobs and training the unemployed to fill them, ES has traditionally been "job" or "employer" oriented. As described above, the Human Resources Development concept is, at least officially, a step toward an "employee orientation," but transformation of ES philosophy has been slow. Inadequate staffing, merit system rigidities, and the slow development of rapport with minority groups<sup>158</sup> in many states have largely prevented the HRD concept from becoming a reality.<sup>159</sup>

Despite these opposing characteristics, ES and CAAs were given joint responsibility for administering CEP.<sup>160</sup> However, the recent guidelines establishing the EDT concept indicate that ES is to exercise almost total control of CEP operations.<sup>161</sup> ES being the "first

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157. *Id.* at 8-12; Markowitz, *supra* note 112, at 492; Interview with M. Tillard, *supra* note 114.

158. ES counselors, and ES personnel who are not area residents generally, are often afraid of CEP clientele. Their fear often leads them to send a client out for job interviews when, as the client knows full well, his appearance is sloppy. A "just get them out of the office and maybe he won't come back" attitude has sometimes characterized the ES counselor's approach where the counselor is not an area resident, but a merit system, white civil servant. This fear is most prevalent in the more rigid, conservative ES offices. In St. Louis, where ES performs all of the functional elements of CEP, from Outreach to Follow-up (*see* notes 114 & 139 *supra*), ES and CEP staffs recently moved into a new, common office building on the edge of the target area. Nothing but fear can explain ES's insistence, in spite of the fact that it would be natural for ES to maintain its office on the ground floor, upon occupying the second floor. The CEP staff disagreed with ES, but the Labor Department sided with ES and ES took over the second floor. Interview with M. Tillard, *supra* note 114.

159. MANPOWER REPORT (1969) at 127.

160. *See* notes 105 & 110 *supra*.

161. MAO 14-69, *supra* note 108, ATTACHMENT 2, at 7. The National Association for Community Development has expressed concern over the new guidelines. It feels that they are contrary to the provisions of Title IB of the EOA and to the Delegation of Authority Agreements between OEO and the Depart-

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child" of the Labor Department, it is not surprising that the conflict between ES and the CAAs would be resolved in favor of the Employment Service.

Such a move away from CAA supervision and participation means that CEP success must now depend to a greater degree on ES's ability to win the confidence of the poor. This will require a greater utilization of indigenous personnel—especially Blacks—as EDT counselors and coaches.<sup>162</sup> Consequently, the merit system must be further relaxed<sup>163</sup> and more emphasis must be placed on recruiting and utilizing indigenous personnel on the EDT. The Training and Manpower Services program,<sup>164</sup> recently developed to train the unemployed for ES positions, is a step in this direction.

One unfortunate result of the failure to coordinate ES and CAA has been a breakdown of the Job Development function.<sup>165</sup> As the 1970 guidelines recognize,<sup>166</sup> Job Development must be improved if CEP is to succeed. Client recruitment has often been unrelated to job development. Too often the jobs developed are unattractive and unskilled, offering no real future. Too often many CEP enrollees could fill them without any training. Obviously, CEP education and training seem pointless to the trainee if he finds that only low-skill, low-

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ment of Labor. The Association notes that the guidelines, while recognizing the responsibility of the prime sponsor, do not provide authority commensurate with this responsibility, do not provide sufficient coordination arrangements, and impose unwise national arrangements which are not suited to the individuality of communities, and are inflexible, primarily in not allowing variations to fit the varying quality of ES services to poor people. NAT'L ASS'N FOR COMMUNITY DEV., CURRENT MANPOWER TRENDS & DIRECTIONS 32 (1969). Generally, their concern is over the trend to let CEP control and management slide out of CAA hands and back into the rigid structure of ES. If the trend continues, CEP will likely be abolished, its function being—in theory—totally absorbed and adequately performed by ES. Interview with M. Tillard, *supra* note 114.

162. While coaches are all expected to be target area residents, counselors and other members of the EDTs are not. *See* notes 114 & 159 *supra*.

163. Federal personnel standards applicable to state ES agencies now prohibit the use of educational prerequisites and traditional, written, merit system examinations for para-professional positions (which includes CEP staff). HANDBOOK § 225C. And some relaxation has occurred. *See, e.g.*, note 114 *supra*. However, area resident personnel who have not taken the civil service examination are frequently regarded as unqualified by some ES merit system employees. This attitude may result in a lessening of the effect of the merit system relaxation in that the role of the indigenous staff members may be under-emphasized and their opinions given second billing. Interview with M. Tillard, *supra* note 114.

164. MANPOWER REPORT (1969) at 127-28.

165. JOB DEV. at 7.

166. MAO 14-69, *supra* note 108, ATTACHMENT 2, at 3.

paying jobs are being developed.<sup>167</sup> CAA personnel, familiar with the target area residents, realize this fact more easily than many of the ES personnel who have been conditioned by the traditional ES, employer-oriented perspective. The JOBS program, designed to operate in conjunction with CEPs, has the potential to offset this job development deficiency.<sup>168</sup>

Some difficulty has stemmed from the relatively large proportion of women enrolled in CEP—almost uniformly 50 per cent or more.<sup>169</sup> The shortage of male trainees has hindered effective job development and on-the-job training, but the relationship is circular. The shortage of male enrollees is due, at least in part, to inadequate job development.<sup>170</sup> Another factor in the over-abundance of female enrollees has been the prevalence of female Outreach workers who fail to contact potential male enrollees. The utilization of male Outreach workers wherever possible is now being emphasized.<sup>171</sup> The failure to coordinate recruitment of males with the job development function causes the impatience of, and withdrawal of job offers by, private employers. The business sector, administrators, and federal legislators lose confidence in CEP, and enrollees who find themselves unable to obtain meaningful employment even after training become frustrated. Thus development of meaningful jobs is a prerequisite not only to an increase in male enrollment, but also to the success of CEP.<sup>172</sup>

The lack of adequately skilled manpower administrators at the local level has been a notable problem.<sup>173</sup> It will undoubtedly take time to develop the qualified administrators which the comprehensive ap-

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167. The failure to develop attractive jobs is largely responsible for the shortage of males in CEP. Evidently, women are willing to accept more menial employment than men, the latter preferring hustling. Interview with M. Tillard, *supra* note 114.

168. *Clark Comm.* at 28-29, 31, 37.

169. *Id.* at 37; Markowitz, *supra* note 112, at 494, notes that female enrollees in Houston constitute 81% of all CEP clients.

170. *See* note 168 *supra*.

171. *Clark Comm.* at 37.

172. Minimum percentage requirements for male enrollees such as in St. Louis (*see* note 116 *supra*) are one approach to the problem. An additional suggestion has been to conduct Outreach and training components at night to encourage enrollment of underemployed men in the area. Markowitz, *supra* note 112, at 493. Many men in the target areas are "night people"—almost impossible to contact during the day. Interview with M. Tillard, *supra* note 114.

173. MANPOWER REPORT (1969) at 134. As Senator Clark put it: "I suppose there is a lack of Leon Sullivans and these programs are no better than the personnel who conduct them, are they?" *Clark Comm.* at 331; *see* note 155 *supra*.

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proach of CEP requires, but promising efforts<sup>174</sup> are being made to increase CEP sponsors' training in program management.<sup>175</sup>

A final obstacle to the success of CEP and the concept of a united front against unemployment is the lack of national commitment to the goals of CEP and related programs, as evidenced by wholly inadequate federal funding. Although CEP is intended to take effect in only limited target areas, it is one part of the War on Poverty. As such, it suffers from the same lack of commitment that characterizes the national effort.

Past experience demands recognition of the fact that "jobs can be re-allocated to the benefit of [the] disadvantaged only when public funds offset the inherent economic obstacles"<sup>176</sup>—the cost of education, training, and supportive services. Without vastly increased funding, CEP's contribution to the War on Poverty will not rise above insignificance.<sup>177</sup> Data collected by the Michigan State Employment Service during 1967 indicates a \$200 million need for Detroit alone,<sup>178</sup> but funding requests for all eighty-two CEPs for fiscal 1970 amount to only \$209 million.<sup>179</sup>

### CONCLUSION

The "panacea-hopping" tendency of Administration officials and Members of Congress will never solve the problem of urban and rural poverty. Only "long-range planning, careful evaluation and more modest and realistic promises" can lead to positive results.<sup>180</sup> The concept embodied in CEP should be applied on a larger scale with at least equally intensive effort. Many besides those living within the somewhat arbitrarily defined target areas need the same comprehensive services. Because they do not qualify for CEP participation, however, they must rely on the citywide community work and training program which does not provide CEP's intensive, individualized attention. The need for comprehensive manpower services on a wider base has already been legislatively recognized in the Economic Opportunity Act,<sup>181</sup> and CEP is but a narrowly limited application

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174. MANPOWER REPORT (1969) at 134.

175. *Clark Comm.* at 38; MAO 14-69, ATTACHMENT 2, at 14.

176. Mangum, *supra* note 9, at 151.

177. "The average of \$5 million allocated to selected slums in hopes of employing or training 2500 to 4000 people in each is far less than that required for a significant impact." *Id.* at 156.

178. *Id.*

179. MAO 14-69, at 1.

180. *Clark Comm.* at 319.

181. *See* notes 42, 43, 61-70 *supra*.

of the principles of that act.<sup>182</sup> The necessity for large-scale implementation of the CEP concept to eliminate poverty from this nation is supported by the Kerner Report.<sup>183</sup> That report urges a greatly enlarged national commitment<sup>184</sup> and recommends widespread use of comprehensive manpower programs such as CEP at the city level.<sup>185</sup>

Like any new concept, CEP has experienced difficulties in practical application. None of these is insurmountable. From all of them lessons can be learned. But without a vastly increased commitment to the elimination of unemployment and poverty in this country, the present slow progress can only lead to further frustration, alienation, and civil violence.<sup>186</sup> The many substantive programs operating today can only have a significant impact if they are coordinated and delivered to those who need their services. CEP is a limited effort toward that necessary coordination; it is a delivery system. Every indication is that the united-front concept, embodied in the Economic Opportunity Act and developed in the CEP laboratories of America's urban slums and depressed rural areas, is an effective and vital element of the cure for the cancer of unemployment and poverty in this country. Whether sufficient national commitment can be marshalled to enable that cure to have a truly significant effect remains to be seen.

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182. See 42 U.S.C.A. §§ 2737-49 (Supp. 1969).

183. See materials cited note 28 *supra*.

184. KERNER REPORT, *supra* note 28, at 410.

185. *Id.* at 417.

186. Mangum, *supra* note 9, at 156. Senator Clark and Mr. Jesse Unruh agreed that failure to make any significant increase in the funding of poverty programs directed at hard-core unemployment would inevitably result in America's living a "nightmare." *Clark Comm.* at 437.

## **CASE COMMENTS**

