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INTERGOVERNMENTAL RELATIONS AND THE IMPLEMENTATION OF THE YOUTH EMPLOYMENT AND DEMONSTRATION PROJECTS ACT OF 1977

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National employment policy moved into the realm of intergovernmental relations in 1973 with the passage of the Comprehensive Employment and Training Act (CETA). (1) As a special revenue sharing experiment, CETA created local "prime sponsors" who were vested with the responsibility and some, though by no means all, of the power necessary to plan and implement employment and training programs at the local level. During the intervening years, these prime sponsors exhibited markedly different abilities to implement effective and efficient manpower programs. All, however, developed---at least in Michigan---program priorities and administrative practices of their own. For its part, the U.S. Department of Labor (DOL) has sought through a variety of measures to prevent local governments from ignoring the national manpower agenda as defined by it.

Unconvinced that the problems of unemployed youths could be confronted through the regular CETA administrative apparatus, DOL in 1977 supported a new piece of legislation that would significantly alter federal-local relations by requiring a number of adjustments between prime sponsors and the federal government as well as changes in interagency coordination at the local level. Local participation in this ambitious attempt to influence local planning and programming---acknowledged by federal and local officials as a categorical program---would be required of the prime sponsors.

While resentful of federal dictates, local manpower administrators were sympathetic to some of these legislative goals. But they were also busy with CETA agendas of their own as they struggled to maximize their control over what are frequently multimillion dollar local manpower programs interfacing significantly with several layers of local government. This article, thus, confronts an emerging issue in intergovernmental relations. What happens when an ambitious federal manpower policy is superimposed on a local CETA administrative framework?

"YEDPA"

In 1977, the Carter Administration moved to reduce youth unemployment when it strongly supported and eventually signed into law the Youth Employment and Demonstration Projects Act (YEDPA). The act includes two complex, federally-mandated youth programs superimposed on special revenue sharing (or block grant) legislation, namely the Comprehensive Employment and Training Act of 1973 (CETA). The largest of YEDPA's four components is the Youth Employment and Training Programs (YETP). It is designed to enhance job prospects and career preparation for low-income youths who have experienced difficulty entering the labor market. These youths, between the ages of 14 and 21, both in-school and out-of school, are

authorized to participate in a whole gamut of activities and services including job experience, training, and occupational information. Funded at a level of \$537 million, YETP was expected to serve 112,000 youths during Fiscal Year 1978. All of the CETA prime sponsors---the local units funded by the Department of Labor that administer the great preponderance of its funds and programs---are eligible for these funds. The exact amount of YETP funds given to each such local unit is determined by a funding formula based on the total number of unemployed persons in that labor market area and the number of low-income families in the area. This project requires a greater degree of coordination between the prime sponsors and local education agencies (LEAs) and community-based organizations (CBOs) than the Department of Labor usually demands.

The prime sponsors are also responsible for administering the Youth Community Conservation and Improvement Projects (YCCIP) program. These public service employment projects are designated for jobless youths and are intended to provide full-time opportunities for out-of-school youths to gain experience in year-round neighborhood improvement and conservation projects. The \$115 million allocated under this program in Fiscal Year 1978 was also apportioned to states and localities according to a formula based on the number of unemployed within each area.

YEDPA IMPLEMENTATION

The findings in this ongoing comparative study are drawn from the experiences of three Michigan prime sponsors responsible for planning and implementing YEDPA. Because of the interest in learning about different types of program design and application, these areas are not a random sample drawn from all prime sponsors within the state. The Lansing Tri-County Regional Manpower Consortium (LTCRMP)

includes the cities of Lansing (the state capital) and East Lansing and the counties of Eaton, Clinton, and Ingham. The Grand Rapids Area Manpower Planning Council (GRAMPC) includes the city of Grand Rapids (the second largest city in the state), the balance of Kent County, and Allegan, Ionia, and Montcalm counties. These two consortia coordinate manpower efforts extending beyond traditional political jurisdictions in significant parts of the state and they have reputations as two of Michigan's more innovative prime sponsors. Finally, the Muskegon Consortium (Muskegon-Oceana counties) consists of a group of young planners and seasoned county commissioners active regionally and nationally who are grappling with youth employment and unemployment rates generally among the worst in the state.

Working with the principal investigator were three part-time research associates---one at each site. Political and administrative developments were followed quickly through interviews with administrators, counselors, teachers, political officials, and the program participants themselves and through analysis of relevant documents. Emphasis was placed on utilizing a variety of sources and comparing developments and trends in the several locations.

Intergovernmental Relations and the Prime Sponsors under YEDPA. The youth employment legislation was designed to gain local cooperation in the observation of certain guiding principles. Although DOL periodically lapsed into its traditional program posture of counting the number of youths on board and the proportion of the total allocation spent, its primary effort was directed at sophisticated and fundamental changes in planning processes, programming, and institutional linkage. The following three abbreviated case studies of Michigan prime sponsor jurisdictions show the complexity of measuring such changes now that local jurisdictions manifest increasing skill in maximizing

their own agendas even while observing national guidelines. At least within a CETA block grant context, federal categorical program initiatives seem to become enmeshed in a reciprocal process. The YEDPA plans submitted by the prime sponsors and their boards constitute tacit bargains---in effect, they are bargains struck between proponents of local goals and federal regulations. This contrast is brought out in the following sections through a variety of strategic planning and programming decisions made by the prime sponsors.

1. Cooperative Assessment and the Quest for an Overall Manpower System: The Case of the Muskegon Consortium

The Muskegon/Oceana Consortium had been moving towards the goal of a central cooperative assessment for a number of years. This movement was, in part, an answer to the federal and state emphasis on the need for increased linkages and intergovernmental coordination and in part an effort to organize the Title I agencies into a comprehensive system. It had been a long, hard process, replete with many political battles. On the one hand, there was the state of Michigan and the federal government, which wanted the Michigan Employment Security Commission (MESC) to serve as such a focal point; on the other, there were the competing subgrantees who were holdovers from the categorical grant programs of the 1960s and claimed that such centralization was an infringement on their rightful territory.

Centralizing the "Front-End" of the System. Until 1978, each subgrantee funded under Title I CETA had its own informal assessment process. Only occasionally were standard, formal tests utilized. A potential participant would enter the office of any Title I subgrantee and receive an assessment on the premises. The participant would usually be given

whatever services that particular subgrantee had to offer. Because of this persistent tendency for each program to act as a self-contained entity, participants were rarely referred to another subgrantee where a particular need might better be served.

This ineffective and inefficient system was challenged in 1978 when the Muskegon/Oceana Consortium, acting on its "intergovernmental coordination and linkages" mandate, began to centralize the system's components. The first step was to centralize the "front-end," or assessment process. The most dramatic issue raised by this policy centered around the question of which agency would serve as the focal point of intake. The consortium chose to house the assessment process in the Opportunities Industrialization Center (OIC). This centralized pre-service was then combined with the development of the "case conference." After assessment and certification, participants are referred to one of the subgrantees as a result of a weekly conference attended by all agencies active in Title I. Agencies tend to participate through altruism, self-interest, and the expert's drive to communicate information into the system. Control, then, was gained over the front-end of the CETA Title I system by centralizing the assessment process and then by coordinating how participants are to be referred to the individual subgrantee.

Emulating the Title I System in Title III. Since the Muskegon Consortium's Department of Employment and Training (DET) was primarily concerned with centralizing its overall manpower system in 1978, it is not surprising that in its YETP plan DET patterned its Title III priorities after Title I and focused here too on program implementation rather than policy innovation. Cooperative assessment again was used to "line up the ducks." It was also utilized to create a pool of youths from which the Title III subgrantees could draw their clients.

2. Developing and Extending Local Educational Agreements: The Case of the Lansing Tri-County Regional Manpower Consortium

Early Arrangements with Local Educational Agencies. In-school youth employment programs were initially established in the Lansing Tri-County Region prior to the enactment of CETA. These early programs were funded through the Office of Economic Opportunity (OEO) and established as part of the area Neighborhood Youth Corps (NYC) programs. Implementation of these NYC in-school programs in the region was the responsibility of the Lansing School District and thus provided early linkages in the region between federally funded youth employment programming and LEAs.

With the enactment of CETA, the NYC programs were dissolved in Fiscal Year 1974. A framework had been established, however, for implementing in-school youth employment programs through LEAs and, consequently, the consortium decided to continue these programs under the CETA prime sponsor structure in Fiscal Year 1975. The new program was established under Title I and called the Youth Employment Assistance Program (YEAP). The purpose, content, and structure of the new YEAP remained similar to the old NYC programs. YEAP was established as a Title I work experience program providing income maintenance to primarily economically disadvantaged youths so that they would remain in school. For reasons of administrative and fiscal feasibility, the program continued to be centrally administered for the entire Tri-County Region by the Lansing School District.

Expanding Earlier Employment and Education Linkages through YEDPA. With the passage of YEDPA in 1977, a wide range of new youth program alternatives was established under Title III of CETA. The most pertinent of these new programs to local LEA

in-school programming was the Youth Employment and Training Program (YETP). One special mandate of the new legislation involved local LEAs in CETA youth programming. This was the requirement that prime sponsors earmark no less than twenty-two (22) percent of their YETP funds for programs developed cooperatively with LEAs for in-school youth.

In addition to this funding mandate, another special requirement was particularly interesting to area LEAs: the emphasis on providing more extensive activities and services for addressing the total employment needs of youth. For in-school youth, these needs were to be addressed through a newly created program concept designed specifically for YETP in-school programs. This unique YETP concept was career employment experience or career-oriented work experience coupled with transition services; at a minimum, these included career information, counseling and guidance, and placement services. Before the enactment of YEDPA, the consortium and the Lansing School District had been interested in incorporating concepts similar to those introduced in YETP into the Title I Youth Employment Assistance Program (YEAP). Resource limitations and the more urgent short-run need to provide an income maintenance work experience program as an incentive to keep disadvantaged youth in school, however, had prevented their implementation.

Because prior consideration had been given to the incorporation of career-related work experience into area youth programs, the consortium and local LEAs readily adapted to the concepts contained in YETP in-school programs. The YETP supplemental funding and YEAP structure likewise provided the opportunity to introduce these concepts into area in-school youth employment programs. Approximately seventy-seven (77) percent of the consortium's \$613,349 YETP allocation was allocated to LEAs.

3. Proceeding Cautiously in Reaction to Federal and Local Initiatives: The Case of the Grand Rapids Consortium.

In some cases, prime sponsors are becoming more impressed with the dangers that federal largesse pose potentially for them than they are with the purported benefits. For example, improving the delivery of certain social services may aid disadvantaged youths but, should disallowed costs materialize in the process, they will definitely pose a financial hazard for a hardpressed and conservative metropolitan area such as Grand Rapids. Furthermore, politically powerful local organizations and state field offices will remain firmly established in these four counties long after the Congress and federal departments have chosen to downgrade youth employment problems in favor of what are perceived to be higher national manpower priorities.

These sentiments, expressed by various staffers, are reflected in the organizational stance assumed by the Grand Rapids Consortium in response to CETA--- and hence in response to YEDPA. The prime sponsor is perceived fundamentally as a resource allocator and not as a program planning and service-providing agency. The agency does not employ staff planners. Much weight is placed on compliance with the letter as well as the spirit of federal guidelines. Monitoring is heavily emphasized and pride is taken in assuming a lean and efficient administrative structure. A portion of those funds, allocated to prime sponsors by DOL for administrative purposes, are returned to the department each year. Great importance is attached to meeting consistently the numerous contractual deadlines set by the regional and national DOL offices.

This conservative stance, molded over the years in response to a series of federal CETA initiatives, made

little allowance for the risk-taking propensity and local emphasis on program effectiveness that would have provided a more conducive local environment within which to conduct an ambitious federal social experiment. Furthermore, the consortium's youth contractors---most of whom already operated programs under Titles I, II, and VI of CETA which placed few qualitative or innovative demands on them---were wary of YEDPA. It purported to be, and was, different from their current contracts and would impose new staffing requirements on them.

But in the area of interagency relations, mutual agreement was reached that brought the schools and prime sponsors closer than at any previous point in the history of federal manpower legislation. Manpower program by manpower program, it appears that the Grand Rapids Public School system (GRPS) had incrementally drawn closer to the prime sponsor. Like a number of educational institutions, GRPS could trace its manpower linkage back to the inception of the Neighborhood Youth Corps and subsequently to CETA Title I and summer youth employment programs. Through such earlier CETA program funds, GRPS by 1978 had accumulated 480 positions available to students throughout Kent County. Thanks to its YETP allocation, that number grew to 626 students. GRPS shared responsibility for hiring youths in the new positions with the Wyoming Public Schools, a district located in a city contiguous to Grand Rapids that serves youths in the remainder of the county.

Wyoming Public Schools have also become involved to a significant degree in the consortium for the first time. Partly through the initiative of a man who then worked for that school system and served on the Kent County Commission and the consortium board, the allocation of \$241,626 to hire approximately 300 youths in work experience positions constituted an expansion of previous consortium efforts to work with schools

throughout the metropolitan area. In addition, contracts for these in-school programs committed the schools to work with some CBOs hitherto kept at area's length by the schools. Nonfinancial agreements were also signed between the schools in the other three counties and the major CBOs in those outlying areas. These agreements dealt specifically with who would provide particular services. A substantial fifty-nine (59) percent of the YETP funds were allocated to LEAs by the prime sponsor.

CONCLUSIONS

Evaluating the effect of imposing YEDPA, a single act, on the overall local CETA manpower system is complicated by the wave of other legislation and administrative demands that, while unrelated to YEDPA, have cascaded down on the prime sponsors since 1973. Furthermore, while YEDPA is viewed favorably by many local prime sponsors, staffers, and contractors, it is yet another source of interference as they strive gradually to improve their service delivery systems.

Given this perspective and the semi-autonomy that characterizes the block grant CETA legislation, there are numerous impediments that could undercut YEDPA. Therefore, local receptivity to some of the act's more ambitious initiatives is encouraging. A number of the contractors and prime sponsor staffers in these three Michigan prime sponsor jurisdictions have found themselves attracted by several of YEDPA's qualitative "principles." They are predisposed toward development designed to improve program quality. Emphasis on developing a type of work experience, that is not simply income maintenance but will also direct and enhance the future employability and employment of youths through career employment, has been well received. Several local decision-makers have in addition expressed their determination to improve the quality of the work sites and of supervision whether

through YEDPA or some other vehicle---a concern that was apparently stimulated partly by the new federal categorical program's emphasis in this area. Finally, prime sponsors are worried that the phasing out of youth programs might jeopardize the progress made in working with a larger number of school systems by leaving it fiscally and administratively infeasible to operate area in-school youth programs from a decentralized base.

The Difficulty of Imposing a Categorical Program on the CETA Block Grant Mechanism Nationally. But these substantive concerns, while viewed as worthwhile, were not assigned the highest priority in YEDPA's implementation by these prime sponsors. Instead, local manpower decision-makers remained primarily concerned, as the three case studies reveal, with meeting those federal guidelines for which they would be held accountable---namely the guidelines related to the rapid hiring of youths and the rapid allocation of resources. Local prime sponsors would be praised for any gains in program effectiveness that they might make, but they would be held strictly accountable and monitored by the DOL regional office on the basis of their economy and efficiency. The CETA system would scrutinize this program in much the same way as it would other programs, thereby reducing considerably the incentive to risk taking and innovation.

While Congress had mandated change through a categorical program, the overall federal CETA administration apparatus, designed around block grant and resource allocation considerations, thus did not adjust its monitoring criteria. Local prime sponsor staffers, contractors, and elected public officials---who in a number of cases have become skilled "CETA watchers"---saw little institutional incentive in meeting the challenge of the YEDPA principles, at least in terms of their relations with the DOL

regional office and those persons in the national office who ultimately have the power to give and take away funds. This breakdown constitutes a significant intergovernmental relations problem. DOL has not yet demonstrated that it is possible to build qualitative categorical program incentives into its CETA implementation mechanism. YEDPA's intent at the policy formulation stage and the administrative incentives at the program implementation stage diverged markedly. Part of what was perceived at the federal level as local intransigence to program change has its roots in failure to adapt the national administrative manpower mechanism to the newer congressional intent.

The Difficulty of Imposing a Categorical Program on the CETA Block Grant Mechanism Locally. Federal-local relations might be less complicated in moving a program of this kind into the field if there were eager listeners at the local ends. But, if these three cases are at all representative, prime sponsors, public officials, and contractors have developed some strong ideas about what they want and what they do not want to do under CETA, and those local agendas assert themselves even when dealing with funds with as many strings attached as there are under YEDPA. The local rhetoric is one of frustration with federal dictates, fear of certain types of program failure, and fury with what is perceived as a stifling number of federal manpower regulations. The local reality, however, is considerable dexterity in manipulating federal funds to accomplish local objectives, even under the numerous constraints concocted by YEDPA.

NOTES

1. This article is drawn partly from a report prepared under a grant from the Employment and Training Administration, U.S. Department of Labor in 1978. The authorship of that study was truly collegial. The principal investigator assumes final responsibility for the material

presented here, but all of the following co-authors provided valuable data and ideas: Gus Breymann, Mark Clevey, and Dan Hannigan.