Formulation of the Comprehensive employment and training act of 1973

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AN ABSTRACT OF THE THESIS OF Gary G. Skalangya for the
Master of Science in Political Science presented February
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Title: Formulation of the Comprehensive Employment and

APPROVED BY MEMBERS OF THE THESIS COMMITTEE:

Sheldon M. Edner, Chairman

Jim F. Heath

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Charles R. White

This thesis was intended to delineate the factors con-
tributing to the formulation of the Comprehensive Employment
and Training Act (CETA) of 1973—a unique attempt at over-
hauling federal employment and training policy as well as one of the early efforts at devolving control over grants-in-aid to the subnational level.

Information was obtained from the literature on this policy area, plus documentary sources, such as records of Congressional hearings. From this information, an analytical framework was developed, in which factors contributing to the formulation were classified as contextual, ideological and those in the form of actors' objectives.

It was found that CETA was the outcome of a broad compromise among the beliefs and objectives of actors, occurring in a particular historical context. Those favoring devolution of program control to subnational governments (including the Nixon Administration, state and local governments and business groups) achieved this basic goal. However, the efforts of unions, educators, anti-poverty organizations and others to retain federal targeting on certain client groups (as was common in the 1960s) were partly successful. A federal commitment to public service employment was also reaffirmed. The result was that the Act shifted employment and training policy significantly away from the 1960s approach and opened the delivery system to new providers and clients, who would be determined largely at the discretion of elected state and local government officials.
FORMULATION OF THE COMPREHENSIVE EMPLOYMENT AND TRAINING ACT
OF 1973

by

GARY G. SKALANGYA

A thesis submitted in partial fulfillment of the requirements for the degree of

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# TABLE OF CONTENTS

## CHAPTER

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td>II</td>
<td>DEVELOPMENT OF THE EMPLOYMENT AND TRAINING SYSTEM</td>
<td>5</td>
</tr>
<tr>
<td>III</td>
<td>REVIEW OF THE LITERATURE</td>
<td>19</td>
</tr>
<tr>
<td>IV</td>
<td>METHODOLOGY</td>
<td>29</td>
</tr>
<tr>
<td>V</td>
<td>THE CONTEXT OF REFORM</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>Systemic Constraints</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>Political Climate</td>
<td>46</td>
</tr>
<tr>
<td></td>
<td>Economic Conditions</td>
<td>52</td>
</tr>
<tr>
<td></td>
<td>Summary of the Context of Reform</td>
<td>56</td>
</tr>
<tr>
<td>VI</td>
<td>IDEOLOGICAL FACTORS</td>
<td>59</td>
</tr>
<tr>
<td></td>
<td>Decentralization/Decategorization</td>
<td>59</td>
</tr>
<tr>
<td></td>
<td>Public Employment</td>
<td>65</td>
</tr>
<tr>
<td></td>
<td>Redistribution</td>
<td>72</td>
</tr>
<tr>
<td></td>
<td>Summary of Ideological Factors</td>
<td>80</td>
</tr>
<tr>
<td>VII</td>
<td>OBJECTIVES</td>
<td>83</td>
</tr>
<tr>
<td></td>
<td>Nixon Administration</td>
<td>83</td>
</tr>
<tr>
<td></td>
<td>States</td>
<td>87</td>
</tr>
<tr>
<td></td>
<td>Cities</td>
<td>90</td>
</tr>
<tr>
<td></td>
<td>Counties</td>
<td>96</td>
</tr>
<tr>
<td></td>
<td>Public Schools</td>
<td>99</td>
</tr>
</tbody>
</table>
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>CHAPTER</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Representatives of the Disadvantaged</td>
<td>102</td>
</tr>
<tr>
<td>Business Community</td>
<td>106</td>
</tr>
<tr>
<td>Organized Labor</td>
<td>109</td>
</tr>
<tr>
<td>Vocational Educators</td>
<td>111</td>
</tr>
<tr>
<td>U.S. Training and Employment Service</td>
<td>114</td>
</tr>
<tr>
<td>Summary of Actors' Objectives</td>
<td>116</td>
</tr>
<tr>
<td>VIII CONCLUSION</td>
<td>122</td>
</tr>
<tr>
<td>REFERENCES</td>
<td>144</td>
</tr>
</tbody>
</table>
CHAPTER I

INTRODUCTION

On December 28, 1973, President Richard M. Nixon signed the Comprehensive Employment and Training Act (CETA) into law. It represented a major policy shift in federal efforts at solving the problems of unemployment and underemployment. CETA was an historic Act which helped pave the way for new program forms.

Before CETA, a variety of federal attempts had been made to prepare people for competition in the labor market or provide jobs in hard economic times. In 1917, Congress established the federal-state Vocational Education program (1, p. 1). The public works projects of the New Deal comprised another attempt. In 1946, with the passage of the Employment Act, the United States government formally accepted responsibility for alleviating joblessness (2). By the 1960s, employment and training had become a regular item of concern at the national level, with annual expenditures for such programs climbing into the multi-billion dollar range. The phrase "employment and training," itself connotes the high position this area of policy now commands on the country's agenda. Over the past few decades, the scope of these programs has widened sufficiently to push
the old term, "manpower," with its narrower connotation, out of common usage.

CETA was enacted in response to the need, apparent by the late 1960s, for reforming the troubled employment and training delivery system. Many observers at the time felt that the system was becoming unmanageable. There seemed to be too much duplication of effort and a general lack of coordination. Programs were being administered by thousands of contractors, both public and private, and federal rules governing the use of funds prevented implementors from acting with flexibility under differing local conditions.

Proposals for reform arose, calling for decentralization of program control to state and local governments. A corollary concept of decentralization, which kept cropping up in these proposals, was decategorization (i.e., a broadening of the discretion allowed to subnational implementors in spending federally-granted funds and a removal of federal "strings" attached thereto). The employment and training system had been funded largely by categorical grants-in-aid. Under a categorical grant arrangement, federal money is given to state and local governments on the condition that it be utilized in a relatively specific way, with procedures, program operators and eligible clients spelled out in the grant. It was such constraints on grant expenditures which frustrated many involved in implementation.
In addition to decentralization and decategorization, reformers felt that programs should be consolidated under the aegis of a single sponsoring authority in a given area (preferably an elected state or local official). The object of consolidation was to give clients a wide choice of opportunities while only having to deal with one government office. To the reformers, this would fit well with a reduction of the role of federal bureaucrats and make the system more efficient. Overall coordination and policy guidance could still be provided at the national level.

In order to effect such changes, any new employment and training legislation would have to be comprehensive, that is, it would need to include provisions for virtually every type of program and clientele which could be realistically expected. State and local program sponsors would be required to handle the problems of the socially disadvantaged as well as those out of work temporarily because of downturns in the business cycle. Supportive services would be necessary; for example, transportation of clients to job sites. Sponsors would have to possess the information, authority and funds appropriate for effective implementation.

CETA embodied all of the above reform ideas and was thus historically important in two respects. First, it was one of the earliest efforts at transferring program control from federal bureaucrats to state and local governments. Secondly, it represented a unique attempt at comprehensively
overhauling the national system for delivering jobs and occupational training.

Historical knowledge has value in that it may be applied to current or future events. Given that employment and training continues to be a critical policy area, and that CETA's enactment represents the last fundamental reform in that area (i.e., reform based on policy philosophy), analyses of future policy changes might be more successfully executed in light of an understanding of the CETA formulation. It is the object of this thesis to furnish that understanding.
CHAPTER II

DEVELOPMENT OF THE EMPLOYMENT AND TRAINING SYSTEM

For purposes of placing the 1973 reform in historical context, a summary sketch of U.S. employment and training programs is provided below. It is not intended as an exhaustive listing, but rather to highlight the mile-posts in the evolution of those programs. Because its formulation is the topic of this thesis, special emphasis is given to CETA.

Aside from the establishment of the vocational education system in 1917, federal programs for jobs and training mainly date back to the New Deal. Chief among New Deal efforts were: the public employment programs associated with the Civil Works Administration of 1933, the Public Works Administration of the same year and the Works Progress Administration of 1935 (3, pp. 88-89). Two other important New Deal policy formulations were represented by the Wagner-Peyser Act of 1933 which established the federal-state employment service (for client referral and job placement), and the Fitzgerald Act of 1937 which started a national apprenticeship program (4, p. 11). While the employment service and the apprenticeship program (plus of course vocational education) remained after the era of Franklin D.
Roosevelt, the public works programs "disappeared with the end of the Depression" (3, p. 89).

In 1946, the Employment Act was passed. It was considered a victory for liberals and organized labor. For the first time, the federal government accepted official responsibility for reducing unemployment. It was also significant because it declared that labor supply and demand would henceforth be taken into account in government economic policy (2). Yet, the Act did not mandate anything in the way of concrete job programs and was thus no more than a statement of intent for employment and training.

That statement was not soon backed up with action. As late as 1961, the federal employment and training system consisted of the employment service, the apprenticeship program, vocational education and rehabilitation, and a farm labor import program, at a total cost of approximately $250 million (5, p. 2). Despite the praiseworthy intentions put forth in the Employment Act, that system was basically the one inherited from FDR (minus public service employment). Problems such as technology-induced job dislocation and urban economic stagnation were becoming more pronounced every year, providing a clear stimulus to further federal efforts in the 1960s.

Beginning in 1961, and continuing through both the Kennedy and Johnson administrations, a new wave of programs issued from Washington, D. C. The Area Redevelopment Act
(ARA) of 1961 was aimed at economically depressed parts of the country and disadvantaged clients, such as youth and minorities. It provided income, training and supportive services for those clients (6, p. 132; 7, p. 7). The Accelerated Public Works Act of 1962 authorized funding for:

...the construction of job-producing public works in 'depressed' areas eligible for ARA funds—as well as those areas that had suffered over 6 percent unemployment during the previous twelve months (7, p. 9).

The Manpower Development and Training Act (MDTA) of 1962 was originally intended as a remedy for job dislocation in an increasingly automated economy. It was amended over the ensuing years in order to broaden its scope to include more socially disadvantaged clients (5, p. 3). The "first real examination of vocational education legislation since 1917" occurred in 1963 (8, p. 311), when that training program was updated. The Economic Opportunity Act (EOA), which was "largely a package of manpower programs aimed at providing jobs or preparing the employable poor for jobs," became law in 1964 (5, p. 4). Then, in 1967, a program of work incentives, to help persons on welfare in finding jobs, was created by amending the Social Security Act, originally enacted in 1935 (6, p. 132; 4, p. 11). Beside legislation with provisions establishing employment and training programs, the 1960s saw the passage of laws directly relating to such programs. For example, the 1964 Civil Rights Act contained titles to ensure "nondiscrimination in programs
assisted with federal dollars" as well as "equal employment opportunity" (9, p. 169).

Programs of the 1960s, like those just mentioned, with their anti-poverty emphasis, were often referred to as building blocks of a "Great Society." Roger H. Davidson (5, p. 2) uses another phrase to describe those efforts. He refers to them as a "second New Deal." In their discussion of ARA and EOA, Reagan and Sanzone (6, p. 132) state:

"The acts established a new level of federal intervention in labor market affairs, far beyond the vocational education grants that had been instituted some 45 years earlier." In that decade, federal employment and training expenditures rose permanently out of the range of hundreds of millions of dollars and into the billions. Davidson (5, pp. 2-3) sees "meaning given to the Employment Act's commitment" in that decade.

As stated above, CETA was a response to the unmanageability of the categorical system. Aside from the Emergency Employment Act (EEA) of 1971, authorizing a two-year, anti-recessionary public jobs program (10, p. 6), the early 1970s was a time of legislative stalemate. Various reform proposals were debated and the result was CETA of 1973, the purpose of which was:

...to provide job training and employment opportunities for economically disadvantage, unemployed and underemployed persons...by establishing a flexible and decentralized system of Federal, State and local programs (11, p. 42206).
As enacted, CETA consisted of six titles, the first of which provided for basic grants to state and local government "prime sponsors" for "Comprehensive Manpower Services." Prime sponsors were defined as: (a) state governments, (b) general local governments of at least 100,000 population, (c) consortia of general local governments containing a member with 100,000 population, (d) general local governments (regardless of population) specially-designated by the Secretary of Labor as exhibiting "exceptional circumstances," (e) certain general government and private grantees under the existing Concentrated Employment Program (11, p. 42206; 12, p. 3). The authorized services under Title I included virtually every conceivable employment and training activity, from counseling and referral to training and direct-hiring (11, p. 42206). Prime sponsors could carry out these services on their own, or through other organizations with which contracts could be concluded (13, p. 14). Prime sponsors were required to submit a services plan, for approval by the Secretary of Labor, which had to ensure: that the objectives of the Act would be met, that "to the maximum extent feasible" low-income and other disadvantaged persons would be served, that the "need for continued funding of programs of demonstrated effectiveness is taken into account," that community organizations be involved in planning, that MDTA skills centers be used "to the extent feasible" in institutional training, that arrangements be
made for coordinating Labor Department-financed services which relate to employment and training and that "planning councils" be established in prime sponsorships to represent local interest groups and act in an advisory capacity (11, pp. 42206-7; 13, p. 15). State sponsorships were charged with special responsibilities, such as the establishment of a "State Manpower Services Council" for representing various interest groups within a state and for acting in an advisory fashion like its local counterparts, and the development of a state plan for coordinating the activities of state agencies in the implementation of prime sponsors' plans (11, p. 42208), plus the choice of assisting vocational education (supported by funds earmarked in CETA) via agreements to be made between state vocational education boards and prime sponsors in whose areas this activity would occur (11, p. 42209). Eighty percent of Title I funds were subject to a disbursement formula: 50% of this money was to be allocated among states (and then among sponsorships within a state) according to the area's previous proportion of federal employment and training assistance, 37.5% of this money was to be allotted according to an area's proportion of unemployed people, 12.5% according to the proportion of adults in "low-income" families (11, p. 42207). By "low-income" was meant an annual income below $7,000 "with respect to income in 1969," adjusted in proportion to changes in the Consumer Price Index (11, p. 42217). In addition,
1% of the above funds were available for the Secretary of Labor to allocate, based on the above formula, among states to pay either for the State Manpower Services Councils or state services (depending on a state's needs). The remaining funds under this title were designated for vocational education (5% of Title I funds), state employment and training services (4%), the Secretary of Labor to promote local sponsor consortia (up to 5%), and Secretarial discretionary funds (at least 6%). The last was to be used, first to ensure that an area received at least 90% of the previous year's funding, and secondly to "take into account the need for funding programs of demonstrated effectiveness" (11, p. 42207). Finally, Title I contained procedural provisions, most importantly specifying that Secretarial disapproval of sponsors' plans and actions (potentially resulting in loss of grant funds) be contingent upon findings arrived at in a hearing, and that disapprovals are subject to judicial review. The Secretary was also authorized to serve areas not being served by prime sponsors, either as a consequence of disapproval or of a lack of a qualified sponsor (11, pp. 42208-9).

Title II "Public Employment Programs" were authorized to provide "transitional" jobs in public service to the unemployed and underemployed (11, p. 42209). Both Title I prime sponsors and native American tribes on U.S. or state reservations were eligible for Title II funding, if they
contained "an area of substantial unemployment," that is:

...any area of sufficient size and scope to sustain a public service employment program and which has a rate of unemployment equal to or in excess of 6.5 per centum for three consecutive months as determined by the Secretary (11, p. 42209).

If a general local government of less than 100,000 population, but over 50,000, contained such an area, the sponsor with jurisdiction was to designate that government as a "program agent" for public employment. Program agents were responsible for "developing, funding, overseeing, and monitoring programs" in the high-unemployment area, in congruence with the sponsor's application for federal assistance (which itself was to be a cooperative venture between sponsor and agent (11, p. 42209). Only persons living in the high unemployment areas, and without a job for at least 30 days, could qualify as clients. Also, "where appropriate, training and manpower services related to such employment" and which were "otherwise unavailable," were to be provided. Furthermore, Title II jobs had to be in "needed public services" (11, p. 42210). This title also included guidelines calling for special emphasis on veterans of Indochina and Korea, as well as on those unemployed the longest. Other guidelines prohibited various administrative and fiscal manipulations, such as substitution of Title II money for other revenues. The Secretary of Labor was also authorized to review the implementation practices of sponsors
Eighty percent of Title II disbursements were to be made according to the proportion of unemployed persons in each area of high unemployment relative to the total number in all such areas, and the remaining 20% was to be distributed at the Secretary of Labor's discretion "taking into account the severity of unemployment within such areas" (11, p. 42209). Finally, and perhaps most importantly, governmental (and tribal) recipients were allowed to decide whether to apply Title II funds to public employment or any other activity authorized by Title I or Title III-A (11, p. 42211).

Title III Part A was the part of CETA under which the Secretary of Labor was to operate employment and training programs for "Special Target Groups," including youth, offenders, persons of limited English-speaking ability, older workers, native Americans and migrant and seasonal farmworkers, as well as for areas suffering excessive unemployment, poverty or labor-supply problems (11, pp. 42211-12). While not all of the above classifications had programs spelled out for them, native American programs were guaranteed a funding level equal to at least 4% of the sum allotted under the basic Title I disbursement to prime sponsors, and migrant and seasonal farmworker programs were guaranteed an amount equal to at least 5% of that disbursement (11, p. 42212). Part B of Title III gave the Secretary of Labor responsibility for a variety of research, demon-
stration, evaluation and labor market information functions (11, pp. 42212-13).

Title IV continued the Job Corps under the Department of Labor (formerly authorized by EOA). This program was clearly targeted on "low-income disadvantaged young men and women" and contained a host of procedural standards for its implementation (11, 42213-17; 13, p. 16).

The remaining two titles of CETA of 1973 contained provisions which: (a) established a National Commission for Manpower Policy, to be comprised of representatives of six different federal departments and agencies as well as eleven other persons:

...broadly representative of labor, industry, commerce, education...State and local elected officials...persons served by manpower programs and of the general public [to be] appointed by the President (11, pp. 42217-19),

and (b) set forth basic definitions and prohibitions for CETA. The Commission's task was to study employment and training problems, conduct program evaluations and make recommendations to the President and Congress (11, pp. 42217-19).

After CETA was enacted, employment and training legislation tended toward a series of revisions or enhancements of what came to be called the "CETA system" (10, p. 8). In 1974, a new Title VI was added in order to expand public job-creation in the face of continued recession (6, p. 133). In 1976, CETA was amended to target more upon the socially disadvantaged. As a result, certain client eligibility
requirements were tightened (8, p. 323). In 1977, the Youth Employment and Demonstration Projects Act was passed, adding Title VIII to CETA and providing several programs for younger clients (8, p. 323). Also that year, tax incentive (10, p. 8) and employer wage subsidy provisions (14, p. 172) were appended in hopes of easing hiring. Then, in 1978, the year of CETA's reauthorization, a new Title VII appeared. It was intended to increase the role of the business sector in employment and training (8, p. 323). Additionally, 1978 saw a new tax credit feature (10, p. 8) and tighter client eligibility requirements tacked on (8, p. 323). The new eligibility rules narrowed CETA's emphasis down to the more obviously disadvantaged clients. These rules, in combination with the narrowing effects of the 1976 amendment, contributed to a degree of "recategorization" of CETA (8, p. 323).

In order to fully understand the development of employment and training programs, it is important to grasp the scale of those programs. The dramatic increase in the federal employment and training effort, beginning in the early 1960s, can be illustrated in several ways, depending upon the choice of definition. Davidson's (5, p. 2) definition is a broad one, and includes the placement and referral functions of the U. S. Training and Employment Service as well as programs which are not simply under Department of Labor (DOL) jurisdiction. For example, vocational education had traditionally been tied to the Department of Health,
Education and Welfare (HEW). According to Davidson (5, p. 2), the cost of federally-sponsored employment and training efforts rose from the above-mentioned $250 million in 1961 to about $4 billion by the end of that decade. Eli Ginzberg (10, p. 3) assesses "employment and training, narrowly defined as programs under the jurisdiction of the U.S. Department of Labor." This is a useful definition, since DOL has been the administrative focal point of programs designed to remedy unemployment and underemployment. According to Ginzberg (10, p. 3), appropriations climbed from $81 million in 1963 to about $11 billion in 1979, a "130-fold increase."

Government statistics also portray this mushrooming phenomenon. Federal financial "obligations" and new client enrollments for DOL employment and training programs, cumulatively for 1963-66, came to approximately $1.2 billion and 1,065,000 respectively. In 1967 alone, these numbers were about $0.8 billion and over 800,000. In 1969, the figures passed the $1 billion and one million persons marks, and by 1973, the year of CETA's enactment, obligations were over $2.75 billion and enrollments were at about 1,538,000 (15, p. 317). During the late 1970s and early 1980s, annual obligations ranged from about $5-10.6 billion, while enrollments ranged from about 3.2 to over 4 million persons (16, 17, 18, 19, 20, 21). The expansion of activities under MDTA, one of the most important Acts of Congress in this policy area, and one with programs administered by
both DOL and HEW, provides another indication of growth. Enrollments in these (primarily training-oriented) programs started at about 34,000 in 1963, and more than quadrupled in two years (approximately 157,000 in 1965). These enrollment levels stood at over 200,000 per year until 1973 (15, p. 320) when MDTA was replaced by CETA. Annual appropriations started at about $70 million, rising to the $400 million range in the late 1960s (22, p. 33). Work and training programs of EOA, another key Act in this respect, displayed a similar expansion, with appropriations nearly tripling between 1965 and 1969, approaching the $1 billion range (4, p. 27).

In the 1970s, CETA had become the distinctive new force in federal employment and training policy. Speaking only of "employment," as opposed to training, Bruce K. MacLaury (23, i) says that the 1970s "witnessed a dramatic growth in federal support" for such programs. According to him:

Federal outlays for this purpose rose from less than $1 billion annually in the early 1970s to an annual average of about $7 billion in 1978-81. The vast bulk of these expenditures was for public service employment, primarily through grants to state and local governments under the Comprehensive Employment and Training Act (23, i).

CETA's national administrative responsibilities were handled primarily by DOL. In fiscal 1975, the first full year of CETA operations, DOL "Obligations for Work and Training Programs" (emphasis added) stood at approximately $4.1
billion—nearly $4 billion of which went for CETA (24, p. 339). Through the rest of the 1970s and into the early 1980s, CETA's proportion of DOL work and training obligations was similarly high; roughly $5.9 billion out of $7.4 billion for fiscal 1978 (18, p. 364), $8.3 billion out of $8.8 billion for fiscal 1980 (20, p. 257). CETA's shares of new enrollments were likewise high (16, 17, 18, 19, 20, 21, 24). The Act had become the umbrella under which policy innovations took their place.

However, charges of waste and fraud made against CETA had been accumulating in the late 1970s. In an increasingly budget-conscious and conservative atmosphere, that spelled trouble for the "CETA system" (10, p. 8) and the result was the 1981 elimination of the public employment program. Only training remained, at reduced levels of funding (25, p. 2519). The Act which gave shape to federal employment and training assistance for nearly a decade was relegated to the history books on October 1, 1983 (26, pp. 68-9). It was replaced by the Job Training Partnership Act, which draws heavily upon the conceptual basis of CETA, though emphasizing the roles of private industry and state governments more so than its predecessor (27, p. 2428; 28, p. 968).
CHAPTER III

REVIEW OF THE LITERATURE

While seemingly countless, brief references to the 1973 reform are abundant. Only eight treatments of the subject capable of providing any insight into the factors determining the legislative outcome exist. Of these, five touch upon the CETA formulation in the process of dealing with broader topics and, as a result, lack the depth and inclusiveness necessary to a complete understanding of that formulation. One piece, by Guttman (13), is a short assessment of the implications of CETA for intergovernmental relations. Another piece, by Levitan and Zickler (29), while offering some clues as to how CETA was created, emphasizes what was created more so than how. A discussion by Culhane (30) has the general subject of this paper as its central theme. Yet, while enlightening the reader about phenomena leading to the 1973 legislation, it tends more toward being a report on key bargaining sessions than an extensive analysis of a policy formulation.

In spite of the dearth of information in the literature, with respect to the root causes of the CETA reform, the above-mentioned writings provide guidance for a fuller investigation. Several developments of the late 1960s and
early 1970s, pointing toward the enactment of CETA, were consistently mentioned. They were: (a) the unmanageability of the employment and training delivery system, (b) the antipathy which the Nixon Administration had aroused among many actors by its behavior, (c) the increasing need, by virtually all interested actors, to strike a compromise, (d) the appeal which the concepts of decentralization and decategorization had acquired, (e) the need to reconcile the opinion gap over the degree to which reform should be anti-poverty oriented, (f) the need to reconcile another opinion gap concerning the desirability of public job-creation, and (g) the rise in influence of certain groups, with respect to employment and training policy, occurring concomitantly with a decline in such influence for other groups. Recognition of these developments helped give form to the analytical framework of this thesis. The first three showed the importance of contextual elements. The next three pointed up the relevance of ideas and beliefs, and the last development called attention to the interplay of group interests.

The unmanageability of the employment and training delivery system toward the end of the 1960s is the object of repeated treatment in the literature. Mirengoff and Rindler (31, p. 2) speak of the interagency competition for resources and clients, the wasteful duplication of effort and the inflexibility of a system based upon roughly 10,000
individual projects. Van Horn (32, p. 77) mentions duplication of effort, interagency competition and inappropriate services. He characterizes the system as uncoordinated, by stating, "Lacking any single coordinating authority, the structure of employment and training programs in most communities before CETA was highly fragmented." A report of the Advisory Commission on Intergovernmental Relations (ACIR) (1, p. 1) describes the pre-CETA system for implementation as "a patchwork of programs lacking a policy framework." According to Culhane (30, p. 51), the many categorical programs in an area were "uncoordinated" with the local labor market. These assessments are corroborated by Levitan and Zickler (29) and Reagan and Sanzone (6).

That unmanageable system set the backdrop for the policy revision to come. However, the behavior of the Nixon Administration, in general, and also specifically regarding employment and training, helped catalyze reform efforts. The general discontent is touched upon later in this paper, but the employment and training aspect warrants attention here. Long advocating the decentralization and decategorization philosophy, and frustrated by Congressional intransigence, the Nixon Administration (through the Department of Labor) tried to change the delivery system via executive order alone in 1973. This action aroused anger in a host of involved actors, stimulating efforts outside the Administration at devising a viable reform bill. Culhane
(30, pp. 52-53) reports that the actions of DOL, in this respect, constituted an important stimulus for moving members of Congress to act, and that state and local governments "unanimously opposed changes in the program through a series of executive actions." According to Van Horn (32, p. 64), state and local governments, operators of categorical programs and members of Congress all protested DOL's intentions vigorously. The ACIR (1, p. 10) substantiates this development.

A closely related development, receiving mention in the literature, was the increasing need by participants in employment and training to arrive at a compromise, yielding viable reform legislation. Culhane (30, p. 55) reports that two major employment and training laws (The Manpower Development and Training Act of 1962, and the Emergency Employment Act of 1971) were ready to expire in mid-1973. These laws carried authorizations for categorical programs plus anti-recessionary public hiring, which were considered of critical value to many organizations and their Congressional representatives. The pending expiration of these pieces of legislation, along with the threatened actions of DOL, stimulate legislative activity on Capitol Hill "in consultation with the administration" (1, p. 10). The end result was a comprehensive replacement bill (CETA), which was a "compromise," and one in which "a Presidential veto could be avoided" (1, p. 16). Van Horn (32, p. 64) describes
pressures to compromise being exerted upon both pro-categorical members of Congress (and their constituents) and the Nixon Administration. According to this account, the Administration finally ceased its threatened executive imposition of reform and conceded some categorical provisions in CETA, plus public employment (which it had opposed), in return for Congressional acceptance of decentralization and decategorization.

While many groups were averse to the methods of the Nixon Administration, not all of them disagreed with its goals of decentralization and decategorization—as long as these goals were realized via legislative means. Gradually, more and more participants in the employment and training system came to embrace these ends as appropriate remedies to the system's shortcomings. Culhane (30, p. 52) emphasizes that support for decentralization and decategorization was significant among state and local government officials. The ACIR (1) corroborates this point. According to Levitan and Zickler (29, p. 191), these reform goals had broad appeal, as evidenced by the "bi-partisan" Congressional support for them. Mirengoff and Rindler (31, pp. 127-128) outline the basis of the broad appeal of the reform ideas by informing the reader that a much wider clientele population could be served under a decategorized setup.

However, it was just that kind of intimation which frightened representatives of the poor and socially
disadvantaged. These people felt that only federally-formulated and enforced rules would guarantee their constituents a fair shake. Hence, they were disturbed at the prospect of turning control over to states and localities. The possible loss of redistributive potential (i.e., an anti-poverty purpose) in employment and training programs was what caused them to take a strong interest in the pending reform. That CETA was influenced by these groups, who fought a rear-guard action at the time, is a fact born out by the literature. Mirengoff and Rindler (31, pp. 112-115) report that such organizations saw a "threat" in decentralization and decategorization, though the same authors indicate that CETA partly embraced the interests of these groups. The ACIR (1, p. 11) also mentions the anti-poverty element, by noting that during the reform debate "some sentiment was voiced in favor of retaining at the national level certain specialized programs," for the poor and disadvantaged minorities. The same study concludes that, while CETA did take significant account of the above sectors of the population in its language, the compromise quality of the bill "contributed to uncertainties about how the act would be implemented" (1, pp. 17-18). In Van Horn's opinion (32, p. 157), Congress walked a "tightrope" between redistributive and distributive (i.e., broad subsidy, without a clear anti-poverty focus) considerations in formulating CETA. Yet, Van Horn (32, pp. 156-159) concludes that the outcome leaned more to
the distributive side of that tightrope. Ripley and Franklin (9, pp. 172-176) and Levitan and Zickler (29, pp. 193-4) agree with Van Horn that anti-poverty groups and others representing the disadvantaged influenced CETA, but not enough to be considered winners in the final outcome. Reagan and Sanzone (6, p. 135) express more confidence in the Act's capacity to address the problems of the disadvantaged. Those authors interpret some of CETA's language as being "a euphemistic way" of warning state and local officials not to neglect anti-poverty and related organizations.

Another development found consistently in the literature, which fueled the reform debate, was the issue of public job-creation for the immediate alleviation of unemployment. According to Ripley and Franklin (9, p. 174), liberals were traditionally in favor of public employment, and conservatives were traditionally against it. Culhane (30, pp. 52-55) describes public employment as a question over which Congress and the Nixon Administration disagreed in a most fundamental way, and which was resolved by a compromise whereby such a program would be an allowable activity. However, a subnational government could allocate funds between it and other activities at its own discretion. Van Horn (32, pp. 63-64) depicts the Administration as deeply opposed to the very idea of public job-creation. In his opinion, the White House came to see a concession on this issue as a useful tactic in extracting from Congress an
approval of decentralization and decategorization. Finally, in Guttman's (13, p. 13) opinion, public jobs advocates won a "deceptive" victory because of the Act's granting of the discretion referred to by Culhane above.

The final development, during the late 1960s and early 1970s mentioned as significant to CETA's formulation, was the ascendance of certain groups' influence on employment and training occurring concomitantly with the descendence of the influence of others. Mirengoff and Rindler (31, p. 48) speak of the gradually improving status of state and local governments in this substantive area. In the estimation of these writers, state and local governments were advancing their capacities for implementation during that period (e.g., their planning capacities). According to this source (31, p. 103), the federal-state employment service was suffering from image problems in the 1960s. Specifically, the service was seen by many as being an old-line agency which was out of touch with the needs and values of poverty community clients. As a result, the service was losing influence in this policy area. The same authors (31) also imply that vocational and general educators, as well as established anti-poverty organizations, had been losing the preeminent positions in employment and training policy which they had once enjoyed (for a variety of reasons). In general, Mirengoff & Rindler (31) reveal that subnational general governments (cities and counties in particular)
succeeded in supplanting the above groups, in terms of control over implementation, with the passage of CETA. Culhane (30) implies that state and local governments (especially counties) had gained greater influence in the employment and training system, while anti-poverty agencies lost some, as evidenced by the provisions enacted in CETA.

The other literature sources included in this review all contain references corroborating Mirengoff and Rindler (31) and Culhane (30). In effect, these references indicate that state and local general governments gained administrative territory in the formulation process, while anti-poverty organizations, educational agencies and the federal-state employment service all lost some (1, 6, 9, 13, 29, 32). The main reason for this power shift was a double-edged one. On one hand, state and local general governments were improving their capabilities and willingness to implement policy in an area where they had little prior experience. That lack of experience meant that those governments had little in the way of a reputation, good or ill, in employment and training, and thus appeared as fresh alternatives in the search for better system management. On the other hand, the "losers" all had implementation experience prior to CETA, but were, therefore, vulnerable to charges of fault in the on-going criticism of the system. Hence, they appeared less trustworthy.

To sum up, the literature consistently mentioned
certain developments in the late 1960s and early 1970s (outlined in the first paragraph of this review) which were of significance to the direction of reform. It was the recognition of these developments which guided this author in the further investigation of CETA's formulation. The combination of knowledge gained, from the above literature and that further investigation, then led to the establishment of the analytical framework of this thesis.
CHAPTER IV

METHODOLOGY

There do not appear to be any standard, well-defined methods for studying the formulation of public policy. Some authors emphasize the roles of individuals, other emphasize the roles of organizations. Some adhere to a strict chronology, while others jump between points in time. Thus, it seemed appropriate to first look at the information available in the enactment of CETA, and then develop an analytical framework which would fit that information. In this sense, the approach taken is an empirical one. Upon examination of the literature and documents on CETA's formulation, three major categories of factors contributing to the legislative outcome were discerned: (a) contextual, (b) ideological, and (c) actor objectives. Hence, the analytical framework for this paper is broken down into these three classifications of contributing factors.

In order to fully apply the findings of this thesis, to current or upcoming formulations of employment and training policy, one must place equivalent factor categories from each time period alongside each other, and compare differences and similarities. Since the study of policy formulation knows no broadly accepted frame of analysis, it is
likely that the breakdown used in this paper will not be exactly duplicated in studies of current or future policy formulations. For example, a student of current policy may find "institutional factors" to be an appropriate category, rather than ideological factors. Nevertheless, it is felt that the approach taken here would remain useful in comparative application for two reasons. First, this approach was derived from an investigation of a process which involved the whole gamut of issues and forces relevant to employment and training policy formulation. Many of these issues and forces have remained basically the same since the early 1970s. For example, public job-creation is an issue which is as unresolved now as it was ten years ago. Therefore, a good chance exists that an analysis of current or future formulation in this area might closely agree with the framework of this thesis, making a direct, or nearly direct, comparison of like-factors possible. Secondly, even if a study of current or future formulations is organized along quite different lines, there is liable to be room for modification to facilitate comparative analysis. So, for instance, if the hypothetical student above considers "institutional factors" to be analytically useful, a comparison with the findings of this paper might be done by clarifying the institutional phenomena associated with the factors used here. Conversely, the context, ideologies and/or objectives associated with the "institutional factors" in the hypothetical study might
be elucidated.

As stated above, an empirical approach was taken in developing the analytical format for this paper. The first step was to search the scientific and general literature for initial clues. Some treatments of CETA's formulation were located in short articles, others in books dealing with employment and training policy or American government. These helped to lay a conceptual foundation in this author's mind. The second empirical step was to investigate additional data sources, guided by the knowledge gained from the literature. These additional sources were both primary and non-primary in character and were selected with an eye toward better defining the CETA formulation in terms of: (a) its overall historical position, and (b) its place in the political arena of the early 1970s (i.e., the status of the pending reform with respect to relevant organizations, institutions, political parties, etc., at the time).

The primary sources most heavily relied upon included: (a) records of hearing testimony on employment and training reform, conducted before committees of the U.S. Senate and House of Representatives in 1973, (b) letters and position statements submitted to members of Congress and the Nixon Administration, which were attached as evidence to the hearing testimony, and (c) texts of Senate and House discourses on reform, found in the Congressional Record, mostly from the summer and autumn of 1973. It was decided that the
examination of Congressional documents should be confined to 1973 because the literature indicated that, prior to that year, the positions of interested actors had been too far apart to have allowed anything resembling the CETA compromise bill to have been produced. It was not until 1973 that policymakers and their constituents decided that obtaining passable legislation was a higher priority than satisfying some of their earlier demands. In that year, a fresh start was made on all sides of the issue, positions were significantly moderated and CETA was conceived.
CHAPTER V

THE CONTEXT OF REFORM

The environment in which CETA was born was characterized by three policy-relevant factors which affected reform proceedings. These factors consisted of: (a) employment and training system constraints which became apparent from experiences with the programs of the 1960s and pre-CETA reform attempts, (b) the political climate of the late 1960s and early 1970s, distinguished by antagonistic relationships between the Nixon Administration and various actors, as well as a declining faith in the ability of the federal government to solve problems, and (c) the state of the national economy in the early 1970s. Each of these factors will be discussed below, with respect to the ways in which they affected the direction of employment and training reform.

SYSTEMIC CONSTRAINTS

The heightened activism of the federal government in employment and training matters during the 1960s led to the establishment of a delivery system which was rich in complexities and contradictions. The wave of employment and training programs of the 1960s can be seen as a collection
of separate responses, on the part of the government, to various interest groups (e.g., those representing organized labor or racial minorities) calling for accommodation of particular needs. Levitan (8, pp. 316-317) describes those programs as having been, in effect, thrown at problems by lawmakers loyal to specific constituencies. It is not surprising then, that the delivery system inherited by the Nixon Administration and the reformers of the early 1970s defied common conceptualizations of rationality or efficiency.

There was an overall lack of coordination in the system, evidenced by two noticeable symptoms. Duplication of effort by many service deliverers in a given area was one symptom. Such a phenomenon is, by definition, wasteful of resources. It would inevitably require more federal money, supervision and technical assistance (not to mention non-federal resources) to keep several different agencies operating similar programs in a community, than it would to have a single agency handle the job. Separate organizations must have separate systems for financial accounting, personnel management, public relations, etc. That would be true even if the involved agencies did not see each other as competitors. However, those participating in the "second New Deal" (5, p. 2) did often see each other that way (the second symptom). The result was an increased level of waste, from a societal standpoint, due to the expenditure of additional
resources on activities associated with inter-agency competition. For example, agencies in such a situation must spend time and money on building their image in the eyes of the public or government officials in order to be awarded grant funds which are too scarce to go around to every similar agency. Another example of such waste would be the withholding of information pertinent to a substantive policy area--information which might conceivably be shared in a more efficient way.

Such was the uncoordinated employment and training system of the 1960s. The system was based upon at least 10,000 individual projects (31, p. 2) involving the federal government and various implementors, the latter including community action agencies*, union locals, civil rights organizations and a host of other non-governmental entities, plus subnational governments, general and vocational educators and the U.S. Training and Employment Service. Yet, with all that exertion of administrative effort, the system still had holes into which clients fell, unable to obtain jobs or training.

Ironically, the system which was so "highly fragmented" (32, p. 77), was also overly-centralized. The categorical programs of the 1960s were creatures of Congressional

*CAAs: locally-based anti-poverty organizations, originally under the aegis of the federal Office of Economic Opportunity, authorized by the EOA of 1964 (5, pp. 4-5; 9, pp. 156-161).
legislation, modified by administrative regulations. DOL and HEW were responsible for promulgating most of those regulations and for guiding implementation through regional offices. Between legislative provisions "targeting" certain groups as clients and service providers, and operational rules and program approval procedures, the categorical programs were relatively restrictive. For example, a city government receiving grant funds might only have been allowed to spend them on training welfare recipients for particular kinds of jobs. For reasons like this, complaints developed to the effect that employment and training programs were being controlled by officials who were out of touch with the nuances of local situations. In addition, matching fund obligations were common, requiring state or local governments to invest their own revenues into projects funded by Washington to obtain a grant. These impositions of national priorities upon subnational jurisdictions led many participants in the employment and training programs of the 1960s to object to the "straightjacket effect" (8, p. 317) of categorical programs.

Recognition of these shortcomings of the categorical system gave rise to thinking about how to revise it. That thinking followed two general conceptual lines: first, the system had to be made more efficient; secondly, it had to be made more responsive to the varying conditions of different geographical areas.
Ideas for improving the efficiency of the system aimed at eliminating the wasteful duplication of effort, inter-agency competition and confusing plethora of regulations. The notion of consolidating programs under a fewer number of administering authorities was the most significant idea in this respect. While many different organizations in a given community would still be required for supplying the services and resources needed, tying them all together under the auspices of a single program sponsor was expected to yield better coordination. Given this kind of change, it was felt that many unproductive agencies would be weeded out of the system, and competition for contracts would result in the most able deliverers of particular services being the ones given the job by a sponsor. Competition would be kept outside the system, with only the winners taking their places inside the system, performing the functions for which they were best suited. Simplification of administration would be possible by reducing the number of federal grant recipients.

In order to make the system more responsive, authority would have to be devolved from the national to the state and local levels (decentralization). Reform thinking tended to emphasize the roles of elected officials of subnational general governments, working on the assumption that these were better attuned to the needs of their citizens than were federal officials. In addition, discretion as to acceptable uses of funds would have to be increased (decategorization)
for grant recipients. This logic implied that, with respect to clients, providers and local conditions, it was state and local elected officials who knew best what to do. Working together with representatives of business, labor, the disadvantaged and established government agencies (e.g., vocational schools) in a given geographic area, elected officials were expected to develop a set of programs which would be more responsive to that area's idiosyncracies.

While the above reform ideas gained a large following in a few years' time, they also provoked opposition from many on ideological grounds and were perceived as threatening to established interests. Liberals saw them portending a federal retreat from the established practice of guaranteeing special consideration for the disadvantaged (something they did not believe subnational officials could be trusted to do). Operators of categorical programs feared a new system in which their role would come into question as subnational governments exercised discretion on matters of program content and service-provider contracting. Beyond that, even persons who agreed with the reform ideas had their differences with respect to how to actualize those ideas. The employment and training system was composed of a heterogeneous mixture of groups and it was apparent that the ability to compromise would be a useful talent as reform proceedings unfolded. There was much to be learned about applying the reform concepts, and the experiences of several years of
pre-CETA attempts at doing so served to expand such knowledge.

Enough enthusiasm for reform, along the lines just described, had built up (among state and local officials, ideological conservatives and federal executives) by the end of the Johnson Administration to make preliminary moves possible in 1967. That year saw Secretary of Labor Willard Wirtz establish the Concentrated Employment Program (CEP) (5, p. 6). Patricia Marshall had the following to say about CEP:

Its goal was to pull together diverse programs at the local level under a single prime sponsor...and focus all resources upon defined areas of concentrated need. The CEP's generally were located in urban and rural poverty pockets, where manpower needs were extensive and complex. Usually, a community action agency was the prime sponsor for each CEP, and it subcontracted with specialized agencies to get the training, health, job placement, and other services disadvantaged clients need to obtain work. In other instances, units of general government were the prime sponsors of CEP (12, p. 3).

Marshall (12, pp. 3-4) goes on to mention some of the problems with CEP. One was that it was implemented in a hurry, without careful attention to planning. Another was that an attempt was made to staff CEP with persons from the poverty communities intended to be served. Marshall implies that a lack of staff ties to the business sector was significant in limiting CEP's potential. Finally, CEP could not evolve into a system of areawide dimensions due to its focus upon relatively small target communities.
Another reform attempt in 1967 was the Cooperative Area Manpower Planning System (CAMPS). This was a multi-layered planning structure, comprised of committees representative of implementing agencies at the local, state and regional levels (5, pp. 6-7). However, these CAMPS committees never acquired sufficient authority to effect changes in the system, and served only as focal points for exchanging ideas (12, p. 4; 5, pp. 6-7).

In 1969, with Richard Nixon in office, the drive for reform picked up steam. The new President directed DOL to draw up a Manpower Training Act. It featured a strong state role, but was apparently too extreme in its degree of decentralization, not only for a Democratic (and mostly pro-categorical) Congress, but even for state officials. Unsure about the whole thing, the latter failed to rally behind the Administration and the Manpower Training Act died from a lack of political support (5, pp. 18-29). Also in 1969, the Administration was pursuing a non-legislative route. It consisted of providing planning grants to state and local governments in order to build up their self-sufficiency in employment and training (12, p. 4). This proved to be an insightful move by the Administration. The improvement of state and local expertise in this policy area later turned out to be important in swaying opinions in favor of decentralization and decategorization (33, 34). By 1973, those planning grants had reached a total of $16 million
(12, p. 5) and were going to 126 cities, 50 states, four counties and 19 native American Tribes (8, pp. 318-319).

The 1970s began with a Presidential veto of a reform bill which had been passed by Congress and aimed at making the employment and training system more flexible, but containing a fatal flaw from a legislative standpoint—a public jobs provision. President Nixon was too strongly opposed to public job-creation to sign the bill (10, p. 6). However, that impasse only slightly dampened reform efforts. The Administration pursued reform on both the legislative and bureaucratic fronts. It proposed another bill: the Manpower Revenue Sharing Act of 1971. That bill, like the earlier Administration proposal, died because it offended Congress with notions like the allocation of funds by entitlement (instead of the usual application for DOL approval), the elimination of matching requirements, and an overall reduction of the federal role in implementation (1, pp. 8-9). On the bureaucratic front, CAMPS was revised in 1971 to broaden the membership of its committees to include a greater variety of interests and give them more authority with respect to the determination of areal needs. Additionally, DOL offices were told to "base their funding actions on [committee] plans as much as possible," and to expect that, by 1974, state and local plans would be treated as "funding directives" (12, p. 4).

The Emergency Employment Act (EEA) was passed in 1971
(8, p. 315), and was significant for two reasons. First it represented a Nixon Administration concession, allowing public employment, to cope with rising unemployment due to a recessionary economy (authorized at $2.25 billion for two years). Secondly, it represented a Congressional concession, allowing a major increase in the discretion of state and local governments, who were to implement it (8, p. 315). According to Mirengoff and Rindler:

It was not until passage of the Emergency Employment Act (EEA) of 1971 that government units (states, cities, counties) were given direct control over the funding and operation of a major manpower program. EEA thus constituted a stepping stone in the decentralization of manpower programs (31, p. 69).

An initiative taken by the Administration, in 1973, which complemented (on a smaller scale) the EEA experience, was the setting up of pilot projects known as Comprehensive Manpower Programs (CMPs). DOL officials selected:

...three States (South Carolina, Utah, and New Hampshire), Luzerne County [Pa.], and five cities or consortia of local governments whose boundaries were roughly congruent with a labor market area... (12, p. 8),

to act in a prime sponsor capacity. In the CMPs, categories originally authorized under MDTA and EOA were "phased into" the pilot prime sponsorships. This was done either through choosing specific grants whose contract time was expiring, or through negotiation with the state and local governments involved. However, this DOL effort became obsolete when CETA was passed at the end of the year (12, pp. 8-9).
By 1973, however, the Nixon Administration had become so frustrated with Congressional stubbornness about allowing decentralization and decategorization, that it decided to go for reform via the bureaucratic route only. DOL had been preparing a plan for instituting overall decentralization, decategorization and consolidation through administrative rule changes. The White House and DOL seemed intent on executing the plan if comprehensive legislation was not forthcoming. Consisting of the same reform concepts already discussed in this paper, such as state and local government prime sponsorships (33, pp. 280-281), the plan infuriated an assortment of actors outside the Administration. This attempted executive action was perceived as intolerable by members of Congress, state and local governments, and operators of categorical programs alike (32, p. 64). Procedurally, it was considered by many to be an outrageous, and possibly illegal, abuse of executive powers. However, it appears that the plan was mainly intended to pressure Congress into a legislative compromise. Late in 1973, breakthroughs in negotiations between the Administration and Capitol Hill, on a comprehensive bill, began to be made. Accordingly, DOL shelved the executive strategy (30, pp. 54-55).

What was learned by those interested in employment and training, from the above reform attempts, with respect to how best to decentralize, decategorize and consolidate?
The CEP experience was the point of origin for the prime sponsor idea. However, CEP prime sponsorships were too narrow; internally in their staff makeup, and externally in their jurisdictional scope. Poverty community personnel alone were not sufficient because, in order to operate a consolidated local system, business, labor, government and other sectors would have to be brought into the picture. Limiting sponsorships’ jurisdiction to a small target location (in this case, “urban and rural poverty pockets”) was also inadequate. This was because such locations seldom account for the entirety of labor market dynamics in an area. Finally, the CEP experience reminded participants of the old adage, “haste makes waste,” by pointing up the importance of the careful consideration of strategy, prior to starting a new program.

CAMPS taught a lesson of a different kind. The initial lack of authority on the part of its planning bodies made those bodies impotent. However, in its capacity as a forum for the exchange of ideas and raising of issues, CAMPS helped educate subnational officials as to the operation and coordination of employment and training programs.

The lessons learned from the pre-CETA reform efforts made by the Nixon White House and DOL were both political and administrative in nature. On the political side, it was made clear, by negative Congressional responses to early legislative proposals, that drastic changes could not be imposed
upon existing circles of interest. Extensive devolution of program control to state and local governments, even through legislation, was simply too much for many constituencies to bear. Successful legislation would have to be more moderate, providing for some decentralization and decategorization, but leaving enough targeting and federal control intact to satisfy interest groups who felt the latter were necessary. Also, executive action without legislation was too alarming for many. While DOL's executive action plan seemed mainly intended to stimulate Congress into a compromise on comprehensive legislation, the Administration appeared to this author as quite ready to forge ahead without a bill. Yet, once opposition to such an intention built up momentum, it became clear that a wholly bureaucratic approach to reform was politically impossible. In terms of administrative lessons, DOL's gradual fostering of the technical capacities of subnational governments helped to make those units appear to be ready to handle sponsorship responsibilities (12, 33, 34).

The "hands-on" practice which subnational governments experienced under EEA and the pilot CMPs, was indispensable for the decentralization process. Marshall (12, p. 6) cites the involvement of states and localities in fund distribution, job-creation and staff recruitment and training under EEA as significant: "In many localities, [EEA's public employment program] was the only manpower program elected officials were directly familiar with." The CMPs were helpful
to the extent that they provided "a testing ground for administrative systems and procedures for a further decentralized effort," and "experience in dealing with a variety of problems, given the various forms of government, multijurisdictional arrangements, staff capabilities, areas to be served, and the like," which reform would have to take into account (12, p. 8).

Finally, DOL itself learned much about what would or would not fly, during the course of preparing state and local sponsors for greater responsibility. That activity involved the Department's national and regional offices in disseminating information, developing guidelines for program operation and coordinating various governmental entities in anticipation of a coming system overhaul (12, p. 9).

The totality of the experiences of the "second New Deal" (5, p. 2) and pre-CETA reform attempts educated participants in implementation as to the systemic constraints within which reform could be realized. However, programs do not arise in a social vacuum. Broader political trends influence their development. In the next section, such trends are examined in order to understand their impact upon the reform process.

POLITICAL CLIMATE

The years in which employment and training reform developed were characterized by a great deal of antagonism
between the Nixon Administration and various other actors, especially Congress. The Administration's methods of relating to Congress were often perceived by members of the latter institution as worthy of scorn. The Administration was seen as uncooperative and insufficiently concerned with Congressional sentiment. As Randall B. Ripley states:

President Nixon and his closest advisers had poor relations with Congress much of the time. Congress felt it was being pushed around and/or ignored as Nixon tried to accomplish his policy goals (35, p. 305).

Particularly irksome to Senators and Representatives, was the Administration's penchant for circumventing the legislative branch entirely. Members of Congress felt insulted by executive actions, like the one pertaining to employment and training policy, or, more spectacularly, like the ones associated with the Watergate affair. Ripley substantiates this:

Thus when the Watergate scandal broke, congressional opinion was that now Congress could and would recoup both lost prestige and power. The Watergate affair provided the opportunity for Congress to reassert itself, but such a move would have occurred even without Watergate, for many members of Congress indicated that President Nixon and the White House staff had gone too far in trying to legislate without Congress (35, p. 305).

In addition to its methods of relating to Congress, beliefs underlying the Administration's approach to the rest of the government implied potential conflict. Charles O. Jones (36, pp. 230-231) assesses those beliefs by informing
readers that President Nixon only felt accountable to the majority of voters who had elected him to office, not to Congress or other institutions. Jones (36, p. 230) elaborates upon the President's philosophy by bringing attention to his conservatism: "As a Republican with a Democratic Congress and a New Deal bureaucracy, Nixon was, in his view, mandated to fight the good fight, against overwhelming odds."

Many groups outside of federal institutions experienced conflicting relationships with the Administration too. In that era, which witnessed battles over executive impoundment of funds, war powers and cuts in social programs, the Administration's priorities and tactics aroused consternation aplenty. Ripley & Franklin (9) report numerous cases of controversy between the Administration on the one hand, and liberals, organized labor and foreign policy "doves" on the other. Those controversies often concerned basic budgetary priorities and long-term social objectives. The case of President Nixon's attempt to liquidate one of the bulwarks of the 1960s War on Poverty (the Office of Economic Opportunity--OEO), illustrates the profundity of such conflicts:

In 1973 Nixon appointed an acting director of OEO (without Senate confirmation) specifically to dismantle the agency and to transfer certain of its programs to other agencies. At the same time, he sent his budget for fiscal year 1974 to Congress. In it no money was requested for OEO as an agency (although it was authorized through June of 1974). The budget proposed placing OEO's legal services in a separate corporation, transferring certain OEO programs to other agencies...and allowing the community action programs to expire with no request for any
funding at all. This executive action sent threatened community action agencies and employee unions to the courts, where a judge ruled that no budget message could overrule a legislative authorization. The actions of the acting director were declared null and void, and he was declared to be illegally appointed (9, pp. 160-161).

Another characteristic of the political climate, during the period of employment and training reform, was that the faith of the 1960s in the federal government as a problem solver had seriously deteriorated. Conservatives, and even some liberals, were becoming critical of the illogic of federal rules. Many of the categorical programs of the 1960s were being attacked as harbors of corruption. Protests on the left, which had called for federal action on behalf of disadvantaged minorities were losing steam by the time the 1970s arrived. Levitan and Zickler (29, p. 191) identify the many different groups with an interest in employment and training at that point in time: civil rights organizations, unions, educational associations and community organizations—clearly not all dyed-in-the-wool conservatives. Yet, according to those authors (29, p. 191), "These diverse organizations tended to oppose encroachment of the federal bureaucracies into their domains while demanding federal dollars." The mood of the "second New Deal" (5, p. 2) was waning and the mass of federal regulations was stimulating a "reaction" (3, pp. 104-105) to the "overload" (3, pp. 6-13) in the federal system. The overload was associated with excessive federal intervention. President Nixon's efforts to
streamline federal bureaucracy implied that the reaction had "set in" by 1969 (3, pp. 104-105). Nixon's 1972 landslide victory in the presidential race against Senator George McGovern (a proponent of federal social programs) is perhaps the most impressive indicator of the political climate of the time.

The climate characterized by the above relationships between the Administration and various other groups, as well as by a national mood leaning toward conservatism, held implications for employment and training policy; namely, that the pace of reform was to be affected, and that the quality of reform was conditioned by that climate.

The pace of reform was inhibited at first by the political climate. From 1969 until 1973, the gulf separating the Democratic Congress (and its pro-categorical constituents) from the Nixon Administration prevented any legislative compromise from being reached. On the bureaucratic front, while the Administration made several efforts at building the capacities of state and local governments for running programs, the political atmosphere could only work to retard such efforts. The wariness with which members of Congress and liberal interest groups watched the Administration's shuffling of funds and regulations guaranteed that bureaucratically-imposed changes would not get very far.

However, the pace of reform was accelerated quickly in 1973, when DOL threatened to refurbish the employment
and training system to its own liking, without seeking Congressional approval. In the words of the ACIR report:

The attempt to blur, if not eliminate, the lines between categorical programs through administrative actions proved successful in motivating supporters and defenders of the manpower status quo in the Congress to rise to the occasion (1, p. 10).

According to Van Horn (32, p. 64), Congress, anti-poverty groups, and state and local government officials were alarmed by the Administration’s behavior. Across the political spectrum, nearly everyone with a stake in employment and training was roused to action--ready to compromise in order to work out viable legislation.

The quality of reform was conditioned by the political climate to a large extent. Of course, the basic decentralist thrust was supported by the discontent with federal solutions to problems. In addition, the political climate ensured that categorical targeting upon disadvantaged clients and anti-poverty organizations (as service providers) would not receive as much sympathy in reform proposals as it had in the past. However, such a climate did stimulate defenders of the 1960s' approach to fight hard for their interests and try to blunt the edge of the reform movement. Given the influence which these people still had on Capitol Hill, this would have the effect of forcing a significant degree of compromise on the part of the reformers if a passable bill were to be produced. Nevertheless, a new policy orientation was developing, for employment and training as well as for
other substantive areas. David B. Walker summarizes that orientation:

It was ostensibly anticentralization, anticlassical, and anti-administrative confusion. In positive terms, it supported greater decentralization within the federal departments to their field units; a devolution of more power and greater discretion to recipient units; a streamlining of the service delivery system generally; a definite preferring of general governments and their elected officials; and some sorting out of some servicing responsibilities by governmental levels (3, pp. 104-105).

**ECONOMIC CONDITIONS**

The 1960s was a period of economic growth and escalating federal expenditures. According to Adam Smith (37, p. 20), the national economy was "running at full capacity" in 1965. Ginzberg (10, p. 6) reports that it was expanding up until 1969. Federal spending on both Vietnam and Great Society programs was also on the rise. Under these conditions, unemployment was not widely perceived as a priority issue, although inner-city or rural poverty areas exhibited a structural form of unemployment (i.e., deriving from social and institutional characteristics, as opposed to deriving from cyclical economic fluctuations). Inflation remained at a safe 1-2% until mid-decade, but then began to climb as a consequence of high spending (37, pp. 20-21).

When Richard Nixon took office in 1969, he was faced with a 5% inflation rate (37, p. 21); a disturbing development at the time. To slow the rate of inflation, federal
policy called for a tightening of credit and higher taxes (37, p. 21). After 1969, there was a marked propensity toward recession and rising unemployment, in contrast to the pattern of the mid-1960s (8, p. 315; 10, p. 6). This new wave of unemployment was a consequence of a change in the direction of the national economy. Thus, it was cyclical in nature (8, p. 315). Discontent arose as social groups, normally above the poverty line, became recession victims and exerted pressure on the government for assistance.

In response to an increasingly urgent situation, EEA was passed in 1971; authorized at $2.25 billion for two years (8, p. 315). President Nixon signed the bill (1, p. 9) in spite of his dislike for public employment. Thus, the largest public employment program since the Great Depression was put into operation (10, p. 60).

However, EEA was still not enough. It was meant to put 150,000 people to work and was only authorized for a limited time period (8, p. 315). Yet, the economy continued to exhibit an unruly combination of inflation and recession ("stagflation") into President Nixon's second term, which began in January, 1973. The Bureau of Labor Statistics put the national jobless rate at 5% for that year (33, p. 486), and there were many areas of the country where it was higher. For example, Mayor Joseph Alioto of San Francisco claimed that, in certain ghetto neighborhoods, unemployment was between 20-30% (33, p. 78). According to Senator Gaylord
Nelson (Democrat-Wisconsin), the rate in 1973 for inner cities was over 10% (38, p. 12079). Kenneth Young, of the AFL-CIO, cited 4.2 million unemployed and 7-8 million total unemployed and underemployed nationwide, at about the same time (34, p. 127). Compounding the problem was the developing energy crisis. In the opinion of Congressman Michael J. Harrington (Democrat-Massachusetts), that crisis served to increase unemployment even more (39, p. 38426). Unemployment had become a major national issue for the first time in at least a decade.

What did such an economic situation imply for employment and training reform? The effects of the economic situation ran along two lines: effects upon the pace of reform, and, upon its quality.

The pace of reform was to be accelerated by the increase in unemployment. Cyclical unemployment, coupled with persistent inflation, affected citizens and organizations of many different stripes. Local governments needed money to get people in their jurisdictions off the streets and into training or public service jobs. Anti-poverty organizations had to fight for their programs in the midst of greater competition from those recently hit by layoffs, cutbacks and closures. Members of Congress could not sit still under the circumstances. The rise in unemployment thus served to increase the pressure on Congress to move ahead with some feasible reorganization of employment and training policy.
The quality of upcoming reform was to be affected significantly by economic conditions. The essential point, in this respect, is that cyclical problems preoccupied policymakers and structural concerns took a back seat. For one thing, public employment remained as popular as ever, despite strong conservative sentiment against it. Thus, the stage was set for a battle over how far policy should go in ensuring a program like that authorized by EEA. Additionally, the method of funding employment and training programs, something already being questioned by critics of the categorical system, would become a subject of debate. Unavoidably, fund disbursement would be simplified through the use of a few formulae, in which grant monies would be disbursed according to factors set by legislation, and on a basis of automatic entitlement. This would rationalize a system in which grants were made through many separate channels. With unemployment rising, the number of citizens without work in a given area became an important formula factor (33, 34). Also, given the cyclical nature of that unemployment, conflicts over inclusion of structural poverty indicators in the formulae were bound to arise. Generally speaking, reform was steered in a distributive (as opposed to redistributive) direction by the economic situation. Budget cutbacks became the item of prime concern. For example, Senators Claiborne Pell (Democrat-Rhode Island), Edward M. Kennedy (Democrat-Massachusetts) and Alan Cranston (Democrat-
California) joined together in July of 1973 to call for special treatment of "areas or States which face unusual unemployment problems because of cutbacks at Government facilities." (40, p. 25713). Senator Pell specifically mentioned naval bases in his home state of Rhode Island, which were falling victim to government belt-tightening policies aimed against inflation (40, p. 25713). Such a concern did not indicate a determination to attack poverty based on social or economic structure. Finally, the economic pressure which accelerated the legislative activity of various groups, combined with political and systemic (i.e., employment and training system) factors to raise the probability that reform would embody a compromise among the objectives of those groups.

SUMMARY OF THE CONTEXT OF REFORM

The context of employment and training reform was a source of three policy-relevant factors which affected the direction in which federal efforts would move. Those factors were: (a) systemic constraints apparent from both experiences with the programs of the 1960s and pre-CETA reform attempts, (b) a political climate characterized by conflict between the Nixon Administration and others (notably Congress) plus a lessened faith in the federal government, and (c) an economy suffering from "stagflation" and a rising unemployment rate.
The employment and training system of the 1960s was uncoordinated, yet also overly-centralized. Recognition of these problems led to thinking about how to improve the system in order to make it more efficient and responsive to differing geographical conditions. Ideas for improvement centered upon the need to consolidate programs, to decentralize authority over them, and to expand the discretion of sub-national governments with respect to utilization of grant funds.

Pre-CETA attempts to apply these ideas yielded several lessons for policymakers and those who would affect employment and training policy. Chief among those lessons were: that prime sponsorships were viable entities, but that they must possess the authority, scope and technical capacity appropriate to administering programs; and that state and local general governments were the main candidates for prime sponsorships.

The political climate held implications for reform; reform would be accelerated following an initial period of stalemate; reform would shift policy toward decentralization and decategorization.

The condition of the economy, with its rising cyclical unemployment, affected reform by: accelerating it; by ensuring that public service employment would be a consideration; by raising the question of how grant funds should be disbursed; and by steering employment and training policy.
in a more distributive direction relative to earlier policy.

Finally, the context just described was of such a nature that moderation of demands on all sides was required for a bill to be passed. A compromise package was thus fore-shadowed.
CHAPTER VI

IDEOLOGICAL FACTORS

The policy environment set the stage for reform, but the basic values and beliefs of those involved played an important role too. Leaving aside common factors (like faith in the democratic process) as well as irrelevant factors (i.e., ideological elements not bearing directly on the reform debate), Chapter VI will focus on the major ideological controversies shaping the legislative outcome. Three significant sets of opposing beliefs were identified as having affected the direction in which employment and training policy would move in the late 1960s and early 1970s. They were manifested in arguments over the desirability of: (a) decentralization and decategorization, (b) public job-creation, and (c) redistribution.

DECENTRALIZATION/DECATEGORIZATION

Devolution of power from the federal to subnational governments was the fundamental point of ideological contention. Arguments derived from conflicting beliefs about who was better suited for controlling programs—federal bureaucrats, or persons reporting directly to elected state and local officials. A preference for the latter was most
demonstrably held by the Nixon Administration, many state and local officials and conservatives in general. In their eyes, the proper place of the federal government was in the setting of broad national policy goals and standards. Within such broad guidelines, subnational governments should design and fund programs to fit the labor market and social makeup found in their jurisdictions. A preference for centralization was held most prominently by organized labor, representatives of the disadvantaged and liberals in general. They felt that consistency of service around the country and protection of local minorities required a system which was standardized under federal control. The centralists bolstered their argument with evidence of the neglect of poor and nonwhite minorities by state and local governments.

President Nixon himself, reached back to the Founding Fathers when putting forth the basis of a belief in decentralization and decategorization. In the process of explaining the "role of government," he cited the Tenth Constitutional Amendment:

'The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people'(41, p. 92).

The President then said:

The philosophy of the Founding Fathers embodied in this amendment is also my philosophy. I believe that a larger share of our national resources must be retained by private citizens and State and local governments to enable them to meet their individual and community needs.
Our goal must not be bigger government, but better government—at all levels (41, p. 92).

In presenting the decentralist philosophy to readers, Mirengoff & Rindler explain why a greater subnational retention of resources is expected to better satisfy local needs:

The ideological underpinning is the belief that a decentralized system is a better expression of popular will. It was assumed that under [decentralization/decategorization] there would be greater community involvement and that local decisionmakers would be more closely attuned to the electorate and to the clients served (31, p. 4).

A few pages later, the same authors pin down the mechanism through which decentralization and decategorization will work: "Placing the manpower program under the aegis of state and local elected officials puts it in the political arena and subjects it to the local political process" (31, p. 11).

Thus, by entrusting more control and resources to the subnational political process, decentralization and decategorization were expected to enhance the ability of employment and training programs to reflect the will of the populace in a given place. By applying this philosophy, programs which were, in President Nixon's eyes, "'bureaucratic [and] remote from the people they mean to serve,'" and whose "'direction does not belong in Federal hands'" (1, pp. 8-9), could approach the responsiveness to the electorate so prized in a democracy.

Such a view found solid support during the period of employment and training reform. Governor Patrick J. Lucey,
of Wisconsin, agreed with it, and his opinion exemplified the positions of many state and local officials:

In short, we agree with the President that there is a need for a newly defined federalism in America, that narrow Federal program requirements frequently get in the way of good administrative policy and meaningful and effective action at the state and local levels (33, p. 51).

William C. Woodward, President of the National Alliance of Business (NAB), expressed the position of members of the business community, with respect to the above principles:

Existing programs have spread, and grown, and become bureaucratized. In manpower—as in urban renewal, housing and many others—there is simply no way for a national administration to make the most effective decisions. They must be made locally (42, p. 434).

The view from the other side of the ideological fence was quite different. While praises sung to direct, local democracy might have been music to some ears, liberals, labor and disadvantaged minorities heard another sound.

The centralist view applied what might be called "an emasculative interpretation of the Tenth amendment" (43, p. 376). That is, the centralist position was based upon a very narrow perception of that Amendment's reservation of powers to state (and, legally, therefore local) governments—in contradistinction to President Nixon's interpretation. Centralist ideology was opposed to the President's assertion that employment and training (as well as other programs) do "not belong in Federal hands" (1, pp. 8-9). After all, many of those programs originated in federal hands. As Chase
and Ducat state, "The crush of modern day conditions, generated by industrialism and war, have created conditions of nation-wide...interdependence," forcing the federal government to:

...coordinate attacks on problems lying traditionally within the purview of the states, but which, because states and localities cannot or will not eradicate them, have cumulatively assumed national proportions (43, pp. 374-375).

From this perspective, a strong central government role was required or problems, such as racial discrimination, would never be addressed.

Representatives of disadvantaged minorities were probably centralism's strongest advocates. Paul J. Smith (33, pp. 664-665), of the Inter-Tribal Council of Arizona (a native American group), wrote a letter to Senator Edward Kennedy in April of 1973. In it, Smith expressed anxiety about the consequences of leaving native Americans to the care of the state of Arizona and its local governments. He based his feelings upon negative past experiences with the Arizona government and called for "special legislation" to protect his constituents. Dr. Leon Sullivan (33, pp. 590-595), head of Opportunities Industrialization Centers of America (an organization for training the disadvantaged), cited survey data before Congress in May, 1973. The data implied that, of 105 Centers nationwide, "80 could be wiped out" if control of Center funding were transferred to state and local governments. Dr. Sullivan displayed little confidence that state
and local officials would be as helpful to his anti-poverty organization as federal officials had been. Concurrence in the need for federal control, in an age of interdependence, came from the AFL-CIO. That labor organization felt that what was needed was a policy to bring "all federally-supported manpower programs under a federal, centrally consolidated administration in the Department of Labor" (34, p. 131).

What did these beliefs, as held by key actors in employment and training, mean with respect to changes in that policy area during the late 1960s and early 1970s?

Thanks to the strong advocacy of decentralization and decategorization by the White House, those ideas were bound to be heavily reflected in any reform legislation. Any legislative proposals which smacked of a mere repetition of the established centralized system were liable to suffer a Presidential veto. The influence of the White House, in this respect, was further enhanced by a loyal Labor Department.

The embrace of decentralist ideology by both state and local officials and much of the business sector meant that the Nixon Administration would have powerful allies. Aside from the political clout which such an alliance possessed in a general sense, state and local governments and many private firms were functionally indispensable to any version of employment and training system which might obtain.

Another implication for employment and training policy,
evident from the above ideological views, was that elected officials of state and local governments would be prime candidates for program control responsibilities. This is because of the importance placed upon the subnational political process in decentralist thinking. For believers in that process, it seemed the preferred location for deliberation of the pros and cons of program alternatives. A corollary of this logical element was the notion of community participation—grass-roots input from a plurality of local organizations. This concept, with its connotation of popular democracy, was acclaimed during the 1960s and continued to be praised in decentralist thinking.

Despite the power of belief in a decentralized system, centralist ideology remained strong among many actors carrying weight in employment and training affairs. It is clear, from the literature and records of policy debates, that belief in the federal capacity to satisfy needs was still potent among Congressional Democrats, ethnic minorities, the poverty community and labor unions (33, 34). Congressional resistance to all-out decentralization was thus assured.

PUBLIC EMPLOYMENT

The creation of jobs in the public sector, as a remedy for rising unemployment, was a second focal point of ideological dispute. The Nixon Administration and conservatives were opposed to programs for expanding the rolls of public
service workers. Such a policy approach has always been anathema to staunch defenders of private enterprise. Most Congressional Democrats and liberals were in favor of increased government hiring, because they perceived it as a more tangible prescription for treating unemployment than waiting for a revived private sector to absorb large numbers of the unemployed.

The reasoning behind the conservative distaste for public employment was expounded by economist Milton Friedman (44, p. 59). Although the following argument was published shortly after the enactment of CETA, the issue was the same one as before enactment. To Friedman, and others opposed to public employment, the appeal of hiring more people on taxpayers' money was "spurious," because the "indirect" costs of such programs were likely to outweigh the immediate benefits. He raised the question of where funds to pay for public jobs would come from. Friedman considered available answers to that question unsatisfactory. For example, cutting government spending in one substantive area, to finance new public employment in another area, was expected to cause layoffs in the first area--plus, as Friedman saw it, "very likely a loss in efficiency." Another common answer to the above question was that the newly created positions could be paid for out of revenues raised from tax increases. However, such a solution was frowned upon by Friedman because he felt that tax increases only hindered the capacity of the private
sector to hire people. In that case, "New government employees would simply replace persons employed in the private sector. 'Make-work' would replace private employment that met demands of taxpayers." Friedman continued, dismissing the possibilities of funding public employment through "borrowing from the public," or "printing or creating new money." He envisioned problems with the borrowing option because "less credit would be available to lend to others." More public borrowing would also mean that "Make-work would replace employment devoted to adding to our productive wealth." Friedman completed his criticism by pointing out that increasing the money supply, to pay for new government jobs, would be "inflationary and so would undo with the left hand what the right hand was striving to achieve--namely, less inflation." Recall that, early in the first Nixon Administration, federal policy prescribed a tightening of credit in order to fight inflation, and this was followed by employee layoffs (37, p. 21; 8, p. 315). Turning to a prescription of what to do, given such an economic quandary, Friedman suggested easing up on anti-inflation measures and "improving our system of welfare and of insurance against long-term unemployment."

Thomas P. Walsh, of the U.S. Chamber of Commerce (34, pp. 186-189), expressed a more moderate opinion on public hiring, yet one which nevertheless revealed a dislike for such an approach. He could have accepted a program providing
temporary jobs, with clients tightly restricted to those unemployed the longest, and on the condition that "these jobs should avoid competing directly with business for workers."

Walsh asserted the superiority of the private sector in employment and training affairs. As evidence for this, he pointed out that four out of five members of the work force were privately employed. As further evidence, he cited the success of the National Alliance of Business/Job Opportunities in the Business Sector (NAB/JOBS) program* in channeling over a million disadvantaged youth into employment. In Walsh's estimation, since business was "best informed on the number and types of current and prospective jobs," neglecting "to take advantage of the experience and perspective [of] business could result in unrealistic and wasteful manpower training programs."

Advocates of public employment saw matters in an entirely different light. They brought up the Employment Act of 1946 as proof of federal acceptance of responsibility for reducing joblessness, and countered the above arguments with respect to the social and economic viability of public hiring.

Congressman Henry S. Reuss (Democrat-Wisconsin) (39, pp. 38422-38423) supported public employment as a remedy for recession-induced layoffs, for four reasons. First, he re-

*a federal categorical program, begun in 1968, in which poor clients were trained by businesses (30, p. 57; 45, p. 114).
ferred to federal responsibility under the Employment Act. Secondly, he considered public employment to be the most direct way to put people to work. Third, Reuss did not believe that public employment caused inflationary problems. Rather, inflation was fed by shortages in the economy, including shortages of labor. Finally, the Congressman thought that public hiring would help to avoid a bigger recession, because certain economists estimated such hiring would yield more jobs in the private sector. He cited professional opinion to the effect that, for every public job created, two additional private ones would result. Not content with defending public employment, Reuss attacked the view which called for policies aimed at macroeconomic expansion—to wait for benefits to (as Reuss saw it) "trickle down." That approach required too high a consumption of fuel and raw materials for the Representative from Wisconsin.

Others agreed with Congressman Reuss. Kenneth Young, of the AFL-CIO (34, p. 131), also referred to the Employment Act, and offered the labor federation's own interpretation of federal responsibility. According to that interpretation, when the "regular" workings of the economy failed, federal responsibility consisted of funding a "large-scale public-service employment program," because training without jobs waiting for trainees was nonsensical. Mayor Patricia Sheehan, of New Brunswick, New Jersey (33, p. 124), sided with Congressman Reuss, stating that "many economists"
believed that public employment was the "least inflationary" way to expand employment and could help alleviate the "desperate shortage of public goods and services which cities face."

The arguments over public employment were based upon expert analytical estimates--more so than the other ideological disputes generated during reform proceedings. In trying to convince constituents of the desirability (or undesirability) of public employment, the leading political forces on either side prepared their evidence carefully. Between them, business leaders and the Nixon Administration constituted a potent coalition on this issue. Opponents of public employment argued for the anti-public employment faith by emphasizing the detrimental consequences they anticipated from an expansion of government hiring. They would endeavor to construct a scenario of increased inflation, taxation, corruption and waste, as well as lowered productivity--all coming on top of an already unhealthy economic condition. On the other hand, labor, state and local governments and most Congressional Democrats would stress that "stagflation" could be treated with the assistance of public employment. They would also point out that, with EEA expiring in 1973, the chance to extend that assistance should not be passed up.

The public employment programs of EEA had been popular (33, 34, 39, 40). Unemployed clients who benefited from that Act greatly appreciated being offered jobs, although temporary
ones, in public service. Accordingly, the members of Congress and state and local politicians who presented constituents with such benefits accrued political merits. Thus, once EEA was on the scene, and given the condition of the economy, public employment seemed assured of continuation. The only questions left, by 1973, were those dealing with the scope and duration of a new public employment program.

The range of answers to these questions was sizeable. At one extreme were liberals like Senator Walter Mondale (Democrat-Minnesota) (33, p. 134) who felt that much of the discourse on public employment was blind to the important point. While others argued over fractional changes in funding, Senator Mondale's opinion was: "As a matter of fact, I think we ought to determine whether the program should be doubled, tripled, or quadrupled." At the other extreme, were public employment critics, like Nixon Administration officials, who wanted no part of a mandatory or permanent program. They wished to leave this kind of program as one of several options available at the discretion of prime sponsors (30, p. 55). In step with the White House, DOL (30, p. 56) had proposed that only areas suffering unemployment of 8% or higher should be eligible for public jobs money, when other such proposals were generally in the range of 6-7% (33, 34, 39, 40).

Employment and training reform would not occur without a resolution of the public employment question. Some exten-
sion of government hiring, similar to EEA, was unavoidable. That the program would be significant in size, (i.e., approaching EEA) was clear, judging from the condition of the economy and public employment's political appeal. Yet, just how far Congress would go in guaranteeing such a program remained unclear.

REDISTRIBUTION

Ripley & Franklin (9, p. 21) define distributive policy as "aimed at promoting private activities that are said to be desirable to society as a whole and, at least in theory, would not or could not be undertaken otherwise." Elaborating upon the concept, those authors state that distributive policies yield "subsidies," which are spread around in such a manner that "there appear to be only winners and no losers." In other words, a sense of competition between those subsidized is lacking. Figuratively, they characterize distributive policies as those which "embody the federal pork barrel in its fullest sense." In contrast, the same authors define redistributive policy as:

...intended to manipulate the allocation of wealth, property rights, or some other value among social classes or racial groups in society. The redistributive feature enters because a number of actors perceive there are 'winners' and 'losers' in policies and that policies transfer some value from one group at the expense of another group (9, p. 25).

Ripley and Franklin (9, p. 25) then explain that the term redistributive takes its special political meaning when the
direction of value reallocation is from the relatively well-off to the relatively disadvantaged. Such a reallocation of value usually generates controversy, based upon philosophical differences.

The rationale for redistribution, as put forth by modern American liberals, is based upon a conceptualization of the role of the federal government as an agency to be used for alleviating social inequality. This view has been expressed consistently by prominent policymakers. For example, Supreme Court decisions during the Great Depression (which served as precedents for later decades) took this view, enunciating a broad interpretation of federal powers in upholding the rights of workers to organize and of elderly citizens to enjoy financial security (3, p. 69). Several decades later, the same belief was evident in the federal Economic Development Administration (EDA), whose representative in Oakland, California, Amory Bradford, saw that agency's job program for ghetto residents as an appropriate method in dealing with inner-city social problems (7, p. 3).

Opponents of redistributive policies have held that such policies allow too much federal intervention in private and subnational affairs and foster corruption and administrative red tape as well. Such a view was expressed during the 1930s, in opposition to policy pronouncements like the Court decisions just mentioned. At that time, a reaction to such redistributive policies took place, in which:
Political conservatives in both parties, business groups, and financiers as well as former president Hoover, joined in a defense of limited constitutional government, the sovereignty of the states, and the free-market economy (3, pp. 68-69).

Ripley and Franklin (14, pp. 160-185), have summarized the complaints of contemporary critics of federal redistributive efforts. To the critics, redistributive programs have been seen as "'external interventions into local systems,'" based on "bureaucratic imperatives" and conducive to "fraud and abuse." During employment and training reform proceedings, such convictions (as well as those favorable to redistribution) were in evidence, as the proper emphasis of a new bill was debated.

Representatives of anti-poverty organizations felt the political tide turning against them as forces calling for decentralization, decategorization and consolidation gained momentum. Community-based organizations (CBOs)--national associations with local chapters, engaged in redistributive efforts--were worried about losing the government contracts they had enjoyed under 1960s' legislation. They perceived "in the trend toward consolidation a threat to their separate identity and to the rationale for having separate organizations to deal with specific client groups" (31, pp 112-115).

Republican Senator Jacob Javits (New York) was an outspoken defender of a redistributive emphasis. The Senator's position was illustrated by a proposal he made to Congress, in July of 1973 aimed at protecting anti-poverty programs
established in the 1960s. Javits wished to retain, for DOL, the power to:

...turn a program off...[in case] it fails to give 'due consideration to continued funding of programs of demonstrated effectiveness' for manpower training under the Manpower Development and Training Act or the Economic Opportunity Act (40, p. 25712).

Those opposed to required funding of anti-poverty organizations preferred to see special consideration for target groups removed from legislative proposals. William Kolberg, Assistant Secretary of Labor, was unequivocal about that. Kolberg told members of Congress that the Administration's preference was for:

...no presumptive deliverers of service, although we do expect that nearly all [subnational] officials will choose to utilize the services of established and experienced agencies...when their local plans include activities traditionally associated with those agencies (33, p. 281).

The Assistant Secretary did not say what might become of established providers, in case local plans did not include activities traditionally associated with those agencies. Kolberg continued with Administration logic (33, p. 282) objecting to Senate proposals to mandate services to persons of limited English-speaking ability and the elderly, saying that such proposals represented a "step away from the complete decategorization favored by the Administration." Thomas P. Walsh, of the U.S. Chamber of Commerce (34, p. 189), voiced opposition to a House proposal for guaranteeing that CBOs and other organizations serving special client groups
participate in developing prime sponsor plans. To Walsh, that notion was too categorical. He felt that the word "target" in the House proposal's language was improper. Walsh preferred reform legislation to "provide an opportunity for participation by a broad spectrum of interests, including business and labor as well as government and minority groups."

Disputes over the method of disbursement of employment and training funds were particularly relevant to the question of redistribution. Reformers wanted to simplify the various funding procedures, of the programs up for consolidation, into just a few formulae. The new formulae would be based upon measures of the relative need of recipient jurisdictions (e.g., a state or county's proportion of the total of unemployed persons), with recipients being automatically entitled to money by virtue of being prime sponsors. Prior to reform, many employment and training programs had been funded on an individual project basis, while others were formula funded. Under project funding, "not all eligible areas need receive shares, and these shares need not be equal...unlike formula grants, they can be molded to fit the recipients' peculiar problems" (47, p. 270). Project funding also delegates "considerable discretion to middle-level federal grants' administrators, including the power to decide what units...[qualify] in the competition for project awards" (3, p. 103). The established combination of funding methods led many to
complain of unfairness to certain parts of the country, and certain constituencies, which were left out in the cold, not to mention the problem of administrative complexity. Yet, as attractive as reform proposals may have seemed to innocent observers, proponents of redistribution felt that reformist plans would pull the rug out from under poverty constituents, who had been favored by 1960s' arrangements. Unfortunately for the latter, reform cries for consolidation, simplification and reduction of federal bureaucratic discretion, were louder than voices defending the existing system. Some examples of formula disputes will serve to illustrate the relationship between funding options and a redistributive approach.

One of the few differences between the two chambers of Congress (perhaps the most significant), in writing comprehensive legislation in 1973, was that between the funding formulae they presented. The House version called for distributing money for "comprehensive manpower services" (i.e., the basic grant to subnationals) on the basis of "the relative number of unemployed" in a prime sponsorship or program area, as well as the "previous year's allotment of manpower funds" for that area. The Senate wanted this formula based on "the relative number of unemployed and of adults with an annual income below the Bureau of Labor Statistics' lower living standard budget" (1, p. 13). While this example risks oversimplifying the nature of these proposals, it is clear
that the Senate version was taking a more redistributive path.

A little later in the same year, the House was considering a new basic grant formula which incorporated: (a) the relative number of unemployed, (b) the relative size of an area's work force, and (c) the previous year's allotment (34, p. 130). The AFL-CIO and a segment of city officials felt that inclusion of the work force factor would result in a pork-barrel distribution of benefits. Accordingly, those actors proposed alternative formulae, incorporating adult poverty in place of work force size (34, pp. 48-49; 34, p. 130).

One final example shows the magnitude of the distributive-redistributive question, a question which was often hidden, but nevertheless present. The National Association of Counties (NACO) was pushing for a shift of programs and funding emphasis toward non-urban areas, complaining that the 1960s' big city approach was ignoring the vast needy population in suburbs and rural places (33, p. 151). NACO backed the House formula just mentioned (with unemployment, work force and prior year's allotment) (34, p. 67) -- the same one which labor and some mayors thought would be too distributive. Apparently, the counties felt they would fare better under that arrangement. While not openly criticizing redistribution, NACO was backing a formula which veterans of the War on Poverty saw as too broad in its spreading of benefits.

It appeared that the 1960s' redistributive approach
would be altered in favor of a wider distribution of services and jobs. Funding revision was in the offing, and no formula proposals called for a predominance of poverty factors over other factors (e.g., previous funding). An area's relative number of unemployed could be an indicator of recession damage as much as of structural poverty. While defenders of categorical targeting tried offering formula proposals which would stress redistribution, they remained anxious about the idea of destroying the network of separate project grants.

Ripley & Franklin sum up the reason for that anxiety:

The choices about who gets what at the expense of whom (the essence of a redistributive program) are fuzzed over by the use of a formula to allocate funds and by the stress on local control...Given the absence of a national mandate to emphasize redistributive benefits, and the inexperience and/or unwillingness of city and county [or state?] governments to engage in redistributive activity, [decentralized, decategorized] programs will get defined and implemented as distributive programs, and the conflicts that arise will focus on questions of jurisdiction and dollar allocations to geographically defined units rather than on who benefits to what effect in a broader social sense (9, p. 173).

Categorical targeting on the disadvantaged no longer enjoyed the support it once had, and was being attacked by the Administration, state and local governments and business; charged with responsibility for many of the ills of the system.

However, proponents of a redistributive approach were not political weaklings, and many organizations on that side of the ideological fence were fighting for their survival. Groups like the AFL-CIO, or large community-based organizations, maintained significant influence on Capitol Hill and
in parts of the federal bureaucracy. These groups were also of importance to the stable functioning of much of the employment and training system—being experienced program operators. They had little choice under the circumstances, but to accept pending changes. However, given the place of these actors in the system, and in American society as representatives of large segments of the population, their calls for some retention of targeting and "programs of demonstrated effectiveness" (40, p. 25712) could not go entirely unheeded in Congress.

SUMMARY OF IDEOLOGICAL FACTORS

The three outstanding ideological disputes during reform proceedings occurred over: (a) decentralization/decategorization, (b) public service employment, and (c) redistribution.

The Nixon Administration, prominent members of the business community and the bulk of state and local officials favored decentralization of program control to subnational governments, as well as elimination of federal restrictions on fund utilization by subnationals (decategorization). They based this position upon a belief in the subnational political process as a better arbiter of differences over the nature of programs. In their view, federal officials were out of touch with regional, state and local conditions, and were best suited for setting broad national goals, while
leaving the means of implementing those goals essentially up to states and localities.

Opposed to such thinking, were those believing in a retention of a strong federal role in program design and implementation. Some members of Congress, poverty community groups and many unions took this view—which was derived from observing an interconnection between different areas of the country and concluding that strong central coordination was needed. The often poor track record of states and local governments in areas of social policy seemed to verify the necessity of centralization for these groups.

The embrace of decentralization and decategorization by many in government, at all levels, plus the private sector, meant that significant changes along those lines were imminent. Yet, minority groups, many members of Congress and others were not about to allow the decentralizing trend to go too far. Thus, employment and training policy had to incorporate some new philosophical principles, while trying to avoid possible chaos in the delivery system due to the profundity of applying the new principles.

Opponents of public employment cited many undesirable social and economic consequences which could be expected from such a program, as a remedy for cyclical unemployment. Yet, proponents countered with logic of their own, even claiming that public employment would be healthy for the economy. Given the wide support which public employment
programs of the Emergency Employment Act received, as well as the state of the economy, such programs seemed assured of continuation. However, those looking at public employment in an essentially negative light were highly influential, and would do their best to keep such a program from mushrooming into a limitless spending spree at the taxpayer's expense.

The extent to which employment and training policy should target on the disadvantaged, as so much of it did in the 1960s, also divided participants in an ideological way. Many groups favored an implicitly more distributive approach because of their perception of Great Society categorization as unfair in terms of geographical disbursement of benefits. Prevailing discontent with the heavy hand of Washington assured a rough road for anti-poverty warriors--a distinctly different circumstance from the experience of the 1960s.
CHAPTER VII

OBJECTIVES

The ideological factors above were based upon actors' philosophical persuasions. In this part, the concrete objectives of actors, as well as the significance of those objectives for the development of reform, will be examined. The organizational format for this part was devised upon recognition of several distinct groupings of objectives among those with a stake in federal employment and training policy. Some of those groupings include the objectives of only a single organizational unit or interest group. Other groupings include the objectives of several organizational units because of a close similarity between the ends sought by those organizations. The purpose of this part of the thesis is to round out the analysis of factors affecting reform, by complementing the parts on context and ideology.

NIXON ADMINISTRATION

The essential objective of the Administration in employment and training reform was in trying to make that substantive area a showcase for President Nixon's "special revenue sharing" model of intergovernmental fiscal relationships (41, p. 93). Reagan and Sanzone (6, p. 128) define
special revenue sharing (SRS) in terms of a closely related Nixon model called General Revenue Sharing (GRS). According to those authors (6, p. 82), GRS was "based on transferring federal revenue to subnational governments with as few federal guidelines (strings) as possible," and was meant to reduce federal interference in subnational decision-making so that officials of the latter governments could "decide on their own priorities, goals, and funding levels for specific programs." The same authors (6, p. 82) consider the elements of GRS to be "quite a departure from the conditional categorical grant programs of the 1960s," and think those elements were "rightfully dubbed a 'New Federalism'." They define GRS as a:

...new model in that it is a hybrid of cooperative federalism--the federal government fiscally assisting subnational governments to achieve their own objectives--and dual federalism--the ideological jargon of states' rights and local control (6, p. 82).

To Reagan and Sanzone:

...special revenue sharing would be just like its 'big brother' GRS: a way of transferring funds from the national to the local [or state] level without further federal decision making, except that SRS would specify a broad area within which the recipient government must use the funds, such as community development, law enforcement, education, or manpower training (6, p. 128).

Of utmost importance was the fact that SRS recipients would not have to apply for federal money--they would be entitled to a formula amount, based upon demographic and other data--and "there would be no granting-agency approval [of sub-
national plans] required" (6, p. 128).

Melvin B. Mogulof (46) also wrote on SRS. According to Mogulof, the intent of SRS is the consolidation of grants while leaving a few federal strings attached. The role of the federal government in such a relationship would basically be limited to ensuring that broad national goals are being met and the law is being obeyed. The gathering and dissemination of information, the provision of technical assistance to states and localities and research and development would occupy federal bureaucrats—but not decisions regarding subnational program characteristics. Also, the matching requirements so typical of categoricals would be eliminated under SRS. Those requirements called for a recipient to invest a quantity of its own revenue in certain activities—that quantity being determined as a proportion of the federal investment in those activities. SRS was to replace matching requirements with "maintenance of effort" responsibilities for subnationals to meet; whereby the latter would simply be obligated to sustain the same level of funding in a substantive area. In Mogulof's words (46, p. 30), "Total decategorization" of a policy area would be "the best initial step" in realizing SRS.

President Nixon declared his Administration's objectives for four substantive areas, including employment and training:

...I remain convinced that the principle of special
revenue sharing is essential to continued revitalization of the federal system. I am therefore proposing the creation of special revenue sharing programs in the 1974 budget.

These four programs consist of broad-purpose grants, which will provide State and local governments with $6.9 billion to use with considerable discretion in the areas of education, law enforcement and criminal justice, manpower training, and urban community development. They will replace 70 outmoded, narrower categorical grant programs and will, in most cases, eliminate matching requirements (41, p. 93).

With respect to the "manpower training" area, the Administration tried to adhere to the SRS model whenever it was necessary to state a position. Even in the atmosphere of compromise in 1973, DOL continued to fight for the SRS model. For example, despite the Administration's private sector support, Assistant Secretary Kolberg (33, p. 282) told members of Congress that "we are opposed to any implication of writing the categorical [National Alliance of Business] JOBS contract program into permanent law." The key word in this quote is categorical. Such a stance, against any categorical tainting of SRS, was taken by the Administration consistently during legislative hearings in 1973, and the discretion of state and local governments was spoken of as being as sacrosanct as the notion of presumptive providers was sinful (33, 34). Perhaps the most indicative evidence of the Administration's adherence to the SRS plan was Kolberg's statement (34, p. 81) to the effect that federal approval of grants should be based upon prime sponsors' own certifications that their programs meet national require-
ments. That opinion was expressed to members of Congress only a few months before CETA was enacted, and illustrated the Administration's tenacity, right up until the end of reform proceedings.

The objectives of the Nixon Administration for employment and training were extremely important to the direction to be taken by reform. The weight carried by the Administration and allies, in pushing for decentralization, decategorization and consolidation, has already been discussed in this paper. However, aside from those reasons, the SRS scheme was significant for employment and training reform for another critical reason. SRS served as the yardstick against which the objectives of virtually all other actors were compared. While other forces pushed for changes in, or retention of, certain elements of the status quo, only the Administration proffered a complete plan for systemic reform. The Administration took the initiative, and others reacted. Most of the discourse on employment and training reform in the early 1970s, regardless of the terms in which it was expressed, amounted to different degrees of acceptance, rejection, or adjustment of the SRS framework.

STATES

The National Governors' Conference made no pretense at apologizing for the status quo in employment and training. State chief executives had felt left out by the programs of
the 1960s, and were ready, willing and able to obtain a new piece of the grant-in-aid action.

Essentially agreeing with the Nixon Administration's reform plans (as long as those plans were carried out upon legislative authorization), the Governors focused upon one major concern. That was, that reform should avoid handing too much authority over to cities and counties, leaving states to pick up the odd responsibilities lying outside the spheres of the former. A largely federal-local connection was just what the Governors had to prevent, or else employment and training revenue sharing would be, in their view, unworkable (33, pp. 50-71).

State governments accepted the probability of playing a sort of clean-up role--acting as stewards for areas within states which lay outside the jurisdictions of populous cities and counties (33, 34). These were the so-called "balance-of-state" areas (1, p. 14). However, the Governors were eager to play a bigger part, namely, that of central coordinator of federally-financed employment and training activities in a state. Governor Francis W. Sargent, of Massachusetts (33, pp. 52-53), thought "the States must be allowed to play the major role in setting manpower priorities," because giving too much power to substate officials would be wasteful and inefficient. Agreeing with Sargent was Governor Calvin L. Rampton, of Utah (33, pp. 54-55), who saw "political fragmentation" replacing categorical fragmentation, if local
governments were not coordinated through a single state plan. Rampton felt a long-run consequence of excessive local control would be a renewal of calls for federal intervention to restore order. Rampton specified the need for state governments to control the distribution of resources to substate units, and not just act as a pass-through station, because control of money was indispensable for elected officials to be "heard." The Utah Governor did acknowledge that the locals were "equally important, if not more important," in delivering services.

Another concern of the states was the method of disbursement of federal employment and training funds around the country. William R. Bechtel, executive director of the Wisconsin State Manpower Council (33, p. 71), asserted that one of the thornier problems states had in this policy area was the unstable, unpredictable fashion in which federal regional offices provided funds. Bechtel complained that Wisconsin had recently suffered three different regional administrators for employment and training in a single year. Each administrator altered the funding pattern, leaving Wisconsin officials unable to plan for the future. For reasons like this, state officials looked for a revision of the funding method along the lines of the simplification into a few formulae mentioned earlier in this paper (33, 34).

The strong desire by state officials to take on new responsibilities, led to their basic alignment with the
Nixon Administration, at least in terms of the latter's preferences for restructuring the employment and training system. That, plus dissatisfaction with existing funding methods, implied that the reform movement had acquired some very influential members in the form of state officials.

The determination of state officials, combined with their increasing functional importance, meant that states would undoubtedly play a larger role in employment and training than in the 1960s. State governments had developed their planning and administrative capacities to a significant extent by the early 1970s. Yet, even before that, much of the delivery system was dependent upon such entities as public schools or the federal-state employment service. Those entities were connected in various ways to state governments (e.g., through a state education department), and such connections already implied some responsibility (even if indirect) for employment and training, on the part of state governments. Thus, the popularity of decentralization, the recently acquired state capacity for joining in implementation and the continuation of that part of the old system (reform was not to cover the whole system) whereby state officials were already involved, implied a larger state role for the future.

CITIES

City governments represented by the National League
of Cities-U.S. Conference of Mayors (NLC-USCM) agreed with decentralization, decategorization and consolidation, and, like the states, appeared eager for a larger share of program responsibility. Yet, the cities emphasized certain items which were of special importance to them. In one respect, namely the mayors' call for autonomy in the designing and running of programs, cities were declaring themselves to be in open competition with the states and populous counties.

Mayor Stanley A. Cmich, of Canton, Ohio (33, pp. 76-77) an officer of the NLC-USCM, provided a convincing argument for what he called a "bottoms-up" approach to implementation. Cmich felt it was "ill-conceived to think that an effective system of planning and operations can be developed from the top down." In his view, the real diversities found between cities would be ignored by state (or federal) officials. Cmich complained about an idea put forth by the Governor of Ohio, which would have created state planning districts, one of which would have combined Cleveland, Akron and Canton in the same district. That, according to Cmich, was absurd, given the differences between those cities. He held that reform should authorize formation of "logical planning districts," to be determined by the "individual metropolitan core cities and other jurisdictions." That would best be achieved through "direct funding to the cities," in the mayor's opinion. Mayor Russell Davis, of Jackson, Mississippi, also with NLC-USCM (33, pp. 104-107), concurred with Cmich,
demanding that local elected officials be allowed to "determine prime sponsorship within their jurisdiction," and that "locally determined programs and priorities would be presumptive."

Such opinions were mainly directed against state impositions. Yet, many city governments were apparently worried about being subsumed under county authority as well. Steve Cappiello, mayor of Hoboken, N. J. (34, pp. 43-46), felt there were a number of smaller cities which, if included under a county or state sponsorship, would remain underserved. Specifically, Cappiello asked that the Secretary of Labor be permitted to designate "smaller metropolitan cities" as prime sponsorships, "when special and severe manpower problems exist in [those cities, and when they have] the demonstrated capacity to plan and operate manpower programs." John Gunther, executive director of the USCM (34, pp. 47-54), agreed with this. Cappiello (34, pp. 45-46) also proposed that smaller cities be enabled to join together in consortia, which would then act as separate prime sponsorships. Culhane (30, p. 58) reports that city officials supported a proposal requiring counties to have a minimum population of 150,000 to be prime sponsors (as opposed to another proposal of 100,000). The former requirements would have the effect of reducing the number of county sponsorships.

Two other points, generally emphasized by city officials, were the need for public employment and the need to
maintain past levels of funding within local jurisdictions. The position of most mayors on public employment was exemplified by Mayor Sheehan, of New Brunswick, N.J. (33, p. 124), who spoke of the "desperate" need cities had for EEA-style programs. Joseph Alioto, mayor of San Francisco (33, p. 80), said that EEA jobs were "at the heart of the city's public service." The majority of city officials whose views were discovered by this author felt as Alioto and Sheehan did on public employment. Likewise, the need for an adequate "hold-harmless" clause, in any new bill, was widely cited by city officials (33, 34). Such a clause would be intended to guaranty continuation of a certain percentage of previous funding for a given jurisdiction. John Gunther (34, p. 50) told members of Congress that he was concerned about "disruptions" of decade-long patterns of service and wanted a "percentage 'floor'" (e.g., 95% of the previous year's assistance) mandated, in order to prevent such disruptions. Undoubtedly, city governments were anxious about the new policy trend in which the 1960s' urban emphasis seemed to be losing support.

One issue around which cities did not unite was that of the basic grant formula for fund disbursement. In accordance with their concern over maintenance of previous funding levels, city officials supported a formula which would meet that concern (1, p. 14). Yet, beyond that, unity among cities on formula factors was lacking. The Culhane
(30, p. 58) article reveals that the mayors' organizations did not press Congress for a particular formula, because there was too much of a divergence of interests among cities to allow them to close ranks behind any of the available proposals. By way of example, Mayor Richard Hatcher, of Gary, Indiana (33, p. 108), felt that the relative number of unemployed in an area should be the "principal factor," while John Gunther (34, pp. 47-54) thought only two factors should be used—the relative number of unemployed, and, the amount of adult poverty. Gunther dismissed inclusion of the proportion of the total labor force in an area, because it would allocate funds to "suburban and more affluent jurisdiction at the expense of central cities and counties where unemployment and poverty are the greatest."

The city stance in favor of a highly localistic, highly decentralized system held some mixed implications for employment and training policy. Calling for a "bottoms-up" approach meant that, to the extent that legislation reflected that call, the local political process would be enhanced as a forum for shaping programs. Programs might then be expected to incorporate both 1960s' and new wave qualities, depending upon the particular locality in which they were developed. Given the sympathy which localistic values enjoyed at the time, a "bottoms-up" system would be a realistic possibility. In cities where anti-poverty organizations already possessed close ties to city politicians, 1960s' quality
programs could be expected to continue. On the other hand, in places where other service providing organizations had the ear of city hall, programs would more likely take on a different (less redistributive?) quality.

The preference of city officials for "hold-harmless" provisions (whether in, or separate from, the basic grant formula), if realized in law, would be expected to supplement the above implications. Where anti-poverty groups were already established and friendly with city governments, maintenance of past funding levels would surely serve to perpetuate that situation. On the other hand, in communities with a different set of political accommodations, a quite different status quo could just as easily be perpetuated by "hold-harmless" provisions.

Two other points of significance for reform are evident from the stated objectives of city officials. First, the tenacity with which those officials defended city territory--citing the political, administrative and social importance of their governmental units--implied that the policy road leading away from the 1960s' urban focus would surely be littered with obstacles placed there by city forces. Secondly, city governments constituted one of public employment's most crucial sources of political support. In coalition with groups, such as labor, city governments would help to perpetuate that program, and to reap the fiscal, political and perhaps social benefits associated therewith.
COUNTIES

There was some similarity between the interests of county governments and those of the cities, both being units of general local government. Nevertheless, counties were in competition for a greater share of responsibility in implementation. Thus, while county officials concurred with their local government cousins in city halls on several items, the former also pushed for reform provisions which would serve their units only.

Counties agreed with cities on three basic items. First, both types of government aggressively argued for local power, and secondary roles for the federal and state governments. As Ralph Tabor, Director of Federal Affairs for the National Association of Counties (NACO) (33, p. 172) put it, federal and state authorities should occupy a "fallback position" in employment and training. Not as vociferous as the cities about minimizing the role of states, counties nevertheless were skeptical that state governments could be responsive to community needs (33, pp. 136-173). Secondly, county officials favored a maintenance of previous funding to an area through "hold-harmless" provisions, like their city counterparts (34, p. 67). Third, both types of local government called for continuation of public employment. John V. Klein, also a NACO officer (33, p. 145), felt that prime sponsors (which of course should include counties)
should be given the discretion to spend virtually any portion of their grant allocations on public employment.

Beyond these items, counties took off on their own. John Klein (33, pp. 136-138) said a need existed for counties to be prime sponsors in many areas where no sizeable city was present, yet where a sizeable population lived under county jurisdiction. Klein dismissed the idea of placing fairly populous counties, which lacked large cities, under state stewardship. He felt there was a "paucity of planning resources inherent in balance of State status." Ralph G. Caso, President of the New York State Association of Elected County Executives (34, p. 69), thought reform legislation should allow county prime sponsorships in high population counties, even if they contained a large city. In Caso's opinion, such an allowance would make more effective coordination possible. Ralph Tabor (33, p. 172) asked for incentives to be made available for local government sponsorships in a labor market area to coordinate their activities.

Such a stance, favoring county autonomy, was backed up with the results of a NACO staff study, presented to Senators by Klein (33, p. 151). The data showed that, as of the beginning of the 1970s, most of the nation's poor and unemployed lived outside of urban areas. Klein cited statistics like:

Of the 25,522,000 estimated poor in the 1970 census data, 8,165,000--32 percent--lived in central
cities while 17,355,000--68 percent--lived in suburban and nonmetropolitan areas (33, p. 151), or, as of 1969, 1,251,000 unemployed lived in "core urban areas" while 2,237,000 lived "outside those areas." Yet, programs inherited from the 1960s were aimed at large cities. Aside from poor and unemployed persons, the bulk of the nation's jobs were purported by the study to have moved to the suburbs. In Klein's words, "27 million labor force participants lived in the central cities, [while] over 55 million members of that group were in suburban and rural districts."

These figures seemed to indicate a need to shift the emphasis of policy away from large cities and toward suburbs and rural areas.

That indication, along with county opinion, such as Klein's (33, p. 150), that "other units of government have not demonstrated either their willingness or ability to deal with local areawide human resources problems," while "Counties have been quietly building this capacity for years," formed the basis of county officials' demands for a status equal to states and cities in the reformed system.

To a good extent, county and city objectives were to have a similarity of effect upon the direction of reform, even though the interests of each only partially coincided. County demands for full-fledged prime sponsorship status, and local power in general, coupled with city demands for the same things, meant that the system was more likely to be re-shaped according to the decentralist ideal of community level
decision-making. This county/city alignment combined to greatly reduce chances of having a system in which the national or state governments would be the preeminent decision-makers. Given that, plus the city/county support for "hold-harmless," the way in which redistributive questions would be settled would be even more likely to follow the path referred to above in the section on cities. In other words, between the combined influence of cities and counties on reform proceedings, the probability that the redistributive issue would be settled within an individual community's political framework was increased. Local power, plus maintenance of past funding to an area, implied that established delivery organizations with established access to local politicians would have an edge over competitors. Additionally, both kinds of local government favored public employment, which served to strengthen that program's prospects. On the other hand, counties constituted a leading force pulling employment and training policy away from its earlier urban focus. This position would have the effect of helping to open up grant opportunities to a greater variety of recipients than was true under the 1960s' arrangement. Van Horn (32, pp. 157-159) felt this would assure a more distributive policy approach in the 1970s.

PUBLIC SCHOOLS

Public schools had been involved in much of the train-
ing effort of pre-reform policy. Mirengoff and Rindler (31, p. 25) report that MDTA training funds had been distributed on a pass-through basis to states, which then generally disbursed the money to offices of the state employment service or public schools. According to Dr. Richard Gousha, Superintendent of Schools for Milwaukee, Wisconsin, and a spokesperson for the Council of Great City Schools*, (33, pp. 393-394) federal laws had long mandated school involvement in education of the disadvantaged, vocational training, research and development and bilingual education. Since at least the late 1950s, in Gousha's view, the assistance provided to public schools under those laws had "moved public school systems into the Federal political arena where we now find ourselves having to work simply to maintain the commitment we have made to the communities we serve." Given such a history under the categorical system, it is no surprise that schools were concerned about the possible results of decentralization.

Anxiety over devolution of control to states and cities was expressed by representatives of the schools. Dr. Gousha (33, p. 396) did not wish to see states obtain control of funding, and demanded that money be passed through to local agencies. Likewise, Dr. Paul Briggs, Superintendent of Schools for Cleveland, Ohio (33, pp. 403-405), was doubtful

*an organization of 23 of the nation's largest city school systems with responsibility for approximately 5 million pupils (33, pp. 381-382).
that city governments would be adequate repositories of employment and training authority. Briggs also doubted that programs of importance to school officials could be protected under revenue sharing. Finally, Briggs (34, p. 148) wanted to avoid duplication of effort, which he thought would occur if training centers were established by prime sponsors, separate from ones already existing under local educational agencies.

In order to have their anxieties eliminated, school officials asked for legislative guarantees that certain existing programs and funding arrangements not be disturbed. The Reverend George Smith of the San Diego School District and a spokesperson for the Council of Great City Schools, (33, p. 393) wanted school boards recognized as separate government agencies, since they derived authority from the states (just like city councils). Such recognition meant, for Smith, that "conceivably States would pass on a certain percentage of the manpower programs to the city school boards." Smith (33, pp. 381-382) demanded continuation of the Neighborhood Youth Corps (work and training for disadvantaged youngsters), EEA and programs for persons of limited English-speaking ability. Smith's position typified that of most public school officials voicing opinions on reform (33). They felt that some kind of guaranty of funds passed through to them, along with an allowance of the discretion appropriate for running programs, would constitute an acceptable
compromise, given the reformist trend. Dr. Briggs (33, p. 405) made no pretense about his leanings: "...we have been comfortable with the categorical aspects of the programs in the past. We have no objection to them."

The schools' position would tend to help steer reform away from too radical a transference of power to subnational general governments, as well as away from too quick an abandonment of redistributive programs. The demands for guaranteed pass-through and for consideration of schools as separate agencies, represented opposition to the ascendance of states, cities and counties. The demands for protection of programs like Neighborhood Youth Corps, with a redistributive orientation, meant that schools constituted a significant force for impeding any wholesale policy shift away from redistribution. Given public schools' sizeable and established role in the employment and training system, plus the inevitability of other groups (notably anti-poverty organizations) supporting many of the schools' demands, some conditions on state and local government discretion were unavoidable.

REPRESENTATIVES OF THE DISADVANTAGED

Organizations representing the poverty community and disadvantaged minorities felt threatened by the reformist movement. The categorical programs that supported their existence, and the federal presence upon which they relied,
constituted two major targets of that movement. Being on the defensive, these organizations struggled to obtain legislative provisions which would keep some federal strings unsevered--specifically, the strings which amounted to lifelines for many of them. Although some spokespersons for these groups paid lip-service to the reformist trend, they were in fact primarily interested in maintaining a great deal of categorization and centralization. To the extent that they perceived decentralization as inevitable, they wanted to be assured consideration for state and local government funding.

One of the most active organizations of this kind was Jobs for Progress, Inc. This non-profit corporation administered an employment and training program for Spanish-speaking persons, called SER--funded largely through the U.S. Departments of Labor and Health Education and Welfare (HEW) (33, p. 557). Ricardo Zazueta, National Executive Director of Jobs for Progress (33, pp. 549-579), spoke for this group's interests during reform proceedings. While voicing support for reform through legislation and acknowledging the "transition into revenue sharing," Zazueta wished to "maintain the integrity of the only national vehicle for the Spanish-speaking." He presented a letter addressed to President Nixon, during Congressional hearings, which called for an extension of SER's national contract and retention of its existing level of funding through the coming fiscal year, 1974.
The letter bore the signatures of 97 members of Congress. Anticipating decentralization, Zazueta wanted his group to be considered for funding and program eligibility under both DOL and state and local jurisdictions.

Dr. Leon Sullivan, of OICs of America (33, pp. 590-595), petitioned for similar provisions under reform. While Sullivan had "no quarrel" with President Nixon's policy objectives, he nevertheless demanded special consideration for OICs, because of fears that subnational governments would neglect them. Sullivan wanted quantitative guarantees of future state and local OIC funding.

Charles Braithwait, speaking for Community Action directors (33, pp. 217-221), also acknowledged the probability of decentralization, and, like the above spokespersons, asked for a degree of limitation upon subnational discretion.

Braithwait wanted legislative language:

...making CAs presumed recipients of Community Action funds...by requiring local officials to make a negative finding (against clear standards for effective services to the poor established in federal policies, and in a public process) if they wish not to fund CAs (33, pp. 217-221),

as well as "clear guidelines for the development of replacement vehicles for those CAs not funded by local officials."

Representatives of the disadvantaged were modifying their policy positions in the face of generally unfavorable circumstances, yet they still enjoyed significant support. Undoubtedly, their popular constituencies remained, despite
the eclipse of the 1960s by the cost-conscious 1970s. In Congress these groups still had access to some of the most powerful legislators in both parties. For example, Dr. Sullivan (33, p. 590) expressed gratitude to Republican Senator Javits as he thanked Democrat Kennedy, for sympathizing with OICs. Thus, representatives of the disadvantaged promised a tenacious struggle over the outcome of employment and training reform.

That tenacity meant that, if a comprehensive bill did not adequately embody the demands of these groups, they were sure to try for separate legislation to meet their interests. In fact, such attempts were in progress in 1973 (33, pp. 502, 590). Passage of any such separate legislation would make a general reform bill that much less comprehensive, and the scope of decentralization, decategorization and consolidation that much narrower.

On the other hand, to the extent that the reform bill did embody the demands of spokespersons for the disadvantaged, that bill would unavoidably contain attenuations of reformist principles. More specifically, the federal government would have to continue to bear direct responsibility for a sizeable portion of employment and training delivery. Also, some categorical restrictions on fund usage and program design by state and local governments would have to be incorporated in the bill.
BUSINESS COMMUNITY

While not averse to federal employment and training programs, business groups preferred to limit the federal role to the setting of general goals and the disbursement of relatively condition-free grants—as SRS called for. Also, business groups were on the lookout for a chance to play a larger implementation role themselves. In this respect, they called for a greater voice in planning and program design, as well as for continuation of a friendly federal attitude toward private sector programs, like NAB/JOBS. Finally, business persons were cool toward public employment, because they expected that program to have negative effects on the free-enterprise economy.

General support for reform, along revenue sharing lines, was expressed by business leaders during the period of the early 1970s. Thomas P. Walsh, speaking for the U.S. Chamber of Commerce (34, pp. 186-189), urged Congress to go ahead with a major reduction of federal control over implementation. A key point, which Walsh made to members of Congress during hearings, was that DOL should not play a big part in the approval of prime sponsors' plans. He would have preferred that prime sponsors certify their compliance with federal guidelines, "with on-site inspections generally limited to inquiries of allegations concerning the misuse of funds."

William C. Woodward, of the NAB (42, p. 434) also favored
greater subnational autonomy, and thought the "basic premises" of revenue sharing were "sound."

Expecting decentralization to occur, business spokes­persons wished to continue that community's involvement in employment and training. As Woodward put it:

...for the same reasons that the involvement of private industry has been a vital part of the success of national manpower programs--business participation will be essential in making good local manpower decisions.

It is the local businessmen who know where the jobs are--where they will be--and what kind of training will be most effective--in the schools and on the job (42, p. 434).

Willard F. Rockwell, Chairman of the Board of North American Rockwell (42, p. 471), also felt that industry had an important part to play in job-creation and training. Rockwell emphasized the need for federal funding of new programs in that substantive area through which business could participate. Walsh, of the Chamber of Commerce (34, p. 188) told members of Congress that NAB/JOBS was a worthy program. In Walsh's view, under revenue sharing, NAB in cooperation with the federal government could "continue to perform an important function by designing and merchandising innovative manpower programs among private employers."

The tendency of business interests to oppose, or to support a limited version of, public employment, was touched on earlier in this paper. Recall Walsh's desire to prevent new public jobs from competing with private ones. Walsh was emphatic about making public employment a program for tran-
sitional jobs—perhaps up to two years. He wanted clients for such a program to be only the neediest, in terms of time unemployed and other factors, such as whether there is no other "full-time adult wage earner in the immediate family." Additionally, the Chamber of Commerce spokesperson was against a funding floor for public employment being installed in authorizing legislation. In Walsh's view, such a floor would usurp "the traditional responsibility of Congressional appropriations committees" (34, pp. 186-189).

It was true that reform along revenue sharing lines represented a theoretical threat to certain categorical programs run by private industries. Yet, on the whole, the business sector tended to prefer a roll-back of the federal presence because of expectations of better program results coming from the subnational political process. There existed possibilities for businesses to expand their participation in program design and operation and to bring expertise to bear through that process. By helping the policy transition to a decentralized, decategorized mode, businesses were contributing to an opening up of the employment and training system. Successfully capitalizing on that opening, private firms might displace many non-profit organizations as well as other business competitors who had previously enjoyed regular federal grant contracts.
Labor leaders were some of the most outspoken supporters of centralization and categorization, as well as of public employment. Already experienced with federal training programs from the 1960s (30, p. 56), many unions were skeptical of the logic of revenue sharing. While some union locals have disapproved of government programs in this policy area--fearing the programs would compete with union training activities, and adversely affect average wages and working conditions--federations and national organizations have showed a greater tendency to support such programs (8, p. 453). When early reform proposals were made in Congress, labor leaders criticized the notion of handing program responsibility over to the states (seeing states as unable or unwilling to do an adequate job) and called for federal job-creation (5, p. 26; 10, p. 6). That stance was still in evidence at the time of CETA's passage.

The AFL-CIO, as umbrella organization for much of labor, carried union demands for federal action to Capitol Hill in 1973. That organization's legislative expert, Kenneth Young (34, pp. 127-131), spoke to members of Congress in favor of DOL-sponsored programs for special target groups, a "federalized" Employment Service and a major role for DOL in approving prime sponsors' grants. In Young's words:

We oppose...the administration's no-strings manpower revenue sharing approach. We believe that
unemployment is a national problem that requires overall Federal control of policy, direction, and standards (33, p. 489).

The need for job-creation by the federal government was a theme which unions sounded consistently. According to Ginzberg (10, p. 6), organized labor unsuccessfully supported an effort by Democrats to establish a public employment program in 1970. Unions were also big supporters of EEA (33, p. 486). In 1973, labor groups argued for a continuation of public employment. Kenneth Young and AFL-CIO economist Dr. Markley Roberts (33, p. 486) pointed out that decentralization and decategorization were not concepts which would guarantee delivery of jobs. They claimed (34, p. 131) that most training occurs on-the-job, and therefore public employment could serve to complete a comprehensive effort by supplementing training activities. Young and Roberts (33, p. 487) desired creation of a million jobs (a truly wishful request), but understood that avoidance of a veto would necessitate scaling down that demand. Culhane (30) reveals that Young spent a lot of time negotiating with federal policymakers to get a public employment funding floor spelled out in comprehensive authorizing legislation.

While the AFL-CIO wanted retention of the 1960s approach, and labor's role under that approach, it understood that changes were on the way. Accordingly, Young (34, p. 130) informed members of Congress of the federation's preference for a basic grant formula under an SRS-style system. It
consisted of three relative measurements for an area: (a) unemployed persons, (b) adults below the poverty line, and (c) underemployed persons. The AFL-CIO rejected utilization of persons in the labor force as a factor, because it would not provide benefits according to where the greatest need was. Beside attempting to influence the basic formula, the labor organization called for assurances that unions would participate in planning and comment and review proceedings (34, p. 131).

The position of the unions was diametrically opposed to the reformist movement. Having access to Capitol Hill, as well as some established territory in the employment and training system, unions represented a major force for preventing a clean sweep by revenue sharing advocates. Union calls for maintenance of federal influence, for targeting, and for public employment, in concert with similar demands made by the poverty community and others, meant that an ideological compromise would be unavoidable in the final analysis.

VOCATIONAL EDUCATORS

Professionals in the field of vocational education had a tradition of their own and a unique place in the employment and training system, which they sought to protect. While vocational agencies had, in conjunction with the U.S. Training and Employment Service, "played the leading role in providing skill training" up until 1973 (31, p. 89), their training
curriculum was characterized as outdated and unresponsive to public needs (5, p. 4). In addition, the role of vocational agencies in the training of target groups under MDTA (22) meant those agencies were associated with the old categorical system. Thus, vocational educators were forced to fight a defensive battle during reform proceedings, and expressed concerns about leaving too much responsibility to subnational general governments.

The crux of the matter, for vocational officials, was to prevent any newly proposed agencies (whether general government prime sponsors or appendages thereof) from usurping powers held by established public education and training units. Lowell A. Burkett, Executive Director of the American Vocational Association (AVA) (33, pp. 607-616), called for "a definitive and responsible statutory role for state and local public education and training agencies in the planning and administration of education and training programs."

More specifically, Burkett wanted:

...the public vocational...agency [to] be given an equal role with the prime sponsors for the planning and administration of the education and training component of any manpower legislation (33, pp. 607-616).

He also made sure to voice opposition to notions of allowing proposed advisory councils (to be attached to prime sponsors) into the "operation and administration" responsibilities of existing state and local agencies. C. M. Lawrence, President of AVA (34, pp. 140-142) agreed with Burkett, indicating
concern over the unpredictability of programs under revenue sharing. Lawrence wanted vocational education assistance, which might be forthcoming under reform, to be distributed "in the jurisdiction of the State board for vocational education." Lawrence felt there had been a tendency among subnational general governments to neglect vocational training centers.

Aside from fighting to defend their administrative territory within a given state, vocational officials wanted to retain the federal influence of the 1960s as regarded target programs for the disadvantaged. Having become heavily involved with such programs, they had a natural interest in seeing the programs continued. Burkett (33, pp. 607-616) specified Neighborhood Youth Corps, training of persons with limited English-speaking skills, offender rehabilitation, and supportive services for veterans, as examples. He saw a need for "a continuity of involvement of the appropriate federal human resources agency" on educational policy, and called for DOL and HEW to be involved in approval of expenditures. In this way, vocational officials added support to the combination of forces struggling for maintenance of centralization and categorization.

What vocational educators wanted, by demanding a role on the same level with prime sponsors in training affairs, was to preserve a certain institutional framework, of which they were an integral part. If a reform bill were to provide
for that equal status, that bill would represent such a dilution of reformist ideals as to constitute a defeat for true believers in those ideals. In other words, by allowing vocational agencies, or any other agency, equal footing with elected general governments, the objectives of consolidation and deference to the subnational political process would not be fully realized. If the bill did not incorporate vocational educators in an equal fashion with general governments, it nevertheless was likely to address the demands of the former. Vocational schools were fixtures in America’s training system, and, regardless of charges of outdated curricula, were expected to continue as such. Reform was not to be so broad in scope as to threaten elimination of vocational education’s legislative and financial base. Thus, with the new system of prime sponsors coming into place alongside the older institutional framework, it seemed that connections between the two structural forms would be bilaterally beneficial. Prime sponsors could utilize vocational education’s facilities and personnel, and vocational educators could obtain funding and clients from prime sponsors. The difference from the past would lie in the revocation of presumptive provider status from vocational agencies in certain programs.

U.S. TRAINING AND EMPLOYMENT SERVICE

The U.S. Training and Employment Service was an old-
line bureaucracy, which was established in 1933 (4, p. 11). According to Mirengoff and Rindler (31, p. 103), it was "the repository of experience in most aspects of manpower activities," and had played a major part in implementing the categorical programs of the 1960s. Thus, any discussion of employment and training reform would have to include consideration of Training and Employment Service objectives.

When Congress began hearings on reform in 1969-70, the Service was coming under attack from liberals for being unresponsive to disadvantaged minorities (5, pp. 26-28). That criticism, and the implications of decentralization, decategorization and consolidation, spelled a possible threat to the Service's preeminent position in the delivery system. Van Horn (32, P. 65) reports that the Service did wish to maintain its established role. However, no official opinion was forthcoming at the hearings from the Interstate Conference of Employment Security Agencies (ICESA), which represented the Service's branches nationwide (5, p. 28).

By 1973, when it appeared that revenue sharing ideas were going to be realized in legislation, the Service had developed an official position--one designed to protect its own interests and go with the flow at the same time. That year (33, p. 649) ICESA stood in favor of decentralization and decategorization, but insisted upon a strong role for state governments in planning and administration. Local governments, according to ICESA, lacked sufficient knowledge in
employment and training affairs, and therefore should not be entrusted with primary responsibility for implementation. Perhaps it was natural to call for a state emphasis, since bureaucratic ties already existed between Service offices and state governments. Though federally-chartered and funded, the Service consisted of "50 semi-autonomous agencies" (31, p. 103) which were state-run (5, p.3). Locally-generated programs might have led to too much disruption of the Service's place in the delivery system.

A demand for greater state influence in implementation, coming from "the repository of experience" in this policy area (31, p. 103), represented pressure against extreme decentralization. It also represented the acceptance, by an old bureaucracy, of a more openly political approach to implementation decisions.

SUMMARY OF ACTORS' OBJECTIVES

The Nixon Administration wanted to apply the special revenue sharing (SRS) concept to employment and training. SRS would enable the transfer of federal funds to states and localities with a minimum of strings attached. Recipient governments would be automatically entitled to a share of money (determined by national formula), which would have to be spent in a certain broadly-defined substantive area. Mogulof's (46) assessment of SRS charges the federal government with responsibility for general goals while subnationals
determine specific means. The Administration adhered closely to SRS when it stated its position in reform deliberations and consistently set the tone of those deliberations.

State governments were eager proponents of decentralization, and sought to preempt local governments in the contest for new responsibilities. Governors felt they could coordinate services within states—something local units could not possibly accomplish, in the Governors' view. State officials also called for a simplification of grant disbursement methods through use of standard formulae. The high motivation and increasing capabilities of state officials meant that a greater state role in employment and training was on the immediate horizon.

Cities also favored decentralist, consolidationist reform, but made special demands for a "bottoms-up" approach to program design and implementation. Cities wanted to be treated as prime sponsors, receiving federal funds directly. Two other city demands, related to the need to keep federal money flowing to urban areas, were for "hold-harmless" provisions and public employment. To the extent that reform would encompass a localistic approach and "hold-harmless" provisions, programs could be expected to reflect existing political arrangements in a community. Furthermore, the city position served to improve the outlook for continuation of both the 1960s' urban emphasis and an EEA-style jobs program.
County officials agreed with cities on three points: (a) programs should be largely the product of local design, (b) "hold-harmless" was necessary to prevent disruptions in the system, and (c) public employment was indispensable. Yet, counties also wanted prime sponsorship status and to effect a shift in policy focus from urban to non-urban areas. The coincidence of county and city objectives meant that the prospect for decentralization was enhanced and that established program providers in a given community would have an edge over competitors. Also, the probability of an extension of public employment was increased by that coincidence. Yet, counties were a force contributing to an opening up of grant opportunities to jurisdictions and organizations hitherto uninvolved. If they had their way, employment and training programs might become as common in suburban and rural locations as they had been in cities—and those programs might have an impact which would be more distributive than redistributive.

Public school systems held still another view of reform proposals. They wanted to maintain federal guarantees that money would be passed through to them and were pessimistic about turning over funding and program authority to state and local general governments. School officials wanted recognition as independent grant recipients and/or requirements which would assure continuation of certain categorical programs in which they had an interest. They constituted a
force favoring both a categorical and a redistributive approach, as well as opposing the ascendance of general sub-national governments.

Representatives of socially disadvantaged groups struggled to maintain enough federal control over programs to enable continuation of the special target approach of the 1960s. They wanted legislative provisions which would either extend federal contracts with organizations serving the poor and neglected minorities, or guarantees of benefits under a decentralized system. The fact that these forces possessed both access to influential policymakers and sizeable constituencies, meant that some targeting of the disadvantaged for special consideration would be likely. Thus, to some extent, decentralization and decategorization were liable to occur in a moderated form.

Business associations backed the Nixon Administration to a large extent; by voicing support of revenue sharing and skepticism on the value of public employment. They also wanted to affect subnational programs and have the federal government look favorably upon private sector efforts in employment and training. While some categoricals in which private firms had an interest might suffer, the business community saw a chance to roll-back the overall federal presence and affect programs through the subnational political process under reform.

Labor groups were proponents of public jobs, as well as
a centralized employment and training system. Claiming that most training occurs on-the-job, and that government hiring could supplement training programs, labor groups demanded a large-scale public employment effort. They were basically skeptical about decentralization and stressed the need for nationwide consistency of service and targeting of needy segments of the population. Acknowledging the probability of grant reform, unions voiced a preference for a basic funding formula which they felt would serve those needy segments. Finally, unions wanted a national policy statement to include guarantees of organized labor's participation in planning and program reviews. Effectively in alliance with educators and poverty/disadvantaged constituencies, these unions acted as a major force which might thwart the most radical tendencies of the reform movement.

Vocational educators were primarily concerned with preventing the fostering of agencies which might compete with vocational schools in delivering training services. Particularly, they wanted statutory provisions guarding against a usurpation of their territory by general government prime sponsors, or newly-created appendages thereof. Additionally, vocational educators wished to protect categorical programs in which they had become heavily involved over the years. Their demand for federal authority over spending fit with demands for continued categorization, belying a viewpoint which was less than sympathetic toward the ideology of decentrali-
zation and decategorization.

The U.S. Training and Employment Service, like vocational schools, represented an entrenched set of interests facing a possible loss of presumptive provider status. The Service came up with an official policy position which was designed to enable it to adapt to change, but retain as much of its territory as possible. That position called essentially for an emphasis on the role of state governments in planning and administration, and downplayed the ability of local units to bear program responsibilities. It appeared natural for the Service to stress the need for state control because the Service already possessed important bureaucratic ties to that level of government. While such a stance represented an effort to modify the swing toward wholesale decentralization, it also represented an acceptance of change in the direction of greater politicization of implementation decisions.
CHAPTER VIII

CONCLUSION

CETA of 1973 reflected a blend of the above contributory factors, with some factors having a greater effect than others upon the nature of the legislation.

Decentralization and decategorization of much of the employment and training system were accomplished under CETA's first two Titles; Title I covering "Comprehensive Manpower Services" (11, p. 42206), and Title II for "Public Employment Programs" (11, p. 42209). Henceforth, prime sponsorships of state and local general governments would design and implement many programs with an unprecedented minimum of federal interference. Most importantly, prime sponsors were given the authority to determine the actual mix of program activities, as well as funding priorities for those activities, within their jurisdictions (11, pp. 42206-42211). As long as sponsors adhered to the fairly loose federal guidelines for these Titles (11, pp. 42206-42211), they would be relatively free, compared to a categorical arrangement (matching requirements, which might divert subnational resources toward nationally-imposed goals, were conspicuously absent). State and local discretion was also enhanced in the Act's allowance for sponsors to freely
transfer funds, received under either Title I or II, between most activities allowed under the Act. Whether or not a sponsorship qualified for Title II money (i.e., contained a high unemployment area) it could choose to spend its allotment on public employment, targeting of poverty populations or numerous other activities, in any combination it wished (11, pp. 42206-42211).

Further decentralization and decategorization occurred through a provision limiting the proportion of CETA appropriations which could go for Title III and IV (federally-administered) programs, to 20% of the CETA appropriation for a fiscal year (excluding anything over $250 million appropriated for Title II in figuring the base amount for this percentage) (11, p. 42206). This meant that the vast bulk of CETA funds would be subject to subnational discretion. Also, provisions for a cross-section of social groups at state and local level to have an advisory input on program planning and evaluation was made (11, pp. 42207-42208) in order to enhance community participation.

The impact of several of the contributory factors discussed in this paper can be seen in those characteristics of the Act which accomplished decentralization and decategorization. Pre-CETA reform attempts pointed to the need for administrative entities with sufficient authority and scope of jurisdiction to implement the new system. That, plus the development of experience and expertise by subnational
government officials during those reform attempts, contributed to the division of responsibilities in the Act whereby state and local governments were charged with prime sponsorship. Another systemic factor which led to this feature of CETA was the set of recognized errors in the 1960s' arrangement (which was lacking in responsiveness to local conditions). Added to these factors were: ideological emphasis upon the subnational political process as the preferred arena for setting program priorities, pressures exerted by the Nixon Administration, state and local governments and business groups, and discontent with federal domination (evident in the early 1970s' political climate), all of which served to ensure CETA's accomplishment of decentralization and de-categorization.

Despite the historic devolution of power from federal to state and local governments which the reform of 1973 achieved, some centralization and categorization were maintained by CETA. The most prominent legislative features in this respect were: the Title authorizing DOL to administer programs directly for "Special Target Groups" (Title III) (11, p. 42211) and the Title authorizing continuation of the Job Corps under federal supervision (Title IV) (11, p. 42213). Title III mandated that the Secretary of Labor "provide additional manpower services" to:

...segments of the population that are in particular need of such services, including youth, offenders, persons of limited English-speaking ability,
older workers, and other persons which the Secretary determines have particular disadvantages in the labor market (11, p. 422). Included in this Title were specifics on programs for those with a language disadvantage, offenders, native Americans, migrant and seasonal farmworkers and youth (11, pp. 422-4222). The Job Corps Title provided for continuation of that training and work experience program for "low-income disadvantaged young men and women," prescribed "standards and procedures for selecting individuals as enrollees" and delineated "various other powers, duties, and responsibilities" for administration of the Corps (11, p. 4223). Titles III and IV were for federally-controlled, categorical programs, and it was the Secretary of Labor (to some extent in consultation with the Secretary of Health, Education and Welfare) who was to possess authority over the programs there-of—that is, the power of final decision on the specifics of activities engaged in, clients served, provider organizations and fund allocations (11, pp. 422-4227).

In addition to the above two Titles, some federal influence was maintained in the implementation of Titles I and II by prime sponsors, as well as in the form of percentages of appropriations to be disposed of at the discretion of the Secretary of Labor. Federal guidelines to be met in prime sponsors' plans (to receive DOL approval) were not so strict as to be called categorical in nature, yet furnished some limitations upon the freedom of subnational governments.
For example, to receive Title I funds, state and local plans had to provide for use of MDTA-established skills centers "to the extent feasible" if institutional training was to be a program activity. Other examples of such federal guidelines included: requirements that state sponsorships "provide for the cooperation and participation of all State agencies" offering employment and training services, certain priorities to be met in carrying out public employment (such as giving special consideration to veterans or persons unemployed the longest), and that sponsors' plans assure "to the maximum extent feasible" that services and opportunities will go to "those most in need of them" (mentioning low-income clients and those of limited English-speaking ability) or that "the need for continued funding of programs of demonstrated effectiveness is taken into account" in serving the needy. The Secretary of Labor was authorized to designate prime sponsors, outside the basic designation, under special circumstances, could revoke or reallocate grant money upon determination of sponsor malfeasance, and was charged with the disbursement of 6% of Title I appropriations as well as 20% of Title II appropriations at Secretarial discretion (but taking into account the needs for holding harmless, "programs of demonstrated effectiveness" and "the severity of unemployment" in assisting particular areas (11, pp. 42206-42211).

Schools, unions, anti-poverty organizations and ideo-
logical liberals did not go away from the formulation process without obtaining some provision for the national effort they desired. Yet, in comparison with the categorical programs replaced by CETA, Titles III and IV appeared to be more the result of a salvage operation than something to celebrate, for these groups. After all, those Titles had limits placed on them in terms of the portion of CETA appropriations which could be spent on them and did not authorize as extensive a federal role as the centralists would have preferred. The federal guidelines for Title I and II plans also represented a minor success at best for centralization and categorization. Phrases like "to the maximum extent feasible," and "programs of demonstrated effectiveness" (II, p. 42207), could be interpreted and qualified in numerous ways. The guidelines posed little threat to the freedom of prime sponsors to determine the actual makeup of programs. Finally, the monies earmarked for disbursement at the discretion of the Secretary of Labor (under Titles I and II) amounted to minor fractions of the quantities subject to the discretion of state and local governments.

The employment and training system was simplified by CETA's provisions for reducing the number of federal contracts, consolidating local activities, instituting formula-funding and otherwise reducing duplication of effort and lack of coordination. Seventeen national categorical programs (32, p. 6), which had generated about 10,000 separate contracts
between DOL and providers (40, p. 25702), were combined under a single Act yielding grants to 500 prime sponsors (30, p. 51) plus some native American tribes and some other special jurisdictions (11, pp. 42206, 42209). Further consolidation was accomplished by replacing uncoordinated competition among local providers with unified efforts under the umbrella of a single plan in each prime sponsorship. Instead of separate deliberations over the funding of thousands of different projects, with attendant perturbations in the flow of dollars, CETA presented two simple formulae for the automatic distribution of funds. Recipients under Title I would have allocations determined according to existing levels of previous funding, and their populations of unemployed and adults in "low-income" families (earning $7,000 in 1969 terms, adjusted for inflation thereafter) (11, p. 42207). Title II recipients would obtain automatic funding according to the size of their unemployed populations (11, p. 42209). Several other provisions in the Act were incorporated to ensure a more efficient system. For example, consortia of subnational governments could constitute a prime sponsorship under Title I, defined as "any combination of units of general government which includes any unit of general local government qualifying [as a regular prime sponsor with 100,000 or more population]"(11, p. 42206). Up to five percent of Title I appropriations were earmarked for use by the Secretary of Labor "to encourage" formation of these consortia
(11, p. 42207). Under Title II, provision was made for “program agents.” These would be local governments with between 50,000 and 100,000 population, having high unemployment areas, and falling under a prime sponsor’s jurisdiction. Program agents would be charged with “funding, overseeing, and monitoring” public employment programs consistent with the prime sponsor’s application for a Title II grant (11, p. 42209). Various other components of the Act also aimed at eliminating duplication of effort. Title I state sponsorships were charged with the “coordination of all manpower plans in a State so as to eliminate conflict, duplication, and overlapping between manpower services” (11, p. 42208). References to the effect that information should be shared and existing facilities should be utilized are sprinkled throughout the Act, although they are not all in the form of legislative commands (11, pp. 42206-42219).

While such features of CETA could be traced back to consolidation ideas, which were praised in many quarters, two sources stand out. One was the set of lessons learned from assessments of the pre-CETA delivery system and the early reform attempts (i.e., systemic factors). The other major source for these provisions lay in the Nixon Administration’s concept of revenue sharing. Recognition of problems with the system of the 1960s led to widespread calls for simplifying administrative channels, reducing interagency competition and combining service efforts at the local level. Experiences
with CEP, CAMPS and CMP pointed out the possibilities and pitfalls of coordinating the energies of those participating in implementation. The Administration's revenue sharing proposals set the conceptual boundaries for reform debates by insisting upon formula-funding and consolidation of the many existing categoricals into "broad-purpose grants" (41, p. 93). These ideas were picked up on and carried along by an increasing number of influential actors, such as business associations and state officials, and were quite successfully realized in the Act of 1973.

CETA's provision for public employment warrants separate consideration. This feature of the Act stood out from other aspects of the bill. One way in which it was different was in its substance. Public employment is conceptually distinct from the other training and supportive services usually found in employment and training legislation. This is because it offers direct-hiring of clients--and in the public sector--as opposed to efforts at training and inducing private employers to take on new personnel. Additionally, CETA's incorporation of public employment was special in that there was no mandate that such a program be carried out at all. While Title II authorized disbursement of funds to high unemployment areas and prescribed loose guidelines for operating public employment, it also contained a section which read:

Funds available under this title to an eligible
applicant [i.e., sponsor] may, at its option, be utilized for residents of the areas of substantial unemployment designated under this title for programs authorized under title I and...[the special target programs] of title III of this Act (11, p. 4211).

Thus, it would be legal for sponsorships with high unemployment to receive Title II money and not spend it on public hiring, as long as it was for the benefit of residents of the high unemployment area.

The origins of CETA’s public employment authorization were also unique, compared with the rest of the bill. This portion of CETA could just as easily have been saved for a separate piece of legislation, since it was not part of the reformist repertoire of decentralization, decategorization and consolidation. Strong calls for public employment came equally from advocates and opponents of the reformist-revenue sharing idea. State and local governments, which were clearly in favor of revenue sharing, were as adamant in demanding public employment as were labor unions (which criticized revenue sharing). The ideological debate over public employment focused upon the question of whether the public or private sector was best suited for creating jobs. On the other hand, the debate over revenue sharing focused not upon the question of public versus private sector, but upon the relative roles of national and subnational governments.

Lastly, it was the recessionary economy, and not considerations of either responsiveness or efficiency, which provided
the major impetus for inclusion of a public jobs program in CETA.

On the face of it, CETA's public employment provision (11, pp. 42209-42211) would not appear to represent a victory for advocates of such a program, since this activity was not required. Also, forces less than sympathetic to public hiring managed to squeeze some concessions out of Congress in the form of restrictions on carrying on this activity where it might harm the private labor market or lead to corruption or abuse. For example, public employment programs were prohibited from fostering substitution of federal money for state or local government revenues in employing people (11, p. 42210). Some phrases were also included which could be viewed as potentially protective of non-government enterprises and organizations. For instance, public employment programs were forbidden to "result in the displacement of currently employed workers" or to "impair existing contracts" (11, p. 42211). Such restrictions can be traced back to the complaints, such as those of business groups, concerning problems they expected from government job-creation.

However, looking at this feature of CETA from a broader perspective, it appears that it did represent a victory for public employment advocates. The primary consideration in this respect was that it was common knowledge that simply allowing such an activity would result in its widespread
implementation by state and local governments. This was due to the political popularity of dispensing jobs to the unemployed. Beside that, the bill's Title II funding floor of $250 million for fiscal year 1974 and $350 million for fiscal year 1975, plus authorization of "such sums as may be necessary" for the fiscal years ending in 1974, 1975, 1976 and 1977 (11, p. 42206) represented a refutation of the ideology of prohibiting or strictly limiting public employment. This characteristic of the Act was enhanced further by its allowance for sponsors (who may not be eligible under Title II) to spend as much of their basic grant as they chose on public employment (11, pp. 42206-42209). Finally, the Act defined public employment jobs as "transitional" yet placed no definite time limit upon their duration (11, pp. 42209-42211).

Another major question resolved with the passage of CETA was that of the desirability of mandated redistribution. Basically, the outcome of reform proceedings was unfavorable to those calling for maintenance of federally-imposed, structural anti-poverty programs of the 1960s' type. This outcome was related both to the prevailing political and economic atmosphere of the early 1970s and to the relative strengths of groups involved in the formulation of the Act. Economic conditions ensured that CETA would be based at least as much upon counter-cyclical considerations as upon counter-structural ones. The political climate, antagonistic to
federal hegemony, made for difficulties in obligating states and localities to address redistributive issues. In addition, the Nixon Administration, business groups and state and local officials, desiring an opening up of the system and a wider distribution of benefits, overpowered groups (e.g., CAAs) pushing for mandated redistribution.

Titles III and IV represented the Act's incorporation of redistributive thinking. As mentioned above, the expressed purpose of those parts of the bill was to assist persons with labor market disadvantages, and between them, those Titles were relatively specific as to their intended clientele and the kind of programs to be implemented (11, pp. 42211-42217). Requirements placed upon DOL under Titles III and IV left little room for the possible conversion of those programs into channels for distributive subsidies. For example, under Title III, DOL was obligated to assist persons of limited English-speaking abilities by "the teaching of occupational skills in the primary language of such persons for occupations which do not require a high proficiency in English" (11, p. 42211). Title IV specified that a client must be:

...a low-income individual or member of a low-income family, who requires additional education, training, or intensive counseling and related assistance in order to serve and hold meaningful employment, participate successfully in regular schoolwork, qualify for other training programs suitable to his needs, or satisfy Armed Forces requirements... (11, p. 42213).
Thus, to an extent, the ideology of redistribution and objectives of representatives of the disadvantaged, public school officials and vocational educators, were realized.

The rest of the Act did not assure preferential treatment for the disadvantaged. Outside Titles III and IV, the Act contained few provisions of a kind appropriate to redistribution or an amelioration of structural poverty. The most significant of such provisions included: the vague admonition to serve disadvantaged and low-income clients "to the maximum extent feasible," the equally vague requirement to take "into account" the necessity "for continued funding of programs of demonstrated effectiveness," the disbursement of 12.5% of Title I grant funds according to "the relative number of adults in families with an annual income below the low-income level" in an area, and the required "participation" by CBOs in planning (11, p. 42207). Considering that Titles III and IV got the short end of the stick, in terms of the allocation of appropriations, the essentially distributive character of the Act is apparent.

A final important characteristic of CETA, as enacted, was its compromise nature. This was basically due to the context in which it arose. The heterogeneous composition of the employment and training system, as passed down from the 1960s, virtually prohibited anything but a compromise version of reform. With organizations as dissimilar as the National Alliance of Business and Jobs for Progress, Inc.
comprising that system, change would have to be moderate if systemic chaos were to be avoided. Pre-CETA reform attempts constituted a second set of contextual factors which led toward compromise. The one-sidedness of early legislative proposals, as well as of DOL's executive action, made these reform attempts vulnerable to criticism and thus prone to failure. The executive action could also be viewed as part of the political climate, in which serious antagonisms existed between the Administration and many groups, and in which defenders of categoricals perceived a threat to their interests. That climate pushed reform in the direction of compromise, both by increasing the general level of legislative activity by groups with a variety of objectives and by stimulating defenders of categoricals to fight for an attenuation of the more radical tendencies of the reform movement. Lastly, the economic situation increased the pressure on everyone to quit wasting time, get a bill passed, and see to it that interests were protected in circumstances of ever-greater financial uncertainty.

It would not be too far from the truth to say that CETA was a package with something for everybody, though more for some than others. A look at the extent to which different objectives were realized in CETA will illustrate this.

CETA went a long way toward accomplishing the objectives of the Nixon Administration, though it contained major provisions which the Administration tried to prevent. With
its transfer of power from federal to subnational governments, its initiation of "broad-purpose" (41, p. 93), formula-funded grants and its rejection of matching requirements, the Act formalized much of the SRS model. Yet, the provisions mandating DOL target programs and residual powers to be held by the Secretary of Labor were not in accord with SRS. Also, the authorization of public employment took place in spite of Administration pressure to block it.

State governments' objectives were not attained as fully as those of their local counterparts. While the states formed part of the coalition of forces which successfully realized basic revenue sharing objectives, they failed to be designated as central coordinators of programs. By placing local governments on an equal footing with states, the Act denied to the latter the authority they desired. States did become more entrenched in the employment and training system with CETA, through provisions for Governors to: act as prime sponsors, have a voice in disbursing funds earmarked for special activities (e.g., vocational education, or "State services"), and approve the establishment of Job Corps centers. In addition, CETA provided for participation of state agencies in the delivery system (11, pp. 42206-42219). However, the effective limits on Gubernatorial authority, the "balance-of-state" (1, p. 14) jurisdictional arrangement, and the provisions enabling the growth of local government consortia (11, p. 42206), all indicated that states did not obtain the
clear-cut control over funding and planning which they sought.

It was general local governments who were the big winners. Cities and counties attained the "bottoms-up" system of program development and operation which Canton's mayor Cmich wanted (33, pp. 76-77). They also won extension of public employment, the consortium and special circumstances prime sponsorship provisions (11, pp. 42206-42211), and hold-harmless. With respect to the latter, the allocation of half the basic grant money "on the basis of the manpower allotment" to an area for the prior fiscal year, plus the command that the Secretary's Title I discretionary fund go (as a first priority) for maintenance of 90% of an area's previous amount (11, p. 42207), while not meeting city/county demands head-on, were nevertheless provisions for gradualizing the transition into CETA. This could all be done with a direct line of funding from the federal level. Though both mayors and county executives had reason to smile with CETA's passage, the latter could claim an even greater victory than their city hall counterparts. This was because of the opening up of benefits to new non-urban areas and the defeat of the mayor's demand for a 150,000 population minimum for county sponsorship (a county minimum of 100,000 was enacted) (30, p. 58).

Public schools were not well rewarded in the legislation. Their anxieties over entrusting control to general
governments, over the fate of key categorical programs and over the presumptive provider status of established educational agencies, proved to be based upon an accurate appraisal of the near future. Their demand for school boards to be recognized as separate government agencies for employment and training were not met, and neither was their demand for guaranteed pass-through of funds from general governments to local educational bodies. However, the outcome of reform proceedings was not entirely negative from this perspective. Through public employment and federal target programs, school officials could still hope to participate in implementation under CETA. Some provisions, for example, one prioritizing utilization of MDTA skills centers (11, p. 42207), or the Title III authorization of programs for clients limited in the English language (11, p. 42211), hinted at continued involvement by schools. Nevertheless, the enactment of the general government prime sponsorship system, with its implications of fostering new administrative networks, was a legislative defeat for many public school officials.

Representatives of the disadvantaged also suffered a defeat. CETA did not even approximate the federally-insured categorical approach demanded by organizations affiliated with ethnic minorities and the poverty community. Even Title III represented a diluted version of the approach these groups desired. While specifying a few programs (e.g., for
native Americans or for limited English-speaking clients), that Title did not specify provider organizations or define beneficiaries sufficiently from this perspective (11, pp. 42211-42213). A few provisions did address these groups' objectives: native tribe "eligible applicant" status for public employment (11, p. 42209), CBO "participation in" planning under prime sponsorships (11, p. 42207), a CAA role in Job Corps client screening (11, p. 42214). Additionally, the phrase:

...to the maximum extent feasible manpower services...will be provided to those most in need of them, including low-income persons and persons of limited English-speaking ability, and that the need for continued funding of programs of demonstrated effectiveness is taken into account... (11, p. 42207),

represented a kind of admonition intended for prime sponsors in developing plans. Yet, the vagueness of such a phrase epitomized the main problem with the Act from the standpoint of the disadvantaged, and the few references which focused on the objectives of this sector looked like token gestures compared to what had come out of Congress in the 1960s.

Organized labor was also unsuccessful, in light of its position favoring centralization/categorization, though CETA did reflect labor's opinion in other ways. The AFL-CIO demand for "overall Federal control of policy, direction and standards" (33, p. 489) was not even remotely approached. Also, labor's wish for a definite role in the service and job delivery processes went unheeded. Yet, the compromise
nature of the bill was apparent in that two important union proposals were enacted. The most prominent of these was public employment with favorable appropriation authorizations and none of the killing restrictions which some groups wanted. Labor also saw its position reflected in the incorporation of desired formula factors (i.e., numbers of unemployed and adults in low-income families) (11, pp. 42207, 42209).

Business organizations, like state governments, were a valuable part of the coalition which fought for basic reform but also failed to obtain the kind of bill that was preferred. Public employment was the major setback. The open-ended provision enacted was not reflective of business opinion. Beside this, CETA contained very little in the way of promises of business participation in the system. While profit-making enterprises would probably end up with a role to play, the evasive language of the Act left that role mostly undefined.

The two stalwarts in the system, vocational schools and the Training and Employment Service, received a rebuff in CETA's failure to denote presumed service providers. The Act opened the door to possible constructions of bureaucracies which could be alternatives to these old-line entities. Their objectives with respect to the governmental form of the CETA arrangement were also ignored: vocational schools did not obtain equal status with local governments, and the Service's state emphasis remained unrealized. These bastions of "man-
power" and training had to be content with lesser prizes scattered throughout the Act. Vocational schools were awarded 5% of Title I appropriations (11, p. 42209). The Act clearly intended that MDTA skills centers be utilized "to the extent feasible" for institutional training (11, p. 42207). In addition, Title III federal activities included some in which vocational schools were experienced; something which might enhance the perceived usefulness of the schools (11, pp. 42211-42213). The Training and Employment Service was assigned duties such as information processing, benefit disbursement and, to a limited extent, job-placement (11, pp. 42206-42219). There was also a paragraph requiring state sponsors to "provide for the coordination of programs financed under the Wagner-Peyser Act" (11, p. 42208), that is, the law establishing the Service in 1933 (4, p. 11). Beyond that, the Service was left in limbo, its exact role to be determined by the assessments of political officeholders (at all three levels of government).

In its incorporation of such a plurality of interests, CETA was a typical product of the American political system. Between 1969, when the first major legislative reform proposals were made, and the bargain struck in 1973, there occurred over four years of efforts to find a compromise. The end result reflected the input of a broad spectrum of forces (both ideological and socio-political), as those forces combined within a historical context. The policy-making machin-
ery in Washington was activated by interest groups with sufficient access to it, and tilted by the weight of the times.

However, CETA was also atypical in that it instituted policy changes based on concepts (decentralization, decategorization, consolidation, comprehensiveness) with which continuation of existing grantsmanship games was incompatible. The significance of CETA would be seen both in terms of federal assistance generally and employment and training in particular. It was one of the first Acts of Congress aimed at reigning in the federal octopus which had become so overbearing in recent decades. It was the first Act of Congress aimed at harmonizing the many components of the national employment and training effort in a comprehensive fashion.

No matter what the future holds, the CETA reform debate will stand as an episode in which the basic relationships between the United States government and its public and private constituents were called into question, and in an area of policy which seems to become more critical as time passes.
REFERENCES


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