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Cover Page Footnote

An earlier version of this article was presented as a policy briefing at the conference Barriers Affecting the Training and Employment of Disadvantaged Hispanics in Washington, D.C., April 18, 1996, which was sponsored by the U.S. Department of Labor, Employment and Training Administration. I wish to acknowledge the financial support of the Employment and Training Administration and the helpful comments and suggestions made by the conference participants. Any errors and the opinions expressed in this paper are solely my responsibility, not that of the sponsors of the work. The article is also based on presentations to the Latino Nonprofit Management Conference, March 29, 1995, Sturbridge, Massachusetts; the Federal Block Grants and State Restructuring: Their Impact on Latino Communities Conference, February 28, 1996, Worcester, Massachusetts; Jobs and the Economy: A Conference for New England Funders, December 13, 1995, Boston; and the Employment and Training Will It Survive? Conference, April 27, 1995, Boston.

The Potential Impact of Workforce Development Legislation on CBOs

Edwin Meléndez, Ph.D.

The proposed congressional legislation revamping the employment and training system will result in budget cuts, program consolidation, and block grants for the states. These changes are potentially harmful to community-based organizations (CBOs) because (1) they eliminate categorical funding that traditionally has required contracting with organizations which specialize in servicing the disadvantaged, and (2) they introduce stricter performance standards that may be unattainable for many small-scale operations. However, the adoption of best practices in serving non-English-speaking and poor populations, increasing connections to emerging government intermediaries in labor markets, and establishing greater linkages to postsecondary educational institutions may offer CBOs the opportunity to strengthen their position within the employment and training system. Community-based organizations have a great advantage over other organizations because they have the expertise that is necessary for the emerging training system to succeed, namely their experience in serving disadvantaged populations.

After more than two years of debates, closed-door negotiations, and a tremendous lobbying effort by key players, Congress may finally be approaching a resolution to the contending proposals revamping the employment and training system. As is generally the case with recently enacted or pending block-grant legislation, the new legislation is likely to cut funding in exchange for greater flexibility at the state and local levels. An important component of the restructuring of the employment training system is the centralization of services in government intermediaries working under the supervision of state and local boards or “partnerships.” The devolution of federal training programs poses a question: What impact is congressional reform likely to have on disadvantaged populations? The federal government has historically been more concerned than state and local authorities with protecting the rights of minority and economically

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disadvantaged groups. In particular, services to disadvantaged populations are largely provided by an infrastructure of community-based organizations (CBOs) that may very soon be at risk of disappearing as a major component of the employment and training system.

CBOs, which have traditionally closed the gap in services left open by federally funded training programs, are in great danger of being adversely affected by the new legislation. The potential for budget cuts and the proposed program consolidation will increase competition among service providers and make it more difficult for CBOs to serve populations that require more expensive programs. The new legislation will be particularly hard on programs with relatively small training operations, those serving the needs of non-English-speaking and poor populations, and those lacking strong connections to the institutions that are likely to emerge as the dominant players in the new system.

Despite this grim scenario, a revamped employment and training system offers a unique opportunity for CBOs to strengthen their position. Whether the current provisions of the House or the Senate bill prevail, the new legislation may provide opportunities to strengthen the ties between disadvantaged populations and employers' recruitment networks by promoting employers' participation and ownership of the system and enable CBOs to specialize and focus their services on well-defined segments of the labor force. However, taking advantage of the opportunities offered by the new legislation requires a clear understanding of the policy directions and the relative strengths and assets of CBOs in the implementation process. It is imperative that those which serve the poor and the disadvantaged learn from successful organizations and examples of best practice throughout the country.

My main conclusion is that best-practice cases of community-based employment and training programs indicate a clear strategic direction for CBOs to follow in times of policy turmoil. Strengthening the capacity of CBOs to serve the needs of disadvantaged populations requires greater linkages with school-to-work and one-stop centers; a closer relationship between training programs and industry; and greater integration of community programs with the existing web of community colleges and postsecondary institutions servicing the disadvantaged. Community-based organizations have expertise that the emerging dominant players must have to succeed, namely, experience in serving the disadvantaged. The creation of a new and more effective employment and training system requires the active participation of those most capable of closing the gap between the need of employers and industry for a better-prepared labor force and the training system's ability to develop a workforce from disadvantaged populations.

The second section of this article, which is divided into four sections, presents an overview of the pending legislation and the context for congressional reform of training programs. In many ways, the proposed legislation follows a general pattern of budget cuts, program consolidation, and the devolution of authority from the federal government to state and local authorities that is typical of previous block-grant legislation and current congressional reform. These core elements are present in each version of the pending bills and are expected to be the cornerstone of any new legislation. Despite the differences in the House and Senate versions of the legislation in 1996 and the new versions recently approved by the House and the Senate, it is evident that the new system will be anchored by school-to-work programs for youth and one-stop centers for adults.

On this basis, the third section discusses the key issues affecting the network of CBOs serving disadvantaged populations. These organizations should expect the resulting legislation to limit their eligibility to provide services. The proposed measure favors postsecondary institutions already certified by state authorities and imposes strict performance standards on community-based programs. With the transfer of authority to state and local boards, the mix of services available for contracting to independent vendors will be even more influenced by local politics.

The next section asks, What is the potential impact of legislative reform on CBOs? If it is true that the immediate effect of funding cuts and the change in programmatic priorities may have an adverse effect on the disadvantaged, it is also possible that in the long run services may improve for these people. The impact on them of legislative reform partly depends on the CBOs' response to the new policy regime. The final section examines the strategic responses that CBOs may pursue to take advantage of the changing policy environment.

The Context of Congressional Reform

The revamping of federal employment and training programs is better understood in the broader context of federal policy reform. The three interrelated themes that define a paradigmatic shift in the current wave of new legislation are all embedded within the proposed workforce development block-grant legislation. Most observers have correctly emphasized the public pressure to balance the budget as the dominant force driving current policy debates. Funding cuts to social programs need not have a strong negative effect on services if they are compensated by gains in program efficiency. The impact of budget cuts on services depends largely on the implementation of the new policy directive. The interrelated aspects of block grants and the new federalism are (1) the consolidation and integration of a highly fragmented program and service delivery system; (2) the shifting of authority from the federal government to local authorities; and (3) the introduction of market competition and the increase of private-sector participation wherever possible.

While it is true that these core elements of federal policy reform have evolved from initiatives under the administrations of Richard Nixon and Ronald Reagan to the current form in the pending legislation, this time the proposed changes are significantly deeper in each of the three areas that have defined the trends in federal policy over the past two decades. There seems to be a consensus in Congress, shared by both parties, that there is a need to consolidate programs and establish more coherent social service systems. Such integration can proceed only if local authorities are empowered and have the flexibility to design and monitor programs that are adapted to local conditions. Finally, there is a strong belief among policymakers that the private sector is better prepared than the public sector to understand and react to economic changes. Increased participation by the private sector — whether through housing vouchers, charter schools, or the establishment of intermediary organizations offering technical assistance to small businesses — will result in increased program efficiency.

The proposed new employment and training legislation reflects the major trends in federal policy reform. While most analyses have focused on the differences between the House and Senate job-training bills, the two measures share similar underlying principles. While the differences regarding program implementation are important, the

general areas of agreement are also important. In many ways, community-based organizations and other participants in the current employment and training service delivery system can anticipate the general direction of the proposed legislation.

In 1996, both the House version, the Consolidated and Reformed Education Employment and Rehabilitation System Act (CAREERS), and the Senate version, the Workforce Development Act (WDA), proposed to consolidate almost all existing second-chance education and training programs. Among the most important programs likely to be affected by the new legislation are the Job Training Partnership Act (JTPA), the Perkins Vocational Training Act, the School-to-Work Opportunities Act, the Adult Education Act, the One-Stop Career Centers authorized under the Wagner-Peyser Act, and the Job Corps.

The approved bill, H.R. 1385, Employment, Training, and Literacy Enhancement Act (ETLEA) of 1997, and the bill submitted by the Committee on Labor and Human Resources to the Senate, tend to follow a similar course, except in a few notable areas. In the House bill, the Perkins Vocational Training Act is excluded from the legislation, which alone may explain the increased bipartisan support — it passed by a vote of 343 to 60. The House has already passed overwhelmingly the reauthorization of H.R. 1853, the Carl D. Perkins Vocational-Technical Education Amendments of the 1997 act. However, the contention is far from over. The Senate is considering S. 1186, the Workforce Investment Partnership Act of 1997 (WIPA). This act consolidates vocational education with adult education and vocational rehabilitation in a single bill. To address the disagreement between the education and labor communities, the programs will have separate funding and administration, and no transfer of funds is allowed among the titles. Vocational education advocates contend that subsuming vocational-technical education under job training will cause their programs to be “overshadowed by job training interests and needs.”¹ Differences over the consolidation of vocational education and job training could be enough to derail workforce legislation until next year.

The budget cuts originally proposed in the block-grant legislation were substantive. The CAREERS act called for a 20 percent cut from the previous year’s appropriation levels, the WDA for 15 percent. The Center for Law and Social Policy estimated that “the actual appropriation for the set of programs affected by this bill is likely to involve spending reductions on the order of 25% to 35%.”² If these predictions materialize, there is little question that there will be a substantial reduction in funding for which the expected gains in system efficiency, however generously measured, will be unable to compensate, even over a long period of time.

The consolidation of job-training programs and the proposed reduction in funding creates tremendous tension within the existing employment and training system. First, traditional constituencies of each program are in competition. Vocational and adult education programs are administered by the U.S. Department of Education and implemented by local school authorities, while one-stop centers, JTPA, and Job Corps are administered by the U.S. Department of Labor and implemented by a host of service providers, including secondary and postsecondary educational institutions, CBOs, and private vendors. The school-to-work system is administered jointly by the Education and Labor departments. Obviously, these constituencies have highly distinct priorities regarding funding and program implementation.

A second set of tensions arises because the balance between centrally run services (those directly administered by a government intermediary) and services provided by external contractors is disrupted. Because of the unequal access to centers of political

and policymaking power, government bureaucracies are in a better position to influence program mix and to determine programs that will survive as education and training providers. CBOs may well feel the most adverse impact of the new legislation.

The 1996 bills dealt with these tensions differently. The Senate bill created two block grants, one for at-risk youth (\$2.1 billion), the other for workforce education and training (\$5.84 billion). The House bill, on the other hand, created three block grants, one each for youth (\$2.3 billion), adults (\$2.3 billion), and adult education (\$280 million). The Senate version also contained fixed proportions for the workforce development component: 25 percent for basic vocational and adult education, 25 percent for employment training, and 50 percent for school-to-work training and economic development activities. The approved House version, ETLEA, continued three block grants targeting the same populations as the previous bill. The Senate version, WIPA, not yet fully approved, has separate titles for vocational education and adult education and training but leaves youth services as part of a more general title on workforce investments and related activities.

Despite the apparent differences in authorizations, it is evident that the new system will be anchored by school-to-work and jobs programs for youth and one-stop centers for the coordination of adult placement, education, and training. And, despite the apparent differences in some key provisions regarding vocational education and governance structures, there is substantial agreement on many core components of the new system.

Key Issues Affecting CBOs

Although it is too early to assess the long-term effects of the proposed legislation on community-based organizations, a few key issues define the parameters of the eventual impact of the new legislation during the initial years of the system's implementation. The combination of the proposed budget cuts and the consolidation of programs is troublesome for two reasons: first, increasing competition will result in politically weaker service providers being less likely to survive, and second, hard-to-serve populations require more specialized and expensive services, which are more likely to be affected by budget cuts. These two tendencies have a direct influence on the ability of CBOs to provide services for the economically and socially disadvantaged. The following section analyzes the effect of the proposed legislation on the traditional role of CBOs in training and education.

CBOs should expect the resulting legislation to limit their eligibility to provide services. Pending legislation proposes that "local educational agencies," such as schools and local boards, will administer the programs serving youth. However, CBOs may be eligible to act as administrative agents for at-risk youth programs. Similarly, both the House and the Senate are likely to target postsecondary educational institutions, particularly community colleges, for adult training funding. The legislation permits the participation of CBOs that meet certain criteria related to program performance and demonstrate effectiveness in serving targeted populations. While it is likely that all organizations certified under Title IV of the Higher Education Act are initially eligible to provide services, CBOs will have to demonstrate minimum completion, placement, and retention rates in order to receive certification. Although there are some differences in the proposed qualifications for service providers, it is clear that the legislation will include strict performance standards. For adults, they are likely to include successful placements, six to twelve months of employment after program completion, and

increased earnings. Youth programs will require a combination of the following performance criteria: acquisition of a high-school or equivalent diploma, reduced dropout rates of participants, and postsecondary education placements.

The employment and training system for adults is further revamped by the consolidation of core services in one-stop centers and the use of vouchers or individual training accounts to regulate other services not provided by these centers. Core services provided by one-stop centers may include assessment, job-search counseling and preparation, employment information, and placement. While the Senate favors the use of vouchers for services not provided by one-stop centers (except in special circumstances when contracting services for special populations), the House leaves the use of vouchers to the discretion of the states. Eligibility to provide services based on vouchers could be limited to organizations that meet the standards established by national or local skill-standard boards.

The legislation is problematic for both CBOs and educational institutions in terms of providing services to the hard to serve. Typically, street-to-work and home-to-work transitions require more support for and the participation of trainees in several programs: for example, mothers may need day care and counseling; former criminal offenders may need psychological help; immigrants may need English-as-a-second-language instruction; and out-of-school youth may need basic skill instruction. Educational institutions are not well prepared to provide the variety of support mechanisms that are typically required to serve these populations. The underlying reason for CBOs to provide integrated services is that they are more specialized and, by implication, more expensive. Are secondary and postsecondary institutions ready to expand their capacity to serve disadvantaged populations? The national trend has universities limiting the number of students in need of remedial education; community colleges are increasingly criticized for not serving the needs of high school graduates with clear deficiencies in basic academic skills; and public school systems have neglected the needs of out-of-school youth.

The proposed governance structure is an area of concern for CBOs. Perhaps the greatest difference between the House and the Senate versions of the legislation is in that area. Although both proposals minimize the role of the federal government and transfer authority to state governments, the House prefers joint oversight and implementation authority with local governments. In 1995, the newsletter for the National Youth Employment Coalition predicted that the reconciliation of the proposed legislation would be delayed because "they may never agree on major differences like the role of the Federal Government and the extent of local decision making. While these bills have been labeled new and improved block grants, the House is still the major advocate for local decision making and the Senate is the champion of Governor's control."³ The differences implied here refer to the establishment of workforce boards or partnerships, the inclusion of CBOs on those boards, and the new role of the federal government.

One of the clearest signs that Congress will shortly enact workforce development legislation is the compromise implicit in the Employment, Training, and Literacy Enhancement Act. While in 1996 the Workforce Development Act made the establishment of state and local boards optional, the 1997 bill conforms more to the CAREERS provisions establishing both state and local boards. In essence, the House is accepting the transfer of authority to oversee the system to governors, as reiterated by the Senate in WIPA, but requires the establishment of the two types of boards through a collaborative process. Boards or partnerships must have a broad community representation that in-

cludes representatives of the state legislature, local elected officials, key state or city agencies, leaders in business, the education and training field, and others.⁴

Such patterns are troublesome for CBOs because, traditionally, the federal government has been more concerned than local authorities with serving disadvantaged populations. There is vast research documenting how block-grant allocations are influenced by political pressures. Once more, the tension surrounding block-grant implementation stems from the question of how to preserve a focus on serving disadvantaged populations (the function of categorical funding) while increasing program flexibility to adapt to local conditions.

Overall, the proposed legislation provides the opportunity to improve the employment and training system by promoting greater integration of services and linkages to employment opportunities, but it also raises serious concerns about the impact that changes in the service delivery system may have on disadvantaged populations and the organizations that service them. A U.S. Department of Labor study suggests that (1) JTPA, which has been an effective system for those in need of short-term placement services, has had little influence on long-term employability and earnings, given the program's limited impact on skills, and (2) school-to-work programs are an effective framework for linking in-school youth to employment and workplace-based learning opportunities.⁵ In particular, one-stop centers, which will get the bulk of placement and information funding, and school-to-work systems are effective in linking the unemployed and youth to employers. It remains to be seen whether these systems will provide effective access to the better job opportunities in regional economies.

Despite the apparent advantages of consolidating services, centralizing information about employment opportunities, and providing outreach to employers, one-stop centers and school-to-work systems have not been designed to serve economically and socially disadvantaged populations. These groups require a combination of services best provided by specially designed programs. The Center for Employment Training (CET) in San Jose, California, Project Quest in San Antonio, Texas, and STRIVE in New York City provide examples of community-based employment training designed to serve the needs of diverse disadvantaged populations. These programs are highly cost-effective, for the benefits to participants and society far exceed their price. However, they are more expensive than conventional programs that do not offer all the support required to serve those in need of more extensive and complex services. Paradoxically, these types of programs may be at greater risk of severe funding cuts and regulatory constraints in the current devolution of federal programs.

Potential Impact on CBOs

A discussion of the potential impact of the proposed employment and training legislation on CBOs illustrates a more general argument about the positive and negative aspects of federal policy reform. The previous discussion suggests that CBOs serving disadvantaged populations will be affected by three key aspects of the new legislation. For discussion purposes, I focus on the effects on CBOs of the following tendencies: a substantial reduction in overall funding for employment training and second-chance education; a change in the mix of services provided; and a change in the operators of such services. These are key components of the legislation likely to be enacted regardless of whether the House or the Senate version prevails.

Although it is not completely clear how extensive the funding cuts will finally be, it is clear that even the most optimistic scenario projects reductions of at least 15 percent compared with the previous year's appropriation. However, decreased funding for the types of services currently provided by CBOs and general services to disadvantaged populations are likely to be more substantive because of the lower priority that such programs may be given in the new system and the roles that such government intermediaries as school-to-work programs, one-stop centers, and community colleges are expected to play. Inevitably, these forces will lead to an increase in competition among nongovernmental service providers. In a highly competitive environment, larger institutions with more specialized staffs, for example, in fund-raising, public relations and marketing, and planning and development, are in a better position to respond to policy changes. Thus, size and existing staff capacity alone, regardless of how good or effective they are, may determine which programs will be operating in the next year or two.

A second major change introduced by the legislation is the elimination of categorical funding and the creation of broad programmatic areas for youth and adults. The decision to allocate funding among competing needs is transferred to state and local boards, which must decide on the optimal mix of services. Except in the broad categories previously described and in funding for dislocated workers, state and local boards will have the authority to distribute funding for basic education, vocational and skills training, and complementary programs such as counseling, English-as-a-second-language instruction, job-search assistance, and so forth. The setting of these priorities is not independent of political pressures. Past experience with Community Development Block Grants and JTPA suggests that political priorities often dictate funding priorities and that disadvantaged populations seldom have mechanisms which allow them to participate effectively in that process.

The expected change in service providers is directly related to changes in priorities both in funding and in the mix of services. There is a generalized notion that employment training programs are ineffective. The Department of Labor report, *What's Working (and What's Not)*, concludes that very few programs affect the long-term employability and earnings of targeted populations.⁶ The new legislation translates that understanding into stricter performance standards for program operators and introduces competition into the decision-making process by mandating vouchers for adult training. At this point, it is not clear whether the same performance criteria will be extended to postsecondary educational institutions. Performance standards for certification and open-market competition are likely to result in the consolidation of service providers into a smaller number of large organizations.

The combined effects of these two expected major outcomes of legislative reform on disadvantaged populations, namely, the centralization of services in mainstream institutions that lack expertise and experience in serving them and the potential demise of many programs serving the community, remain to be seen. But an important variable determining the impact of legislative reform is the ability of community organizations and government intermediaries to respond to the challenges presented by the devolution of federal programs. Before discussing the possible strategies that may be available to key players, it is imperative to review some of the positive aspects of the legislation, the opportunities opened up for CBOs and other intermediaries, and the ability of CBOs to take advantage of such opportunities.

One of the most important aspects of the legislation is its reinforcement of the notion that the new system serves not only workers in need of employment but employers as

well, and perhaps not only *some* employers, but *all* employers. When JTPA was enacted, many CBOs perceived the shift toward greater private-sector participation as a step backward in the employment and training system. Indeed, many experts still believe that the definition of a secondary labor-market, dead-end, low-wage job is “a job listed in the local employment office.” The coming legislation may provide the opportunity to strengthen the ties of unemployed workers and disadvantaged populations to the networks deployed by employers to recruit new personnel. There is mounting evidence that training and educational programs which provide such linkages tend to perform better than others in their comparison group. A training system cannot operate appropriately without accounting for *both* disadvantaged populations and employers, that is, without realizing that both sides of the labor market are the beneficiaries of any job-matching program.

A second positive aspect of the legislation is that school-to-work systems and one-stop centers, the government intermediaries which will anchor the new system, are designed to have the core components of a matching system. A true employment training system serves all employers, not only those in search of a contingent labor force. This objective is partly achieved by an orchestrated effort to improve the relevancy of job applicants’ skills to employers. Two strategies are particularly appropriate in this regard. First, most workers seeking employment, not just disadvantaged populations, must use the system. And second, employers’ ownership of training programs must be promoted by encouraging their participation in setting training priorities and the content of skill training. Pursuit of these strategies by both sides of the labor market will allow government intermediaries to change the current image of workplace education as tracking disadvantaged students to low-paying occupations and the conception of the employment office as a service of last resort.

Introducing performance standards may also provide new opportunities for those serving disadvantaged populations. Current training providers can examine their own record in terms of placement rates and minimum wages to assess whether it is strong enough to ensure certification under the new standards. Since most programs must maintain placement records, most organizations can determine their ability to compete under the new regulations. Critical self-assessment is likely to induce the revamping of current training services. CBOs are starting to study best practice in the industry and to seek partnerships with educational and other training institutions. In many cities, coalitions of training providers are considering the consolidation of functions and greater coordination of services. CBOs have expertise in serving disadvantaged populations and are small enough to be able to respond quickly to changes in funding sources and labor-market conditions, which is their comparative advantage in the current policy environment. This edge will allow them to find training niches — often connected to specific employers — and to strengthen connections to government intermediaries and other training organizations, including postsecondary institutions.

Responses to the Changing Policy Environment

Rather than considering community-based organizations as passive recipients of the legislation, one should consider them as actors engaged in the policymaking process. The most immediate response to the proposed legislation has obviously consisted of efforts to influence Congress regarding its specific components. However, like other actors in the existing education and training system, CBOs have begun a process of

self-assessment and rethinking alliances at the community level. In many ways, communities around the country are engaged in long-range planning that encompasses three types of initiatives: (1) CBOs are examining their capacity and ability to respond to policy challenges; (2) they are seeking to establish partnerships with other organizations to strengthen their ability to continue providing services to their constituencies; and (3) they are organizing broader coalitions to influence policy implementation at the local level.

Since the consolidated block grants transfer authority to the state and local governments, the reaction of CBOs, government intermediaries, and educational institutions to the new policy framework will determine the structure of the new employment training system. Considering how both the one-stop centers and the school-to-work systems have been developed at the state and local levels, it is apparent that there is flexibility in adapting the structure of these intermediaries to local conditions. However, it must be clear to most training providers that these intermediaries are the anchors of the new system and that their own survival will require adapting to this new reality. Although some community organizations may experience an expansion of capacity, most service providers will, at best, maintain existing capacity or, more likely, experience a downsizing of training services.

The reorganization of community-based employment training programs must be based on learning from similar schemes that have achieved high performance standards while serving disadvantaged populations. Among the many good programs throughout the country, the Center for Employment Training and Project Quest have received national recognition as examples of best practice in meeting the needs of hard-to-serve, disadvantaged populations. CET focuses on linking low-skilled workers to good entry-level jobs, while Project Quest supports training for the more technical occupations requiring one or two years of postsecondary education. Both these programs are undergoing replication. The Boston Compact of the Boston public schools, later transformed into the School-to-Career program, is an example of a nationally recognized program assisting in-school students to connect to the workforce as part of their academic learning experience.

The establishment of one-stop centers need not exclude community-based training programs. The First Source Employment Program in Berkeley, California, one of the oldest such referral programs in the country, has been operating since 1986. Like many others that followed, First Source provides local businesses and workers with labor-market information and referrals. CBOs have become partners in training, referrals, placement, and other core operations of the center. About half of all the workers served by the center came through community-based training agencies. Like First Source, Portland Job Net and Westside Industrial Retention and Expansion Network in Cleveland, Ohio, link business development assistance and job training. These intermediaries are funded by the cities in which they are located and by private foundations. They work closely with CBOs, community colleges, churches, and other neighborhood organizations. They have gained national reputations through their high placement rates, their ability to serve a diverse population, and their effectiveness in continually enticing the participation of businesses in the larger regional area.

In sum, best-practice cases of employment and training programs suggest the following strategic directions for community-based and Latino organizations:

1. The development of formal and informal linkages to the emerging government intermediaries anchoring the employment and training system, namely one-stop centers and the school-to-work system.
2. The development of a close relationship with regional employers, particularly those which offer the best possibilities for job growth in the immediate future.
3. The development of linkages to community colleges and other educational institutions that provide technical education to disadvantaged populations.

CBOs that understand the overall direction in which the system is moving will be in a better position to respond to the challenges presented by the revamping of the second-chance employment and training system. Community-based organizations are better prepared to serve disadvantaged populations than government intermediaries or postsecondary educational institutions. One-stop centers cannot provide adequate services for street-to-work or home-to-work transitions; schools have very few programs focusing on out-of-school or at-risk youth; and community colleges have responded very slowly to the challenge of helping those in need of extensive remedial education, counseling, and other support services. Promoting a job and education continuum in which CBOs closely collaborate with government intermediaries, employers, and educational institutions is in everyone's interest. It is also the right thing to do. ♿

An earlier version of this article was presented as a policy briefing at the conference Barriers Affecting the Training and Employment of Disadvantaged Hispanics in Washington, D.C., April 18, 1996, which was sponsored by the U.S. Department of Labor, Employment and Training Administration. I wish to acknowledge the financial support of the Employment and Training Administration and the helpful comments and suggestions made by the conference participants. Any errors and the opinions expressed in this paper are solely my responsibility, not that of the sponsors of the work. The article is also based on presentations to the Latino Nonprofit Management Conference, March 29, 1995, Sturbridge, Massachusetts; the Federal Block Grants and State Restructuring: Their Impact on Latino Communities Conference, February 28, 1996, Worcester, Massachusetts; Jobs and the Economy: A Conference for New England Funders, December 13, 1995, Boston; and the Employment and Training Will It Survive? Conference, April 27, 1995, Boston.

Notes

1. Bret Lovejoy, "Letter to Members of the Senate's Labor and Human Resources Committee," cited by *Voc Ed Weekly*, September 10, 1997, 1.
2. Steve Savner, *The Implications of Applying Federal Minimum Wage Standards to TANF Work Activities* (Boston: Center for Law and Social Policy, 1997).
3. Alan Zuckerman and Kristina Moore, "Senate and House Move to Conference on Workforce Block Grant," *Youth Notes*, October 1995.
4. The ETLA received the support of the National Governors Association, the National Conference of State Legislatures, and the National Association of Counties. The U.S. Conference of Mayors withheld its support at the last minute because of differences

over the designation of local workforce areas. The act entitles single unit governments with 500,000 or more population to be local workforce development areas.

5. U.S. Department of Labor, *What's Working (and What's Not): A Summary of Research on the Economic Impacts of Employment and Training Programs* (Washington, D.C.: U.S. Government Printing Office, 1995).
6. *Ibid.*