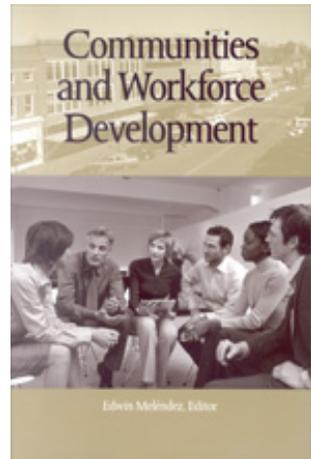

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Communities and Workforce Development in the Era of Devolution

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Low-wage and low-skill jobs keep too many Americans poor and yield few opportunities for career advancement. The employment and training industry as a whole provides necessary support services, connections to employers, skills training, and other programs that facilitate job readiness, placements, and career advancement for disadvantaged workers and job seekers. However, we know relatively little about the institutions and programs that facilitate workers' transition to the workplace and advancement in careers. A growing body of evidence points to the recent emergence of new types of labor market intermediaries (LMIs) serving the disadvantaged. These are based on a broad range of institutions that differ markedly in scope and mission from the typical service provider of years past. In comparison with the typical employment program of a decade ago, the new breed of intermediary is more responsive to employers' demands, has a broader base of financial support, and interacts or partners more often with other organizations. A growing number of LMIs are focused on a specific industry or sector within an industry, and their services target fewer aspects of the employment service continuum.

The emergence of more dynamic LMIs is partly a response to the growing demand for workers, which was fueled by the economic expansion of the 1990s, but it has also been greatly shaped by at least two major policy shocks in the latter half of the decade: welfare reform and the revamping of federal employment training programs under the Workforce Investment Act (WIA) of 1998. The combined impact

of these forces induced many organizations to become more active in workforce development, and many others transformed their operations and adapted to the new, more competitive and uncertain environment. The evidence discussed in detail in this volume suggests several important trends. For one, traditional service providers have had to adapt to a shift in focus from vocational training, often based on classroom pedagogy, to job readiness training that follows a “work first” philosophy. Other important developments include greater experimentation with program design, greater specialization among service providers, greater employer participation in workforce development programs, and greater collaboration among various institutions and service providers.

Equally important has been the transformation of traditional service providers such as community-based organizations and community colleges. Given the available evidence, it is difficult to generalize about the evolving role of community-based service providers, but undoubtedly community-based organizations (CBOs) were changed by federal system reform initiatives in various ways. While many CBOs were clearly adversely affected, others took advantage of the opportunities presented to implement successful strategies and adapt to new policy regimes. Community colleges became more active in workforce development programs. In many state and local jurisdictions, welfare reform created the conditions for greater participation by colleges in programs targeting the disadvantaged (Meléndez, Falcón, and Bivens 2003).

Community-based initiatives are playing an increasingly prominent role in the ongoing restructuring of the employment and training industry.¹ One of the most important developments resulting from a decade of intense experimentation has been that service providers have realized the benefits of collaboration with other organizations. Though some of these collaborations are really across institutional boundaries, such as those between CBOs and community colleges or employers, many have involved collaborations among service providers otherwise in more direct competition. The resulting division of labor has yielded a richer and more complex network of services, and many local employment systems have been strengthened as a result. But in other places, often where broad community-based initiatives were not implemented, the impact of federal reform has led to less inclusive and less efficient arrangements.

This chapter provides a broad look at the two major federal policy reform initiatives and how they have affected the employment services industry. In the final section, an overview of the chapters in the volume is presented.

POLICY SHOCKS AND DEVOLUTION

The enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) and the Workforce Investment Act of 1998 (WIA) has redefined the underlying philosophical foundations and program structure of the employment training system in the United States. PRWORA transformed public assistance into a work-based and transitory (or time-limited) assistance system. WIA consolidated the most important programs sponsored by the federal government and restructured the services offered at the ground level. Both acts transferred program authority to the states and allocated funding through block grants, redefining the role of local authorities and encouraging greater flexibility and autonomy. The enactment and implementation of these major policy initiatives coincide with one of the longest economic expansions and some of the lowest unemployment rates of recent decades. In conjunction, these forces transformed the policy context and the general operational environment for employment service providers.

From a public policy perspective, it is of foremost importance to understand both the influence of these changes on local employment and training systems and the strategies implemented by service providers to adapt and respond to the changes. One of the immediate effects of the joint occurrence of welfare reform and low unemployment was to encourage the participation of a wide spectrum of employers and service providers not previously engaged in serving welfare recipients. In the past few years, a significant number of employers began programs for the recruitment and training of entry-level workers.² Numerous organizations not previously involved in a training system targeting the most disadvantaged entry-level workers started collaborations to assist employers in launching such programs or initiated their own programs. Many of these organizations, such as temporary employment agencies, faith-based groups, some community colleges, and multiservice agen-

cies, brought to the task relatively little experience in training the disadvantaged.

Increased competition among service providers, improvements in program design, and greater connections to the business community could very well be some of the most positive and long-lasting aspects of welfare reform. However, it is apparent from the studies included in this volume that these changes have also weakened some of the traditional employment and training service providers. From a public policy perspective, what really matters is whether the system improves services to targeted populations such as welfare recipients, disadvantaged adults and youth, dislocated workers, and others. Whether these services are provided by one type of intermediary or another should not be a significant policy concern in and of itself. However, in actuality it is very difficult to separate the question of who provides the services from the matter of whether services are provided to targeted disadvantaged populations. CBOs and other nonprofit organizations may have a more intrinsic or organic relationship to the communities where these populations reside and the organizations that provide related services, thus facilitating outreach and complementing services.³ From a systemic perspective, the challenge is to improve the quality of services through better performance management of service providers while maintaining an equal or greater level of services for all targeted populations.

This section of the chapter examines in more detail the policy shock affecting the structuring of local employment services. The primary objective is to provide an overview of the policy context in which the industry has operated since the enactment of welfare reform, and of how these changes in policy have altered the operational premises of local employment services.

The Significance of Welfare Policy Reform for System Change

By the mid 1990s, policymakers were beginning to reach a consensus about the need to revamp the employment training system serving the disadvantaged. In the case of the Job Training Partnership Act (JTPA), most of the criticisms were directed, overtly or covertly, at service providers in general, and in particular at CBOs, as they represented the majority of service providers. The main criticism of JTPA-sponsored programs centered on the limited impact these programs had on partici-

pants' outcomes. For example, the well-known evaluation of JTPA by Abt Associates (Orr et al. 1996; Bloom et al. 1997; U.S. General Accounting Office 1996a) documents the small impact that these programs had in general. The explanations for modest and often disappointing results are well known by now. According to Grubb (1996), for example, some of the most important factors contributing to the limited effect of these programs were 1) the relative small scope of the intervention in terms of both skills enhancement and work experience provided to participants, 2) the inappropriate infrastructure of skills training providers and their inability to keep pace with new technologies and pedagogy, and 3) the separation that existed between classroom-based training and the occupational skills demanded by industry. Other weaknesses of the system include the fragmentation of funding streams, the intrusive role of politics in funding allocation, and an overly bureaucratic administrative structure.

Criticism of JTPA-funded training programs was mounting as the evidence from various demonstration and evaluation projects indicated that programs promoting work experience were more effective than conventional training programs providing education and classroom training when it came to transitioning welfare recipients to the labor force (Gueron 1986, 1990; Gueron, Pauly, and Lougy 1991). Programs in which welfare recipients volunteered to participate were more effective than mandatory programs, but all programs targeting welfare recipients were more effective when a variety of support mechanisms were available to program participants. Mandatory programs, before the enactment of PRWORA, were more effective when sanctions for nonparticipation were more strongly enforced. Although not all community-based training was ineffective and some studies provided evidence of modest impacts on various disadvantaged populations (U.S. Department of Labor 1995; Meléndez 1996), so-called work first programs targeting rapid attachment to the labor force and promoting work experience were less costly to implement and offered policymakers a clear alternative to the prevalent model of classroom training.

Aside from reforming the welfare system, enactment of PRWORA gave the first major shock to the employment training system. For the purpose of this discussion on the emerging role of community initiatives in an era of devolution, perhaps the most important development was the provision of Welfare-to-Work (WtW) grants totaling \$3 billion,

split between fiscal years 1998 and 1999. The policy regulations clearly articulated a work first approach to solving the employment problem of welfare recipients. Stricter work requirements and sanctions made it very difficult for service providers to exceed the allowable time for classroom training and other educational activities. Another consequence of the infusion of the WtW grants into local employment training systems was the need to attract many new service providers in a relatively short period. Consequently, local welfare offices implemented strategies to aggressively recruit and enhance the role of labor market intermediaries (Pavetti et al. 2000). Given the tight labor market and the magnitude of the federal infusion of resources, many nontraditional training service providers for the disadvantaged started new programs or expanded existing ones. These organizations include temporary employment agencies, faith-based and advocacy groups, multiservice organizations, community development corporations, and community colleges.⁴ In short, one of the most interesting developments of welfare reform was to expand the organizational infrastructure for workforce development, which increased competition in the industry.

It is in the above context that we must understand the forces that are converging to promote system reform. To begin with, most research that assesses the factors contributing to successful employment programs points to the key role that a close connection to employers and industry plays in advancing program effectiveness (Harrison and Weiss 1998; Giloth 1998; Meléndez and Harrison 1997; Mueller and Schwartz 1998; Stokes 1996; USGAO 1996b). Effective programs are designed to reflect the rigor and routine of the workplace, establish clear workplace norms and expectations, and actively engage employers in curriculum design and instruction. The connection to employers is often structured as an internship where trainees gain work experience and employers get to know the prospective employees before hiring them. Collaborations with employers often extend beyond placement, focus on job retention, and are continued for a period of worker adjustment that may last from three to more than six months.

The infusion of new service providers and advocacy organizations, together with stricter regulations and a more active role for employers, brings yet another notable development: a renewed effort toward understanding organizational practices and an increased experimentation with new professional practices. For one thing, the emphasis on

placements forced many organizations to focus on making connections with employers and having an up-front conversation about workplace expectations. Whether as a result of tight labor markets or because of new corporate leadership, employers' participation in WtW programs and collaboration with government agencies and training organizations has grown significantly in recent years.⁵

New programs serving welfare recipients have incorporated many of the features documented in the literature, such as effective job readiness, placement, and retention practices for disadvantaged populations. However, some experts contend that the design of new programs has been limited by the emphasis on job readiness and placement at the expense of basic and remedial education and skills training (Strawn 1998). In this view, a combination of skills-enhancing and work-experience activities is necessary for a more successful transition to work, particularly for those with low literacy levels and long-term detachment from the labor force. The release of various Welfare-to-Work program evaluations supports this contention. In a summary of the findings for random-assignment evaluations of 20 programs conducted by the Manpower Demonstration Research Corporation (MDRC), Gueron and Hamilton (2002) conclude that, although all strategies that were evaluated increased work for single parents and reduced welfare participation, the higher impact on five-year participants' earnings came from programs that used a mix of activities. The mix included both immediate job search and a combination of short-term, work-focused education or training and job search.

The impact of recent WtW evaluations on the workforce development field has been twofold. First, the evidence supports the validity of prior findings about work-focused employment programs. Second, the studies suggest the need for more evaluative research to focus on the relative effect of various program components. The findings from the 20 studies included in the National Evaluation of Welfare-to-Work Strategies are of particular interest (Michalopoulos, Schwartz, and Adams-Ciardullo 2000). In this evaluation, the results for the job-search first strategy were compared with those for the education-or-training first strategy at 11 different program sites. Though in general the job-search first programs had a bigger impact on five-year earnings than did those of the education-or-training first strategy, one of the sites (Port-

land) employing mixed initial activities outperformed all programs, and net annual gains in earnings exceeded \$5,000.

Regardless of whether the long-term welfare policy shock to the employment training system is a positive or a negative one, in the short term it has induced experimentation, attracted new service providers to provide training for the disadvantaged, and promoted effective organizational and professional practices. However, while we must recognize these positive aspects of welfare reform in the short term, it is also necessary to discuss some of the dynamics that may have a negative effect in the near future. Obviously, one of the more challenging questions is how welfare participants who have received limited job-readiness training are going to fare when the unemployment rate is not as low as it was when most of these evaluations were conducted and employers are more demanding regarding minimum skills standards for employment. Or even in the context of favorable labor demand, what is going to be the impact of these programs on the so-called hard-to-serve welfare recipients, for whom more support services and long-term interventions are necessary to achieve positive outcomes than were for the majority of those in the first waves of WtW program participants?

The worst-case scenario might be one in which the next wave of welfare recipients reaches the time limits for benefits at a time when the unemployment rate is significantly higher than it was in the 1990s. There are enough indicators to suggest that the more recent welfare recipients entering into the employment and training system require support systems for a more varied and complex set of barriers to employment than did prior program participants. These types of hard-to-serve populations may require comprehensive support programs from CBOs that have been the most affected by the welfare policy shock. Whether the system as a whole has the capacity to help the hard-to-serve population remains an open question. Notwithstanding the uncertain legacy of welfare reform, its impact on the workforce development field provides a necessary context for understanding the enactment of the Workforce Investment Act.

WIA and the Restructuring of Employment Services

Congress finally enacted workforce development legislation in 1998 after several earlier attempts had failed to consolidate the major

federal employment and training programs. Perhaps less ambitious than prior bills, WIA combined all major employment and training programs overseen by the Department of Labor but did not integrate programs overseen by the Department of Education (such as school-to-work and vocational education) that had been included in prior attempts (Meléndez 1997). However, WIA did mandate increased coordination of all programs at the local level and created Workforce Investment Boards (WIBs) at the state and local levels as the mechanisms for overseeing a more coherent integration of the system. In addition to employers and representatives from industry, the local boards incorporate a broad range of educational institutions and government agencies directly involved with workforce development programs and activities. One-Stop Career Centers (OSCCs) were given a more critical role in the system, as discussed in more detail below (Buck 2002; King 1999; Patel and Savner 2001; O'Shea and King 2001; U.S. General Accounting Office 2000).

The major goals of the new legislation are to increase flexibility at the local level and to provide clear guidelines for increased performance in the system. With the transfer of local program oversight to the states, the act requires that local jurisdictions evaluate system performance based on participant outcome measures such as placement and wages at placement, wage gains, and job retention. Full implementation of and compliance with WIA was mandated in 2000, but because of difficulties in data collection and the short time period with which to observe program completers' labor market trajectories, currently there are no available national data to evaluate the effectiveness of employment and training under WIA (U.S. General Accounting Office 2001, 2002, 2004).⁶ In sum, WIA changed the landscape of employment and training programs for the disadvantaged in the United States by incorporating elements of competition and performance standards into policy design.

The critical question is how these changes in policy are affecting employment and training services to the disadvantaged, and more specifically, how these changes are affecting CBOs that have traditionally provided services to this population. In theory, one could conceive of a system targeting the most disadvantaged populations with minimal participation from the existing infrastructure of CBOs. In practice, it is difficult to separate the analysis of services to the disadvantaged and the training organizations since CBOs remain the primary service providers

for the most disadvantaged program participants in the current system. WIA has the potential to adversely affect the current infrastructure of CBOs and, as a consequence, basic employment services to the most disadvantaged populations (Plastrik and Taylor 2001). There are three interrelated aspects of WIA that more directly affect services to disadvantaged adults. These consist of sequential eligibility for employment services, a performance-based certification system for service providers, and Individual Training Accounts (ITAs)—popularly known as vouchers—for adult training. Below, I will discuss each of these key policy and implementation issues and their potential impact on service providers' operations.

Sequential eligibility refers to the process through which participants in the publicly funded employment and training system have access to services under WIA. The act defines three types of services. Core services consist of outreach and intake, orientation and information on job openings, job search assistance and placement services, and follow-up services. Core services are universal, open to all job seekers regardless of employment status or income. In this way, WIA attempts to broaden the appeal to employers by providing employment services to all, not just to the more disadvantaged, thereby minimizing the stigma attached to state agency referrals to employers. Intensive services are offered to job seekers unable to find employment after receiving core services. These services are more specialized and include a more rigorous assessment of skills and barriers to employment, the preparation of an individualized employment plan and career planning, group counseling, and case management. Intensive services may also include other aspects of job readiness training such as communication and interviewing skills, and prevocational skills such as time management and introduction to computers. Eligibility for intensive services is restricted to unemployed workers with predefined barriers to employment, or to employed workers who may need intensive services to remain employed. Job seekers are eligible to receive training services only after the first two categories of services are exhausted.⁷ The law also requires that job-training candidates must have the qualifications to be successful in order to receive ITAs and skills training.

Clearly, the concept of sequential eligibility of services under WIA reflects a work first philosophy. In this sense, WIA brought the employment training system into alignment with welfare reform. This is

a continuation of a trend that actually started in 1992 with the amendments to JTPA that directed resources to the hardest to serve. Recent experiences with state implementation of WtW programs suggest great variability in local regulations and implementation of welfare reform. In many ways, the congressional intent to give more latitude and control to local authorities for the design of regional employment services can work to CBOs' advantage in their quest to redefine a role in the restructured employment and training system. Recent experience with programs targeting welfare recipients also suggests that CBOs possess the capability to develop effective organizational strategies, to redesign programs, and to adapt to a new policy environment.

Although it is generally a more punitive environment for CBOs under the new WIA regime for the reasons explained above, there are key local policy and implementation issues that may open the door to increased CBO participation. First, it is important to understand the coordinating role assigned to OSCCs. Under the new administrative structure set up by WIA, OSCCs have the responsibility for coordinating all services. How these services are distributed and structured is left to the discretion of state and local boards. The State Workforce Investment Board has the primary authority for establishing (after a public process of consultation) service eligibility guidelines and the standards for job placements and retention. These standards are subsequently used as benchmarks to certify service providers at the local level. WIA guidelines are flexible enough for each locality to structure OSCCs and training services to adapt to local conditions and encourage the participation of CBOs in the system. Research presented in this volume⁸ indicates that CBOs' involvement and their role in the local system vary widely, depending on their prior involvement in the system and their ability to respond effectively to policy and regulatory changes at the state and local level.

CBOs have structured various types of arrangements with OSCCs and local WIBs. In a few instances, OSCCs are designed as community job centers, where CBOs serve both as managing partners and as service providers for core and intensive services. At the opposite extreme in terms of CBOs' participation are cities where CBOs act more as outside advocacy organizations focusing on the continuation of services to the disadvantaged but not directly providing those services—at least not primarily through contracts from the OSCCs. In between these

two extreme examples of CBOs' role in the emerging system, there are many other cases of cities where CBOs have sustained and even enhanced their role in the local system. For instance, CBOs can obtain contracts to provide on-site core services to job seekers. In this "every-door-is-the-right-door" model, CBOs are contracted to provide intake for core services but often require authorization to provide additional services or are requested to refer clients to other service providers, depending on the type of services authorized by the OSCC. This relation is often structured as a contract for a minimum number of intakes, with provisions for adjustment. In this de facto fee-for-service arrangement, OSCCs' outreach is decentralized, more likely to have satellite services in low income communities, and more likely to reach hard-to-serve populations.

Another format followed by CBOs and OSCCs to structure a contractual relationship is that of having most of the intake, assessment and referral services centralized at the OSCC (typically in a central business district or downtown location), but of having what are now referred to as intensive services provided by CBOs dispersed throughout the city. This is a departure from past practice to the extent that job readiness training and other intensive services were part of a more comprehensive training package and contract. With the advent of WtW grants, job readiness training has been, in practice, separated from skills training. Indeed, job readiness has become the most prevalent service provided to job seekers, at the expense of skills training (Frank, Rahmanou, and Savner 2003). Under the new work first approach to employment services, it is becoming more common for CBOs to lose training contracts with community colleges and other service providers. CBOs may still be subcontracted to provide the bulk of support services and, on occasion, job readiness training as well.

It is apparent from the above discussion that there is a new division of functions emerging in the post-JTPA employment training system. CBOs are being pushed away from vocational training and asked to provide more case management and job readiness services. The use of ITAs for adult training is likely to reinforce this trend in the composition of services since many of the traditional educational institutions already operate under a tuition system more easily adaptable to payments with training vouchers than the cohort contracts used to structure CBO training services under JTPA. However, to the extent that job readiness

services become a disproportionate share of services under WIA and are provided through contracts to CBOs, CBOs will continue to occupy a prominent role in the new system. There are many examples of community-based job readiness and placement programs that have grown dramatically with the advent of the work first approach. By focusing on job readiness and not on skills training, CBOs' employment programs have capitalized on a market trend, and many organizations have benefitted substantially from the new local policies.⁹

One of the most important offshoots induced by the WtW grants was to more actively engage community colleges in developing new job readiness and short-term vocational training programs for welfare recipients (Meléndez, Falcón, and Bivens 2003).¹⁰ All indications are that community colleges are in an advantageous position to create vocational training programs as a bridge to their core educational—and tuition-based—programs. In fact, community colleges are better positioned to occupy a more prominent role for both youth and adult training under WIA than they were under JTPA. WIA also benefits community colleges by requiring that job seekers who apply for training services must have the qualifications to be successful. By stipulating that training program applicants be able to meet minimum criteria to enter the programs, this requirement benefits the best-educated job seekers and penalizes those job seekers who are not able to demonstrate a minimum level of literacy. “Creaming,” as this practice is known in the industry, benefits trade schools and community colleges because admissions (and state subsidies and tuition reimbursements) are linked to students' ability to pass literacy and math tests. In other words, the community college system is already based on testing students' literacy level before they can enroll in college-level courses. Thus, community colleges can accommodate adult training programs under WIA with little or no adjustment to existing operations.

WIA provides two additional contractual mechanisms that CBOs can take advantage of. First, all youth services remain under a performance-based contract system. Youth services are excluded from ITA regulations affecting adult training, and CBOs providing youth services continue to do so without much change from the prior system. The second mechanism for CBOs to continue operating under contract allows them to enter into partnerships with employers to set up workplace-based programs where employers cover at least half of the training

costs. The allocation of funding among different types of services and programs is left to the discretion of local authorities. It is reasonable to assume that collaborations with employers, particularly on those training programs that serve the needs of a broad group of employers in a regional labor market, are going to be favored by local authorities.

Thus, the evidence regarding whether CBOs have been successful in the transition to the new policy regime or whether they will become the predominant service providers for the disadvantaged workers' segment of the training market is inconclusive at this point. However, one inference from the above analysis can be made: Those CBOs that have established collaborative relations with OSCCs, community colleges, and other service organizations are in a better position to adapt their operations to the new policy regime than those that lack these connections and networking practices.

A second area of concern in how the implementation of WIA may affect participation of CBOs in the provision of services is the new certification system mandated by the act. Under the new law, the state WIB establishes performance standards and certifies service providers. Certifications are based on performance in labor market outcomes such as job placement, employment retention rates, and wages and benefits at placement. The data collected for certification purposes also serve to produce "consumer reports" on the performance of service providers participating in the system. The intention of the act is to provide data on service providers' performance that will help training candidates evaluate the quality of the programs and arrive at the best options available to them.¹¹ This market-oriented system is designed to encourage competition among service providers and to improve performance among alternative types of vocational and skill training vendors. The voucher system also is intended to diversify the training options opened to the disadvantaged. All service providers will have to undergo a periodic review and certification process to remain service providers.

Taken together, the tuition-like financing mechanism for adult training and the one-year grace period given to educational institutions are evidence that Congress wanted to favor community colleges for providing skills training services for disadvantaged adults, and to make it harder for CBOs to qualify and compete as training service providers. The legislative intent of favoring community colleges is consistent, as previously discussed, with the prevailing view embodied in policy and

evaluation research that documents the limited impact CBO-based skills training programs have had on disadvantaged adults. But the advantage given to educational institutions is only relative, and has proven to be transitory. For one thing, it is not clear whether community colleges can adequately serve individuals with low literacy levels as measured by standardized tests. The evidence from the WtW grants suggests they can, provided that the financing and other supports are available to colleges. But whether colleges will be able to create and sustain the support services necessary for disadvantaged adults in the absence of specific contracts covering operating costs remains to be seen. Most state systems pay for students enrolled in for-credit courses and limit enrollment in remedial and noncredit courses. If the revenue stream generated by training vouchers is not sufficient to cover the increases in operational costs associated with serving special needs populations, there is simply no incentive mechanism for colleges to provide the support services necessary for disadvantaged adults to succeed in regular for-credit courses. By implication, there are no incentives for colleges to initiate non-college-credit vocational training programs.

Whether colleges find ways to create support mechanisms with the revenue streams generated by vouchers will largely determine whether they remain competitive in this segment of the training market. In the end, CBOs with the experience and complementary support programs may have the advantage in serving disadvantaged adults. Over time, effective community-based training providers are maintaining a niche in this market. In any case, given the structure of the act, there are currently few incentives for community colleges and other educational institutions that do serve disadvantaged adults to seek partnerships with experienced CBOs to develop joint programs.

Perhaps the greater challenge for local WIBs is to develop an information gathering and reporting system that is balanced and fair to all types of service providers. One of the critical problems that needs to be solved is how to report comparative data for different types of programs serving a diverse population. There is great variability among disadvantaged adults both in terms of the skills and experience they bring to the job market and in terms of the multiple barriers that may affect their successful placement and tenure in a job. It is conceivable that CBOs serving the most disadvantaged and community colleges serving those with higher literacy and education could be grouped together for

comparing outcomes and for measuring program performance. Contrary to legislative intent, there may be a disincentive for some training programs to accept the hard-to-serve. As the above observations point out, CBOs may be placed at a competitive disadvantage to educational institutions in a comparison of program outcomes. WIA is extremely vague as to the method that will be followed to assess program effectiveness. But because the law mandates that consumer reports be issued regularly, states have begun to collect data to be able to develop the baseline information necessary to produce the reports.

In sum, by dividing services into three distinct categories and breaking the prior contractual connection between job-readiness services and vocational skills training programs, WIA changed the terrain. The above discussion suggests it is more likely in the future that different types of service providers will cater to certain types of populations. One pattern observed in many local areas was that WtW grants were given to large organizations that specialized in intake, assessment, and referrals, while the actual job-readiness training was subcontracted to smaller CBOs. Consequently, given that community colleges will continue to pursue the provision of vocational skills training, a new division of responsibility and specialization is emerging in the industry.

What, then, is the role that CBOs are assuming in the new WIA-structured employment training system? CBOs are beginning to define a niche as job-readiness and placement service providers for the most disadvantaged job seekers, whether through contracts directly from the OSCCs or through those from larger regional intermediaries. We observe a similar role when CBOs enter into partnerships with employers and community colleges, although such partnerships are relatively fewer for CBOs than the “intensive service” contracts. Ultimately, not all CBOs are positioned to respond to changing conditions in the employment and training industry. Whether CBOs will be able to succeed in this transition and reposition themselves in the emerging system remains an open question. What we do know is that preliminary evidence suggests that those CBOs that have responded to the challenges posed by federal policy devolution by specializing in job readiness and placement programs and entering into partnerships with OSCCs, with employers, and in some instances with community colleges, have been more successful than many in adapting their operations to the new policy regime.

NEW EVIDENCE ON CRITICAL RESEARCH QUESTIONS

This section summarizes the findings from the various studies presented in this volume. To facilitate discussion, chapters are divided into four subsections corresponding to the central themes of the book.

Emerging Labor Market Intermediaries

One of the long-lasting impacts of welfare reform has been to attract a host of nontraditional employment and service providers to the industry, increasing competition and engendering new practices for a more effective service delivery system. But even with these positive developments, many questions remain. Most of the new organizations implementing employment programs have emphasized job readiness and placements. The chapters in this section examine 1) whether these organizations provide services to hard-to-serve populations, 2) whether the new intermediaries are able to provide job skills training that facilitates career advancement in the new economy, and 3) how local political forces promote and finance effective employment systems.

State and local agencies, nonprofit organizations, and private firms are increasingly operating as employment service providers in local markets, sometimes together. The chapter by M. Bryna Sanger, “Competing for Contracts: Nonprofit Survival in an Age of Privatization,” examines how new contracting arrangements introduced by welfare reform in various localities have forced nonprofits to compete with for-profits, and how these competitive demands are altering the way the nonprofit, often community-based organizations, do business. The nonprofit sector is facing increasing pressure to demonstrate its effectiveness. Many of the traditional employment service providers have adapted creatively to the new challenges, improving their performance, competing effectively on price, and developing innovative means to protect their missions. Many others, however, are struggling.

The author examines the experience of some of the strongest existing providers. Case studies include Opportunities Industrialization Center (OIC) and United Migrant Opportunity Services (UMOS) in Milwaukee and Federation Employment and Guidance Service (FEGS), Wildcat Service Corporation, and Goodwill Industries of Greater New York—big operators that have had a long history of public service pro-

vision. However, many CBOs and small and medium-sized providers have fewer resources with which to succeed in a more competitive, performance-based environment. Their new roles as subcontractors have been more limited and their success is still in question. Little technical assistance or management support has been available, except in cases such as Seedco's Nonprofit Assistance Corporation (N-PAC). Nonprofit innovations formed through collaborative and creative partnerships, private fundraising, and status changes (development of for-profit subsidiaries) represent healthy and promising adaptations. However, these are the exceptions. Most small nonprofits are struggling, and many may simply disappear from the industry.

In the following chapter, "CBOs and the One-Stop Career Center System," Ramón Borges-Méndez and Edwin Meléndez examine the positioning of CBOs in WIA-structured local systems. As stated in the Workforce Investment Act of 1998, the OSCCs are intended to become the universal point of entry for all federally funded employment programs. Job seekers use OSCCs to find jobs and information about occupational education programs, and to request and receive career development services. The evidence from the study indicates that the majority of clients are eligible only for a core set of job search services. Clients who are eligible for various social support services are often referred to other agencies. The implementation of WIA and welfare reforms modified CBOs' position as providers of core, support, and training services. This is the first study to examine the general positioning of CBOs as service providers after WIA was enacted. The authors identify how CBOs have been able to directly participate in and influence the development of OSCCs while maintaining their commitment to disadvantaged populations and communities.

Using a national, nonrandom scan of OSCC cases and structured interviews from 28 CBOs, Borges-Méndez and Meléndez assess the evolving relationship between OSCCs and CBOs in the provision of employment and training services. CBOs' positioning with the OSCC system, as Sanger argues in the previous chapter, has been uneven because of the sweeping changes brought by the law and by other local environmental and organizational factors such as federal devolution, and because of the mission, staffing, connectedness and financial resources of these organizations. The authors identify three types of CBO positioning, or contractual relationships, within OSCC systems:

1) CBOs as primary operators, 2) CBOs in peer-to-peer networks co-managing OSCCs with other stakeholders, and 3) CBOs as subordinate subcontractors. Overall, the authors conclude that primary operators and CBOs that participate in peer-to-peer networks have been equipped to assimilate the new mandates, such as work first and universal access, because of their authority in system governance, experience, and relational resources. Further, some of these CBOs are adding value to the system in areas like program integration. Smaller, less endowed CBOs have become subordinate contractors. Some even experience outright exclusion from the system.

The following two chapters focus on nontraditional service providers—unions and community development corporations (or CDCs) operating supportive housing. These service providers were attracted to the market in part by the new welfare policies and in part by their history in responding to the needs of a clearly established constituency. In the chapter titled “Union-Sponsored Workforce Development Initiatives,” Beverly Takahashi and Edwin Meléndez compare union-led workforce development initiatives with community-based and other traditional employment programs. The chapter examines three union-sponsored initiatives within the framework of prevailing union and workforce development trends. New Unionism, which rejects “bread and butter” unionism’s exclusionary policies, is the driving force behind union-sponsored workforce development initiatives. At the same time, factors such as industry, region, government policy, union leadership, and prior experience influence the structure of training initiatives.

The authors find that innovative, union-sponsored workforce development initiatives are capable of serving the training and employment needs of low-wage workers, unions, and industries. Unions can intervene at critical junctures of workforce development: they have special knowledge of workplace opportunities, they are connected to employers’ recruiting networks, and they are able to provide ongoing training and mentoring in the workplace. In addition, innovative unions have the capacity to assist workers who face multiple barriers to employment by developing links to CBOs that serve the disadvantaged, or by structuring support systems similar to those established by CBOs.

Clearly, not all experiences of those entering the employment services industry were positive. The example presented by Alex Schwartz, Edwin Meléndez, and Sarah Gallagher in the chapter titled “Address-

ing the Employment Challenge for the Formerly Homeless: Supportive Housing in New York City” demonstrates that entry continues to be a challenge for organizations that have limited experience with employment services. CDCs in the field of supportive housing provide a cost-effective means of helping formerly homeless individuals stay off the streets and live healthier, more independent lives. However, because of welfare reform and increased pressure to move people off public assistance, supportive housing providers, like many other social service providers, have become more interested in increasing the employment opportunities available to their residents and program participants. This chapter examines the employment status of residents in supportive housing programs in New York City, the nature of their employment barriers, the benefits to them of employment, and the ways in which supportive housing organizations are attempting to meet residents’ vocational needs. Despite increased program development and innovation, vocational programs run by supportive housing groups do not seem to reach a large segment of their target population. Because of the many obstacles they face, a relatively small number of residents in supportive housing are employed or participating in vocational programs. The study’s recommendations for improving vocational support for residents of supportive housing are 1) to develop a better understanding of the market and set realistic outcome expectations to attract more supportive housing residents to the existing programs, and 2) to revamp operations to improve the effectiveness of programs in helping residents to succeed in a competitive labor market.

Overall, the employment services industry underwent a significant change in the composition of service providers as a result of federal reforms of welfare and workforce development policies. In response to these policy changes, and in an attempt to be responsive to the needs of disadvantaged populations, new players entered the industry and established providers adapted their operations. The new local policy regimes are established on the premise of increased market competition and performance compliance. The evidence presented by the different authors in this section indicates a tendency toward increased concentration in the industry with private vendors playing a more active role, particularly in large metropolitan areas where the most profitable opportunities exist. Far from conceding their position in the local system, many large nonprofit and CBO operators have taken advantage of the opportunity

and solidified and expanded their position in the system. A new breed of nonprofits, which manages large contracts for local welfare agencies, and a new breed of CBO, which operates OSCCs, signal the appearance of mission-driven organizations that have successfully adapted their programs and operations, improved organizational performance, and implemented effective management systems to comply with the new regulatory environment.

Community-Based Workforce Development Initiatives for the Information Technology Sector

The second section of the volume focuses on one of the most important strategies currently being employed by a variety of labor market intermediaries. Different community-based organizations, unions, and other types of intermediaries are increasingly adopting sectoral strategies to target employment programs at specific industry subsectors. In essence, this strategy seeks to establish long-term relationships between the training and service providers and employers in a targeted industry. Some of the principles adopted by practitioners and organizations implementing the strategy include a dual-customer approach, training for the specific skills needed by industry, and job-retention support services. Rather than recruit and train workers for a wide range of industries and occupations, as is common practice in the industry, supporters of this approach select an industry cluster and focus their efforts on that sub-sector of employers in a given industry. This approach has several benefits, one of which is better outcomes for participants, but practitioners face tremendous challenges when implementing the strategy. These challenges start with financing the project, as conventional sources often find that the intervention is expensive and serves only a limited number of workers. Added to that, acceptance from industry has been slow.

This section takes a closer look at programs targeting subsectors of the IT industry as an example of sector oriented strategies. These programs are of great interest to the field since they shift training and job development toward a fast-growing sector of the economy. The authors examine whether training programs are effective in establishing links with industry and in providing career ladders for jobs that pay family-sustaining wages. The authors show that there are various com-

munity-based initiatives, often involving partnerships among several organizations, that have created successful sectoral strategies. The experiences of employees in these cases can, in turn, serve as models for other practitioners interested in implementing similar strategies.

The increased use of new information technologies in the economy presents new challenges and opportunities for workforce development organizations. In the first paper of the section, “Workforce Development in the Information Technology Age,” Michael A. Stoll presents a broad overview of programs and effective practices targeting the information technology (IT) industries. Specifically, this chapter 1) examines the demand for workers and the rising skill requirements in IT jobs, 2) evaluates whether current workforce policy is positioned to meet the growing labor market needs in the IT sector, and 3) investigates how workforce development policy can help low-skill workers overcome barriers in the new economy labor market. A number of “best practices” are identified that are likely to link low-skill workers to IT jobs. These include employer links, relevant and timely skills training, a mixed approach to training, integrating community colleges, networking and collaboration among training providers, and post-employment assistance.

The purpose of the second chapter in this section is to discuss how the rise of the IT sector has opened a unique window of opportunity for community based organizations linking disadvantaged workers to the growing sectors of the economy. In her chapter titled “Community Technology Centers: Training Disadvantaged Workers for Information Technology Jobs,” Lisa J. Servon examines whether community technology centers, a community-based type of skills training program, have responded successfully to the challenges of the IT sector. Though the Information Technology Association of America (ITAA) estimates the demand for entry level IT workers to be close to a million and these jobs tend to pay well, many of these positions are entry level and will go unfilled because they require specific skills which need to be upgraded continually.

According to Servon, the rapid change within the IT industry carries with it three primary implications for community-based skills training programs: First, workforce development programs must be responsive to industry needs and constantly update curricula to provide the skills demanded by employers. Second, the traditional concept of job lad-

ders is called into question, since IT workers tend to move between jobs quickly, making traditional measures of job training less useful. Third, workers must become lifelong learners. Training must be seen less as a one-time effort than as a lifelong process because graduates of training programs will likely continue to need training after placement in order to keep their skills current. Although other institutions occupy important niches in the landscape of IT training, community-based training programs have placed the greatest emphasis on targeting, training, and placing disadvantaged workers in IT occupations. The chapter concludes by summarizing the lessons and best practices from the community technology centers' experience in the field.

In the last chapter of this section, Laura Wolf-Powers discusses general principles for policymakers and practitioners pursuing sector-specific career ladder strategies for low-income workers. In "Beyond the First Job: Career Ladder Initiatives in Information Technology Industries," Wolf-Powers presents the findings from case studies of employment access and career mobility in three community-based career ladder initiatives in the telecommunications and related information technology (or information infrastructure) industries.

The study finds that skills training in these sectors has been simplified by the existence of external certifications such as the Building Industry Consulting Service International installer certification and the Cisco Certified Network Associate certification. However, to develop interventions that help clients to progress along external career ladders, an organization must carefully identify articulation points between telecommunications and IT skill sets and investigate how access to the industry is structured in its particular labor market. Echoing the conclusions of other studies, the study finds that the participation of community-based social support and advocacy organizations in training consortia contributes to program success. The study also concludes that institutional and financial support from the public sector, especially at the local level among WIBs, could improve and expand career ladder initiatives for information infrastructure occupations.

The workforce development field has advanced tremendously over the past decade, in part spurred by policy reform, and in part because of advances in program development and learning from the field. Today we know much more about effective practices and how to implement programs that help disadvantaged workers with career advancement

than we did a decade ago. The programs articulating effective skills development programs for the IT sector that are presented in the chapter are just examples of the advances that have been made in skills training in many industries. It is evident from the discussion that when gaining technical skills is important for the success of the programs, community colleges play a crucial role in structuring successful partnerships and effective programs. The changing role of community colleges and their positioning in a reconfigured industry are the central topics of the next section of the volume.

Recasting the Role of Community Colleges

Among the institutions that have taken the most advantage of policy reforms are community colleges. Many community colleges have created new programs to accommodate the growing demand for job readiness programs for welfare recipients. Often these programs are structured like career ladders, allowing former program participants to continue their training and education toward industry-sanctioned certificates and other credentials. Community colleges are well positioned to attract incumbent workers in need of the portable certifications of skill competencies necessary for career advancement. The chapters included in this section of the volume address the ability of community colleges to adapt to changing policy contexts and the role that colleges have played in restructuring the employment services delivery system. In many jurisdictions, their involvement has helped change the system into one that is more responsive to the needs of the most disadvantaged job seekers, more regional in scope, and more open to integrating other workforce development partners.

The first chapter in this section, “Community Colleges, Welfare Reform, and Workforce Development,” by Edwin Meléndez, Luis M. Falcón, Carlos Suárez-Boulangger, Lynn McCormick, and Alexandra de Montrichard, examines how, and to what extent, community colleges have implemented WtW programs in response to welfare policy changes. The authors found that, in part, the community colleges’ responses to welfare reform have been determined by the various regulations enacted by state legislatures, as well as by the implementation of those regulations and by funding allocations from local authorities. State regulations vary tremendously in terms of time limits and definitions

of work-related activities. The degree of flexibility of state guidelines regarding the type of job training activities that contribute to program participants' job readiness is particularly important to community colleges' ability to design training programs. The study also finds that the extent to which community colleges have responded to the new policy initiatives has been determined primarily by internal factors such as the college leadership's commitment to a comprehensive mission for the college, the existence of programs and prior experiences serving the disadvantaged, faculty and staff attitudes toward non-degree programs, and ongoing relations and collaborations with local labor, businesses, industries, and social service agencies.

While most states enacted regulations to encourage community colleges and other adult educational institutions to enhance existing or create new programs targeting welfare recipients, some local authorities enacted policies that in fact made it very difficult for colleges to maintain programs serving welfare recipients. In "Innovators Under Duress: Community Colleges in New York's Workfare Setting," Lynn McCormick shows how New York City policies have influenced community college programs for welfare recipients. Under PRWORA, each state is granted flexibility in determining the mix of education, training, and workfare activities that it will allow. New York City's state and local policy environments focus on workfare rather than education. Through case study research of the city's community colleges, McCormick finds that, overall, the policy environment has had a chilling effect on new programming for welfare recipients. Nevertheless, some exemplary programs have emerged. The paper concludes that there are strong policy "entrepreneurs" outside of government whose responses influence government policies. The interplay between policy entrepreneurs and city and state officials makes the reinventing government movement a more complex and nonlinear process than scholars have indicated.

In the final chapter of the section, "Community Colleges as Workforce Intermediaries: Building Career Ladders for Low-Wage Workers," Joan Fitzgerald argues that community college vocational programs are uniquely poised to provide the training needed for low-wage workers to advance into better paying jobs. Most of the nation's community colleges have developed short-term training programs, some specifically for Temporary Assistance for Needy Families (TANF) clients. A few community colleges are attempting to build on these programs by offer-

ing courses and programs for students after initial placement to prepare them to advance on the job. Many community colleges also engage in economic development activities that provide technical assistance to businesses to help them become high performance work organizations. In both types of programs, however, community colleges act as labor market intermediaries that not only connect supply and demand but also attempt to influence demand. This chapter examines in more detail the extent to which community colleges can help to create better paying jobs as well as provide the training for people to fill them. The study presents three highly successful community college programs that focus on career ladders or wage progression. These programs have been successful in connecting poor people to jobs to which they otherwise would not have had access.

In summary, the community colleges' effective and creative response to the challenge posed by WtW policies has proven that they are capable of playing a major role in regional labor markets. In some regions of the country, community colleges have shown employers that their programs can become reliable partners in providing well-trained and reliable workers. To many state labor and social service agencies, community colleges have demonstrated that they have the capacity and experience to serve a large number of disadvantaged students by creating specialized support programs and by adapting their existing infrastructure to meet these students' needs. Moreover, to community-based and church-based organizations, and to business and industry groups, community colleges have demonstrated that they can engage in mutually beneficial collaborations. Community colleges above all can provide numerous educational programs for any partnership and can articulate short-term vocational training with long-term education.

An evident conclusion from the discussion presented in the chapters in this section is that, initially, community colleges responded to the WtW policy shock by strengthening and transforming existing programs. However, as colleges became more aggressive in recruiting welfare recipients, a critical mass of colleges created new, more advanced and farsighted programs that positioned the schools as comprehensive regional labor-market intermediaries. Given the colleges' experience with the WtW initiative and the prominent and favored role assigned by WIA to community colleges, it's no wonder that they, more than any other type of intermediary, are capitalizing on the restructuring of the

federally funded employment system and becoming the primary providers of vocational training for adults and out-of-school youth.

Whether community colleges can continue to assume such a prominent role in the emerging workforce development system will be determined by their ability to transcend their focus on a traditional educational mission and expand it to be inclusive of, and integrated to, workforce development activities and programs. Indeed, the community colleges that have evolved into the most significant labor intermediaries in their regions see themselves as playing a more comprehensive role than that of traditional educators. Based on the findings from the studies presented in the volume, these community colleges have a clear mission to link education with industry and have engaged in strategies to forge alliances and collaborations with employers, government agencies, employer associations, and community groups. The next section of the volume examines community-based partnerships and collaborations in greater detail.

New Directions in Community Collaborations and Partnerships

Effective strategies to help the working poor advance have involved government, the private sector, educational institutions, labor unions, churches, CBOs, and social service providers. These institutions serve as labor market intermediaries that prepare and connect individuals to jobs and support them in their efforts to stay employed and advance professionally. However, given the diverse needs of the populations served and the wide range of employers targeted for entry level jobs, it is difficult for any one organization to provide a truly comprehensive array of support services to program participants or to engage in effective strategies to interest employers in their programs. Faced with this reality of increased demand for services at a time of more competition for financial resources to provide such services, organizations are exploring various ways of associating with one another to complement their program offerings. The authors in this section of the book address the lessons to be gleaned from effective partnerships and the factors that contribute to successful collaborations. They also examine the role that different institutions and actors have played in strengthening local and regional partnerships and collaborations.

The first chapter of the section is by Héctor R. Cordero-Guzmán. Titled “Interorganizational Networks among Community-Based Organizations,” it examines two questions: 1) why do CBOs enter into networks with one another, and, 2) what are some of the main factors in successful interorganizational networks among CBOs engaged in workforce development and other community initiatives? The study’s main finding is that although it takes a significant amount of effort to design, manage, and maintain interorganizational networks, the payoffs to networking can be substantial for CBOs in terms of additional services for community residents and more access to resources, information, and accrued knowledge. However, the author cautions that the complementarities between the organizations’ competencies are critical. Lack of understanding of such complementarities, or a forced relationship for funding or programmatic reasons, will often lead to a failed partnership.

One of the most important challenges in the field is how to establish long-lasting relations between employers and training providers. What is the role for each of the partners? What are the benefits to employers of engaging in partnerships with CBOs? In the final chapter of the section and the book, “Corporate-Community Workforce Development Collaborations,” Stacey A. Sutton examines employer perspectives and expectations with respect to building and sustaining collaborations with CBOs. She also looks at the usefulness of such collaborative relationships in creating opportunities for disadvantaged job seekers. The analysis is based on the examination of eight cases that are representative of a larger group of corporations actively engaged in starting and sustaining workforce development programs. Particular attention is given to the level of corporate involvement with CBOs—referred to as external or corporate connectedness—and the level of internal corporate support for and integration of workforce development practices, or their level of cohesiveness. In the end, according to the author, the best jobs are created in firms characterized by both strong external networks with community partners and strong internal support among management and coworkers. So it is not just networks that matter in creating good jobs; firms also have to be ready to embrace change.

The knowledge that exists in the workforce development field about partnerships and collaborations, their effectiveness, and the factors that motivate different actors to participate in these arrangements continues to be limited. However, the two chapters included in this section contrib-

ute much to our understanding of two types of community-based partnerships: those among various actors at the community level, and those between community actors and the corporate sector. The first is focused on a more coherent utilization of community resources, while the second is concerned with establishing bridges to mainstream employment opportunities for disadvantaged workers. Clearly, partnerships and collaborations have been instrumental in determining the workforce intermediaries that are more capable of taking advantage of the changes in policy that are redefining the employment services industry. They also have helped in facilitating the success of sectoral strategies, in structuring community college programs that serve welfare recipients, and in all aspects of the employment service delivery structure as examined by the various authors in this volume.

CONCLUSIONS

Workforce development is a relatively new intellectual and professional field. Although the “employment and training,” “social services,” “economic development,” and corporate “human resources” fields preceded its development, it is only in recent years that these streams of intellectual and professional practice have converged to advance a new discipline. Workforce development as a field of study encompasses the traditional social and supportive services necessary for job seekers to succeed in the labor market, as well as employer services and employer-intermediary relationships that influence successful recruitment and incorporation of workers into the workplace, career advancement, and increased productivity.

In this volume we examine how programming by different institutions and innovative professional practices are converging to transform the employment services industry. It is widely acknowledged by practitioners and other professionals in the field that the employment services industry has undergone considerable evolution over the past decade. System reforms have been partly induced by the dynamics of a rapidly changing economic environment and by a succession of policy shocks during the 1990s. The long economic expansion of the 1990s created favorable labor market conditions for the low-skilled, entry-level segment of the market, a reversal of the previous decade’s pattern in which

the more educated workers benefited the most from economic growth. Consequently, during the past decade employers in many industries have been more willing to experiment with recruitment and training programs targeting the disadvantaged.

Throughout the volume, the authors present evidence documenting how various policy reforms at the national, state, and local levels have induced employment services providers to revamp their operations to improve placement, retention, and other outcomes for program participants. The most recent wave of system reforms began with the enactment and implementation of TANF and WIA. Taken as a whole, these reforms promoted the principles of universal access, integration of federal funding streams, devolution of policy to local authorities, and the philosophical primacy of work experience (work first) as a starting point for employment services. WIA focused on outcomes and performance-based management. As a result, many new programs were started by nontraditional institutions, many of the traditional programs underwent a rapid transformation of operations, and many others left the industry.

The studies presented in the volume constitute a first step towards a comprehensive assessment of the role that community organizations have played in the revamping of the employment services industry. One of the most significant developments in the employment services industry today is the evolution of traditional service providers into a new type of labor market intermediary that simultaneously focuses on both the needs of job seekers and those of employers. The new labor market intermediaries have achieved a fundamental transformation of their services, which were previously oriented towards the provision of employment services to job seekers at the expense of responding to the needs of employers.

One of the most meaningful conclusions that can be derived from the discussion presented by the studies included in this volume is that, while many institutions offer employment services, the participation of CBOs has been a defining element in the majority of successful initiatives. Community organizations are a critical component of an integrated approach to economic and social development. One of the most defining characteristics of the new type of labor market intermediary is its emphasis on partnerships, networking, and collaborations as a mechanism to leverage resources in a highly competitive environment.

Collectively, the authors of the studies present an extensive discussion and assessment of the role of partnerships in workforce development. The book includes several in-depth case studies of successful initiatives anchored by partnerships among employers, CBOs, educational institutions, and government organizations.

Finally, understanding the role of community-based initiatives and the diverse types of organizations and institutions that compose the employment services industry infrastructure is particularly important in the context of public policy reform. WIA is intended to promote competition among service providers and has made it more difficult for CBOs to participate in local systems as service providers. Yet, based on the evidence presented in the volume, CBOs continue to play a positive and synergetic role in the system. Collectively, the authors included in the volume advise policymakers to take into consideration the contributions from community initiatives when reauthorizing WIA and to strengthen the community-based training options available to TANF recipients. Both of these issues have been at the center of congressional debates as lawmakers proceed with the reauthorization of the two most important legislative initiatives in recent years.

Notes

1. In this context, we refer to community-based initiatives as those programs and collaborations that involve one or several community-based organizations, social agencies, or groups (e.g., religious) that have a primary focus on neighborhoods and disadvantaged populations. These initiatives often include partners from several institutions.
2. See Chapter 13 in this volume for examples of these programs.
3. For the discussion in this Chapter, CBOs are a subset of nonprofit organizations. CBOs will often have a community focus, and area residents primarily integrate their boards. CBOs also will often provide multiple services to residents. In contrast, nonprofit organizations are frequently affiliates of national membership organizations; they provide services to a broader area, and their programs tend to focus on employment.
4. See Chapter 2.
5. See Chapter 2.
6. The following discussion is based on an interpretation of the available literature on the topic, particularly of the studies presented by the various authors included in this volume. States are having difficulty collecting data under WIA in part

because of difficulties with information management. The costs, technical difficulties, and expertise requirements of implementing information management systems to collect performance data are limiting states' ability to meet WIA mandates. Thus, many states, at least until now, have been unable to report on all of these measures, especially those that require unemployment insurance (UI) records to measure earnings over the six-month post-program completion period.

7. In actuality, many local authorities have enacted regulations that allow for the provision of intensive services to qualifying participants after the initial assessment. In a few localities, training services are also made available to qualifying participants while they are still receiving intensive services. Since this has been one of the most confusing and contentious aspects of the law, it is likely that with the reauthorization of WIA the act will be clarified to allow for the immediate assignment of intensive or training services to qualifying applicants.
8. See Chapter 3.
9. See Chapter 3.
10. See Chapter 9.
11. To our knowledge, very few jurisdictions have actually implemented this aspect of the act.

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