

6.2.
P.3



COORDINATING CETA PROGRAMS IN ILLINOIS: RESPONSIBILITY VS. AUTHORITY

Michael B. Preston

OCTOBER 1980 **52**

THE LIBRARY OF THE

NOV 13 1980

UNIVERSITY OF ILLINOIS
AT URBANA-CHAMPAIGN

It is further the purpose of this Act to provide for maximum feasible coordination of plans, programs, and activities under this Act with Economic Development, Community Development, and related activities, such as Vocational Education, Vocational Rehabilitation, Public Assistance, Self-Employment Training, and Social Services Programs.

(CETA Reauthorization Act of 1978)

Prior to 1973 the federal government planned, designed, and funded manpower programs, and left it up to states and localities to implement the federal plan. This created a two-fold dilemma. On the one hand, there were many who felt the federal manpower programs were not effective, in part because they were not responsive to state and local manpower needs. On the other hand, it was clear that in order to obtain federal funding, state compliance was necessary. The result was that states and localities frequently chose to go ahead with the programs but in a manner that met state defined needs first and federal guidelines second.

The Comprehensive Employment and Training Act of 1973 (CETA) was designed both to rid the system of its defects and to increase the effectiveness of state and local manpower programs. While the federal government maintained a strong directive role, as well as fiscal responsibilities under CETA, the program decision-making component was given to localities. The states also shared in this change, because they were given responsibility for program planning in rural sections of the state not covered by the localities. Moreover, the states were assigned the important role of coordinating the state manpower network — particularly non-CETA private and state agencies.

The purpose of this paper is to describe and analyze how effective the state of Illinois has been in coordinating employment and training programs mandated under the CETA legislation. To accomplish this task, we shall discuss briefly some of the key elements of the legislation, as well as describe the administrative mechanism used by the state to coordinate the intergovernmental CETA system. Second, we shall explain why the ability of the state to influence other actors in the manpower system is limited more by political considerations than by administrative devices.

CETA LEGISLATION AND IMPLEMENTATION

In its original form, the 1973 CETA legislation stressed a comprehensive, decentralized approach in contrast to the earlier system of multicategorical programs. The intent of the legislation was to provide training and employment for the economically disadvantaged, the unemployed, and the underemployed, and also meet the goals of self-sufficiency and improved employment opportunities. These services were to be delivered through a decentralized, block grant system in which the federal role was limited to fiscal oversight and monitoring responsibilities. The federal government also set the national objectives, priorities, and performance standards, and provided technical assistance and research opportunities. The ultimate goal was the establishment of a federal-local partnership.

CETA was designed primarily as a manpower training program (work experience, classroom training, on-the-job training, and supportive services). In 1974 public service employment was added in response to nationwide, high unemployment levels, and the fiscal crisis faced by local governments. In 1978 approximately \$9.9 billion was spent on CETA programs, including \$2.5 billion on comprehensive employment and training services, \$1.5 billion on youth programs, and \$5.9 billion on public employment.

The authority for planning and administering manpower programs was transferred to so-called prime sponsors.* CETA grants were to be awarded to the chief elected officials of each prime sponsor area. The prime sponsors were then responsible for assessing their own labor market and training needs, and for developing policies and goals to meet these needs. They were also to design their own programs, select their service delivery agents, and allocate funds for their communities. This authority made them fairly autonomous actors in the manpower puzzle.

More problematic from the very outset was the nature of the states' role. Some public officials favored giving the states major responsibility for comprehensive planning and technical assistance. Others felt the states had been negligent in their earlier manpower responsibilities and that the proposed role would undermine the concept of local control and decentralization. The CETA legislation provided a middle ground, directing that funds be given to the governors for (a) supplementing vocational

Michael B. Preston is an associate professor at the Institute of Government and Public Affairs and in the Department of Political Science at the University of Illinois at Urbana-Champaign.

* Prime sponsors are cities and counties over 100,000 or any combination of governmental units equal to that number. In Illinois there are twenty prime sponsors including the balance of state

education services; (b) coordinating and funding special statewide manpower services; (c) providing linkages between prime sponsors and education agencies; (d) staffing and supporting a statewide manpower advisory council; and (e) serving as prime sponsor for the balance of state (BOS), those areas not covered by other units of government.

While the states were given the responsibility of coordination and oversight, they were not given the corresponding legislative authority to intervene in local prime sponsors' program activities nor to force coordination with non-CETA manpower agencies. A description of Illinois's manpower system will begin to demonstrate how this confusion over responsibility and authority has affected the state's role in the CETA system.

THE CETA SYSTEM IN ILLINOIS*

Figure 1 delineates the divisions in the CETA system and shows their relationship not only to one another but also to other parts of the overall manpower system. Five aspects of the system are of particular importance and deserve individual consideration.

The Department of Commerce and Community Affairs (DCCA)

DCCA has assumed responsibility for coordinating and planning all manpower programs on behalf of the governor and the state of Illinois. Through its State Manpower Division, DCCA staffs the Illinois Employment and Training Council (IETC) and works with the IETC, CETA prime sponsors, and manpower-related state agencies to catalog various manpower programs, identify issues to reduce service duplication, and improve overall performance in the manpower field.

BOS Prime Sponsor Division

In contrast to the local government prime sponsors mentioned earlier, which have a good deal of autonomy,

* The information in this paper is drawn primarily from: Illinois Commission on Intergovernmental Cooperation, *The Comprehensive Employment and Training Act (CETA): A Critical Issue in Intergovernmental Relations*, Research Memorandum No. 64, May 1979, Springfield, Illinois. Other data are drawn from my unpublished manuscript on "The Politics of Manpower in Illinois."

ILLINOIS GOVERNMENT RESEARCH

Institute of Government and Public Affairs
University of Illinois

1201 West Nevada Street, Urbana, Illinois 61801

The Institute of Government and Public Affairs of the University of Illinois is committed to research, service, and teaching in the area of governmental affairs. As part of this mission the institute publishes on an occasional basis *Illinois Government Research*. Each issue brings to the attention of concerned citizens and officials some aspect of public policy research. Although most items are written by institute staff members, manuscripts by other authors will be considered for publication. In each case the views expressed are solely the responsibility of the author and do not reflect institute policy or imply institute endorsement.

the rural areas are under the control of the state and are called the balance of state (BOS). The BOS Prime Sponsor Division provides advice on goal setting, policies, and procedures, and makes recommendations regarding program plans, provides continuing analysis of employment and training needs, monitors BOS manpower programs, and gives objective evaluations of manpower programs. Because of the diversity in population and geographic areas, the Illinois BOS has a radically different planning assignment than do the other prime sponsors.

The Regional Manpower Committees BOS Advisory Council

Each of the nineteen regional manpower committees (RMC) has broad-based community representation from business, labor, elected officials, community-based organizations, private citizens, and client groups. Their responsibilities are threefold: planning, monitoring, and evaluation. Each RMC makes recommendations to the BOS Advisory Council regarding manpower programs and services that will best meet the needs of its region. The RMC then monitors the delivery of some of the CETA titles by doing on-site visitation, reviewing status reports from the program agent, and providing technical assistance through the manpower planner. The third component of the RMC role, evaluation, has not been fully developed.

Program Agents

The program agent is directly accountable for the range of services provided to clients in each region and for the adequacy of services provided for each subcontractor.

The Illinois Employment and Training Council

The IETC is the linchpin of the state's employment training system. It is a body created to advise the governor with respect to employment and training policy in the state. The council is composed of representatives of the twenty prime sponsors, selected state agencies — the employment service, welfare department, vocational rehabilitation services, and state board of vocational education. Also on the board are representatives from labor, business, educational agencies, and one representative for the BOS Advisory Council.

One of the basic purposes of IETC is that of coordination. It is supposed to develop manpower policy guidelines, review state agency and prime sponsor plans, and to submit an annual report to the governor. A basic weakness of the IETC is its inability to influence local prime sponsor plans. The IETC has been unable to get DOL to "pay attention" to its recommendations on changes needed in some of these local plans. One of the problems is that the DOL has consistently failed to publish plan preparation guidelines in time to allow prime sponsors to transmit the plans to the relevant agency (in Illinois the IETC council) for review. In fiscal year 1976 DOL commented on the IETC's recommendations only after the fiscal year had started. In FY 77 DOL responded promptly but glossed over the pragmatic problems articulated by the council.

From an organizational standpoint, then, the state has established a CETA intergovernmental system to coordinate training and employment policy. The critical element here concerns the concept of coordination.

on a statewide basis for specific labor market areas. Also, the report recommended a more efficient information collection process from individual prime sponsors. In the meantime, an internal problem within the IETC staff had developed that lessened the effect of these recommendations. Interviews with the staff revealed that the members of IETC were not completely aware of previous attempts to make policy to improve coordination. Each time there was a change in staff leadership or state administration, earlier data were thrown out, and the IETC would start from scratch.

In 1978 the council once again reassessed its situation and concluded that it should be the forum for the Illinois employment and training community. It would set basic goals, identify employment and training needs, and seek improvements in the state's manpower delivery system. To better coordinate policy, the council sought to develop a consistent decision-making process regarding employment and training services, to work towards consistency of those decisions with statewide goals, and to develop a statewide coordinated plan for services.

It should be pointed out that the IETC has over the years achieved a small degree of coordination by providing a forum where the diverse groups that make up the state manpower network can meet and discuss their differences. Participation and any subsequent action, however, is voluntary, and IETC's greatest tool remains the act of persuasion. In short, the council's uncertain role and the ambiguity of authority limits its effectiveness as a statewide coordinator.

Assumption 3: Coordination can be achieved through the use of discretionary funds.

Discretionary funds are of several types: 4-percent funds under section 105; 6-percent vocational education funds (3.5 million/year); 1-percent linkage funds (4.6 million in FY 78). While the authorized use of these funds varies, the overall intent of the discretionary funds is to meet specific state needs in the areas of:

- traditional training and education,
- elimination of unnecessary duplication in service delivery,
- technical assistance and information exchange systems,
- collection and dissemination of labor market data,
- and special model and demonstration programs.

These funds provided Illinois with the opportunity to meet its coordinative role, if used creatively. They might have been used to design and test innovative programs that met state manpower needs and which could have been instituted on a statewide basis.

Instead, Illinois's allocation of its discretionary funds has been very casual. The state has done very little to evaluate the use of its 6-percent discretionary funds and has been criticized by the Department of Labor for this deficit. Its use of 4-percent funds has been even less exemplary. A report from the National Governors' Association showed that the average state allocation to other state agencies was 45.8 percent of the funds received. For Illinois the figure was 65.8 percent. Such an overcommitment of funds to state agencies lends credence to the assertion that the procedure for distributing the funds was based more upon political considerations than upon legislative criteria. The DOL has given Illinois a rating of "serious problems" in its use of 4-percent funds noting administrative deficiencies in its personnel system,

affirmative action, and grievance plans. Moreover, the state has not seized the leadership opportunity available to it to promote creative and innovative programs within the manpower field.

State officials, on the other hand, have argued that federal funding is inadequate. They argue that in FY 78, the prime sponsors in Illinois received \$419 million in funds to run their programs; the state \$12 million. Only \$3.5 million of the 4-percent funds were specifically designated for use in the development of a coordinated manpower network. Compared to other state administrative funds these are small. In the final analysis, they argue, the level of funding controls the scope of the manpower effort.

Assumption 4: Illinois has the political and administrative support needed to develop a comprehensive manpower policy.

The state has not developed a comprehensive manpower policy to date and is not likely to do so in the immediate future. The IETC has neither the political nor administrative support needed to develop such a policy. Politically, the IETC has suffered from role ambiguity and has not received strong support from either DOL or the governor's office. Their request that local prime sponsors make certain changes in their policies and programs have not been supported by DOL. As a result, prime sponsors often do not share their reports with DCCA nor do they change their programs according to state directions. The state has no direct authority or veto power over these local program decisions.

From an administrative standpoint, the frequent reorganizations of the GOMHD has meant low morale and high staff turnovers. These staffing difficulties have led IETC to "reinventing the wheel" with each change in administration. A comprehensive CETA policy is not likely where political support is lacking and administrative expertise is limited.

This brief review of the assumptions made by the National Manpower Commission on the role of the state as coordinator of statewide CETA programs suggests that the role is founded more on administrative rationality than on political feasibility. Indeed, the basic reason why the state is not a more effective partner is because the federal CETA legislation did not really design an effective, authoritative, or financially sound role for the state.

AGENDA FOR THE FUTURE

The Illinois Employment and Training Council has developed what is known as "Action Agenda 80," a response to the desperate need for statewide employment and training coordination in Illinois. The report contains five policy recommendations. The first deals with the issue of coordination of resources. IETC sees itself collecting and analyzing data which describe the current allocations for employment and training programs and then reviewing the planning processes, strategies, and effectiveness of each. In this process, IETC believes three things will be accomplished: 1) employment and training resources will be measured in terms of dollars and services provided, 2) the services provided will begin to be related to specific employment and training problems, and 3) the services delivered will actually address the problem they were created to solve.

COORDINATION

One aspect of coordination is the identification of common elements in a system or program. It does not aim at the elimination of unique elements. Nor does it imply the definition of one common objective or that only *one* approach is correct. Finally, coordination does not presuppose the elimination of all duplication since, in many instances, duplication is appropriate and necessary. In the area under consideration here, coordination includes the identification of common goals and objectives among the various pieces of manpower legislation and manpower related programs. Thereafter, it attempts to interrelate the mix and delivery of services towards these common objectives without sacrificing individual program goals or requirements. From an administrative standpoint, the coordination of manpower and related programs should, therefore, be pursued only where it will result in improved services or an increased benefit from available resources.

The CETA legislation gave the states the important role of coordinating CETA programs. Indeed, the prestigious National Commission for Manpower has suggested several reasons why the position occupied by the states in this area of coordination is so critical.

First, many manpower programs are planned, administered, and operated by state agencies. Second, the State Manpower Service Council (IETC in Illinois) can review and recommend to all manpower agencies within the state how their services could be more effectively delivered. Third, special CETA grants to the governor provide funds to encourage and assist coordination efforts throughout the state. Finally, under CETA the state is responsible for assuring the cooperation of all state agencies in developing and implementing comprehensive manpower services.

This suggests that the states could or ought to be effective partners in the CETA intergovernmental system. But the assumptions underlying each statement do not conform to the reality of the situation in Illinois (or in other states for that matter). We shall examine each of these assumptions below.

Assumption 1: States have the legislative and financial authority to coordinate the state's manpower agencies.

In an attempt to carry out their mandate, the Governor's Office of Manpower and Human Development (GOMHD) allocated funds to the Bureau of the Budget (BOB) for an appraisal of the CETA system. The bureau concluded that there were major legislative and administrative barriers among agencies in the manpower network that reduced coordination. One such barrier is different or inconsistent definitions of important terms like target populations, fiscal years and planning cycles, program guidelines, bases for program monitoring and evaluation, program terminology, and reporting forms and procedures. The problem is compounded by the fact that there are other state agencies in the manpower network, such as the Illinois Bureau of Employment Security (BES), the Illinois Department of Labor (IDOL), the Division of Vocational Rehabilitation (DVR), and the Department of Public Aid (DPA). All are funded by federal revenues, but each uses a different definition of client eligibility, units of service, and substate regions.

The fact that each agency has different federal funding requirements is a further indication of the fragmentation that exists at the state and federal level. The DPA's WIN program is funded under HEW with legislative authorization under the Social Security Act; DVR is also funded

under HEW, but a different division. Bureau of Employment Security (BES), IDOL, and CETA all receive funds from the federal DOL but from different divisions. For example, BES is funded under the Wagner-Peyser Act while CETA's funds are from general revenues. This diversity in lines of authority and funding creates diversity and inconsistency at the state and local level.

The basic problem with this assumption, then, is that while the state has the authority to initiate action, its ability to influence state agencies and other actors in the manpower network is hampered by a multiplicity of eligibility requirements and a confusing array of funding sources.

Assumption 2: The Illinois Employment and Training Council is an effective mechanism for coordinating statewide manpower programs.

In Illinois, the IETC serves as the coordinating arm for the statewide CETA network. The State Manpower Services Division acts as staff for the council. The function of the IETC, as stated earlier, is to advise the governor, the state, CETA prime sponsors, and other employment and training providers on coordination, commitment, and utilization of manpower resources. However, the IETC's role as coordinator of statewide manpower policy has been, since its inception, somewhat uncertain.

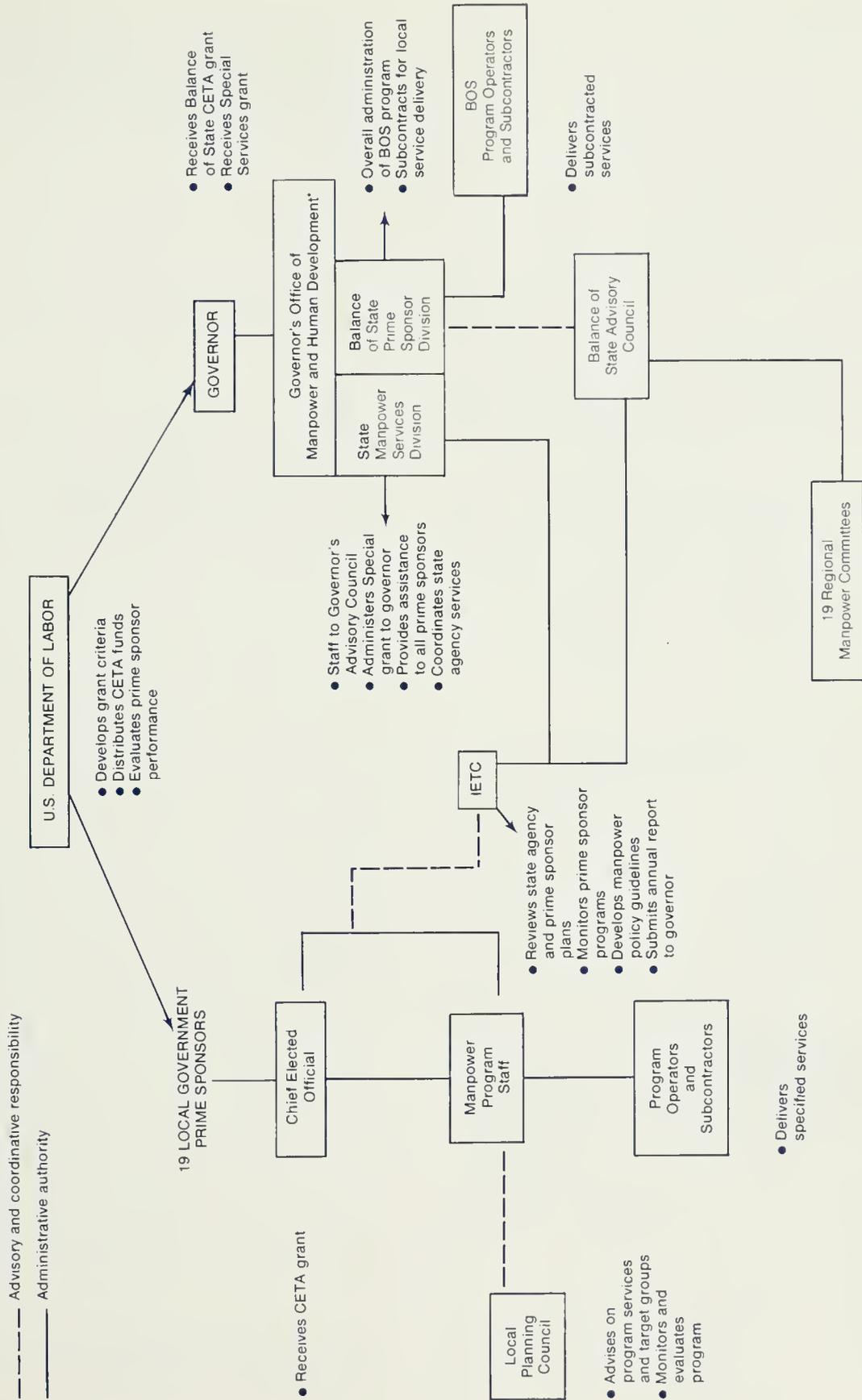
One reason why the IETC has not been more influential is that instead of making recommendations concerning the special CETA statewide grants as planned, or recommending statewide manpower policy, it has allowed itself to be used for routinely approving GOMHD (DCCA) decisions. Part of the explanation for the council's actions is that DCCA has not provided adequate staff so that the IETC could gather reliable data on which to base decisions.

The IETC's annual report for 1978 indicates that the council is clearly aware of these problems and has made recommendations to the governor toward their resolution.

The inability of the IETC to establish a comprehensive manpower policy has been especially hampered by high staff turnover and low staff morale. Frequent reorganization of the GOMHD and changes in leadership at the top of the agency has meant a loss of morale and expertise. The lack of a well-defined purpose has also seriously hampered the IETC's ability to establish a comprehensive statewide CETA policy.

A review of IETC's activities since its inception will help to demonstrate this. Following the first program year (July 1, 1974-June 30, 1975), a questionnaire was given to those state agencies that had manpower-related services in order to discover their budgetary levels and functional roles. The results of the survey pointed up deep-rooted problems of coordination. In 1976 policy recommendations were made in selected problem areas, such as labor market information systems and job placement coordination. Inadequacies in these areas, it was believed, resulted in unnecessary duplication of manpower services. However, the recommendations were not implemented, primarily for two reasons: lack of council and GOMHD influence to enforce decisions on other agencies, and a changeover in GOMHD staff and state administration. In response to this lack of implementation, the 1977 report to the governor recommended that the council be given more monitoring power over state agencies, more authority for coordination and utilization of resources among prime sponsors and state agencies, and the establishment of a total employment and training system

Figure 1
CETA INTERGOVERNMENTAL STRUCTURE
AND RELATIONSHIPS IN ILLINOIS



Source: Illinois Governor's Advisory Council on Manpower, Manpower Report to the Governor, August 1975, p. iv-17.

* Since October 1, 1979, part of the Department of Commerce and Community Affairs.

The second policy recommendation deals with special target groups who experience a significantly higher incidence of unemployment and underemployment than others — youth, blacks and other minorities, women, handicapped, the elderly, and offenders. There are several problems connected with this recommendation. For one thing, there is no unified body of information that might help determine the size, makeup, and location of these target groups, or the severity of their need. Moreover, there is not even a consistent definition of these target groups across the manpower network.

The third recommended policy addresses the issue of labor market information, which in Illinois is available only on a statewide basis, and thus fails to take into account the large variations that exist in the state. A more efficient labor market system is needed, one that provides accurate, reliable, current data; more organization around units of local government; detail of client characteristics; and quick distribution of data. The council believes that they can have a definite impact if these recommendations are agreed upon by the governor.

CONCLUSION

The state has not been effective in coordinating statewide CETA programs for several reasons. First, the congress-

sional legislation gave the states "responsibility" but not the "authority" needed to coordinate statewide programs. For example, prime sponsor plans cannot be vetoed by the state. Thus, state officials were put into a position where they could only urge voluntary cooperation upon those whom they wished to persuade. This proved to be an unreliable mechanism for cooperative action.

Second, state agencies over whom the state does have some control often suffer from bureaucratic inertia. They do not feel that the value of interagency cooperation has been demonstrated. In their view, benefits are not given for establishing linkages, but for how well their departments achieve the goals assigned to them. Third, state agencies have different organizational structures and boundaries that inhibit cooperation. To alter these boundaries is to tamper with political power bases that have evolved over time. Unless the cost is low, governors are not likely to make enemies just to attain better interagency cooperation.

Finally, the state lacks the staff capability to develop a comprehensive manpower policy. The information needed to make decisions on a statewide basis is inadequate, as is the ability of the staff to know what other state agencies are doing in the manpower area. In brief, if federal policy-makers really desire certain outcomes, they must be willing to provide the means to achieve them.



INSTITUTE OF GOVERNMENT
AND PUBLIC AFFAIRS
UNIVERSITY OF ILLINOIS

1201 WEST NEVADA STREET / URBANA, ILLINOIS 61801