

**CLEVELAND MAYOR RALPH J. PERK:
STRONG LEADERSHIP
DURING TROUBLED TIMES**

CHAPTER 5: CETA: A PROMISE FULFILLED

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Klein, Richard. *Cleveland Mayor Ralph J. Perk: Strong Leadership During Troubled Times*.
Cleveland, Ohio: MSL Academic Endeavors, 2013.

EISBN-13: 978-1-936323-02-9

EISBN-10: 1-936323-02-8

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CHAPTER FIVE

CETA: A PROMISE FULFILLED

On December 28, 1973, President Richard M. Nixon signed the Comprehensive Employment and Training Act of 1973. (1) Known as CETA, this bill provided state and local governments with large amounts of federal funding designed to modernize existing work force training capabilities. CETA replaced two other programs begun under the Kennedy Administration.

The first one called the Area Redevelopment Act of 1961 (ARA) provided \$394m to communities with chronic unemployment. (2) Much of that funding went towards low-interest business loans, major infrastructure improvements and job retraining. Native Americans used these funds to stimulate rural development. Considered a landmark piece of legislation when introduced, ARA never received the kind of enthusiastic support from Capitol Hill it deserved. The Public Works and Economic Development Act Amendments of 1976 replaced it. (3)

The second program known as the Manpower Development and Training Act of 1962 (MDTA) also focused on chronic unemployment but in a different way. (4) This \$100m initiative administered by the U.S. Department of Labor hired private consultants to operate various job training programs. These professionals exercised great latitude when it came to administering them. Program and instruction inconsistencies left many enrollees ill prepared for the changing job market. Congress repealed MDTA in 1973.

In response to public pressures for more relevant programs, Congress enacted the Job Corp bill in 1964. Administered by the U.S. Department of Labor

under the Economic Opportunity Act of 1964 (5), the Job Corp furnished enrollees ages 16 to 24 with a wide variety of education and training options. Targeted government centers coordinated all activities. The Work Incentive Program of 1967 (WIN) enacted through the Social Security Amendments attempted to lessen dependency on welfare by providing recipients one-on-one counseling, special job referrals and additional technical training. (6) Following in this tradition, President Nixon signed the Emergency Employment Act of 1971 (7). It encouraged state and local governments and non-profit organizations to hire Job Corp trainees. Over 150,000 enrollees benefited from this program. It also set the stage for the \$1.5b CETA program which was introduced two years later.

CETA was unique in that it decentralized decision-making regarding manpower programs from the federal to state and local levels. (8) Unlike earlier bills, it insisted on consolidating all service delivery capabilities under regional supporters called prime sponsors. (9) Federal officials required every prime sponsor to include a planning council. The planning council served as an advisory body. It reviewed all CETA operations and helped sponsors to fulfill their comprehensive employment and training service plans as submitted to the Department of Labor. Participating cities with populations of more than 100,000 qualified as prime sponsors. By the late 1970s, more than 450 communities throughout the U.S. operated two or more facilities. In an austerity move, the Reagan Administration replaced it with the Job Training Partnership Act of 1982. (10)

Originally designed to promote job creation and training, CETA soon narrowed its objectives to focus primarily on job training. Ralph Perk first applied for CETA funds after his landslide re-election as mayor in November 1973. Following the guidelines of the Emergency Employment Act of 1971, the mayor established a regional government agency with direct ties to the City of Cleveland. Called the Cleveland Western Reserve Manpower Consortium (CWRMC), this new regional agency administered all CETA funds. With representatives from Cuyahoga, Geauga and Lake Counties and the cities of Cleveland and Parma, the Consortium enhanced the career development and economic self-sufficiency of qualified clients who sought full-time employment. It also provided extra income and job experience for enrollees wanting only part-time work.

Coordinated with other governmental jurisdictions, agencies and departments, the private sector and their respective communities through its various organizations, CWRMC's centralized delivery system proved invaluable. It minimized program duplication and maximized available resources. This regional agency also had the legal authority to conduct self-evaluation and change activities to insure local compliance with the laws, regulations and directives of the U.S. Department of Labor. It provided classroom training, on-the-job training, work experience, manpower and supportive services and public service employment with the expressed intent of removing artificial barriers to employment for the chronically unemployed.

On March 29, 1974, the respective elected officials delegated the administration of this new Consortium to Mayor Perk. The mayor, in turn,

assigned operational responsibility to the City of Cleveland's Department of Human Resources and Economic Development (HRED) then headed by Dr. Vladimir J. Rus. Each elected official appointed a representative to a sub-cabinet of the Consortium chaired by Dr. Rus. With the assistance of its planning council and evaluation committee, the sub-cabinet recommended activities and funding to the elected officials for their approval.

Upon approval, the Manpower Division of HRED in coordination with its Economic Development Division led by Dr. Joseph P. Furber administered these CETA programs. (11) Most programs were implemented through special contracts made with local governments, schools and non-profit agencies. The choice of HRED as the lead agency made perfect sense. Established in September 1968, it was charged with the responsibility of organizing and operating the city's manpower training program. (12) HRED soon expanded its focus to include economic development and human resources. Under the Perk Administration, Dr. Michael Pap headed its Manpower Division while Dr. Furber served as the Commissioner of Economic Development.

As the coordinator of the Model Cities Manpower System, HRED supervised AIM/JOBS. (13) Created in 1967 and funded by the U.S. Department of Labor, this program assisted displaced residents through recruitment, supportive services, counseling, coaching, job training and job placement. AIM/JOBS subcontracted outside agencies to perform these services. HRED also directed the Just for Youth Action Program and the Cleveland Neighborhood Youth Corps. The Just for Youth Action Program reduced juvenile delinquency while the Cleveland Neighborhood

Youth Corps offered valuable job training for recent school dropouts. HRED also provided young law breakers with counseling and job training through its Offender Rehabilitation Program and Vocational Educational Project.

The Emergency Employment Act of 1971 also enabled HRED to offer temporary public service employment. It created 185,000 jobs under its Public Employment Program (PEP). HRED also directed the Veterans Education and Training Action Committee whereby disadvantaged veterans received special educational and training benefits. (14)

Under the leadership of Dr. Joseph Furber, the Economic Development Division of HRED offered a wide range of special programs designed to stimulate regional business growth. Economic Development also played a critical role in forming local Community Development Corporations (CDCs). Hands-on non-profit organizations developed by city officials, CDCs improved the quality of life for those living and working in many of Cleveland's oldest neighborhoods. HRED further assisted these non-profits through its highly acclaimed employment and community outreach programs. As of 2012, there were over 30 CDCs in Cleveland.

Working in conjunction with the Greater Cleveland Growth Association, the Planning Commission and the U.S. Department of Commerce, HRED supervised major public works projects. It also provided low-interest loans and special marketing strategies for minority-owned businesses. Its highly acclaimed International Trade Coordination Program (ITCP) significantly expanded the city's import and export trade. HRED specialists also worked closely with the Economic Development Advisory Committee (EDAC). EDAC advised the mayor on effective

ways to expand business. By the mid-1970s, over 200 employees operated 16 CETA programs.

Mayor Perk took great pride in HRED's Cleveland-On-The-Job Training Program. It gave top priority to inner-city youth between the ages of 14 and 21 and displaced workers above the age of 45. Welfare recipient family heads and non-English speaking residents also received special assistance as did women, ex-offenders and veterans. In terms of budget allocations: 85% of it went towards classroom training, Public Service Employment (PSE), job training and work experience. Contractors received 10% while HRED got 5%.

The Cleveland Urban Observatory was one of HRED's greatest achievements. Dr. Michael Pap headed it. This public policy-oriented group was one of ten strategically placed throughout the U.S. (15) Professor Robert Wood of Washington University in St. Louis first suggested the establishment of a network of research analysts dedicated to resolving the myriad of urban problems facing modern cities in 1962. The federal government supported it.

Under the auspices of the U.S. Department of Housing and Urban Development (HUD) and the U.S. Department of Health, Education and Welfare (HEW) Office of Education, the National League of Cities served as its secretariat. It depended on HUD funds to finance its research activities. The Office of Education funded its service and training activities through Title 1 grants resulting from the Higher Education Act of 1965. During its first year in operation, the Cleveland Urban Observatory received about \$160,000 in grants. (16)

This program carried out its research activities based on priorities established by Cleveland agency administrators, program executives and department commissioners. Working with local academic experts, the Cleveland Urban Observatory not only provided reliable data to the City of Cleveland and its environs; but also, other communities throughout the country with similar economic and social problems.

It also forged long-lasting institutional relationships between government officials and academic leaders from local colleges and universities. This kind of collaborative effort produced highly effective public policies aimed at combating some of the worse urban problems. The Cleveland Urban Observatory also sponsored special conferences and seminars on important economic and social issues and assisted the Perk Administration in completing its annual budget. This program remained in operation until 1978.

The Cleveland Urban Observatory produced a great many worthwhile studies many written by nationally renowned authorities. They included Equalizing Objectives and the Allocation of Intergovernmental Revenues, A Report (1971) by Professor Robert N. Baird and A Study of Poverty in the City of Cleveland: Its Location, Magnitude, and Characteristics (1971) by Professor M. David Boehm. Social Reporting for Cleveland: Its Potential and Its Problems (1972) by Professor Alan P. Chesney; Report on Multi-Service Center Network Project for the Cleveland Urban Observatory (1972) by Professors Allan L. Service and Andrew Daugherty and Manpower and Human Services in Cleveland (1973) by Professor

Michael S. Pap also received a great deal of attention on both the regional and national levels.

Other significant reports and studies included Regional Economic and Demographic Analysis for Cleveland, Ohio (1974) by Professors Thomas A. Bausch, Lawrence R. Cima, and Joseph T. Bombelles; Greater Cleveland's Economic, Institutional and Cultural Resources (1974) by Professor Michael S. Pap; and Selected Ethnic Communities in Cleveland: A Socio-Economic Study (1974) by Professors Karl B. Bonutti and George Prpic. Cleveland: An Introduction to a Great City and Its Surrounding Communities (1974) by Professor Michael S. Pap and Local Government Revenue and Expenditure: A Case Study Cleveland 1961-1971 (1975) by Professors Edric A. Weld and John F. Burke also gained national recognition.

The Comprehensive Employment and Training Act of 1973 was subdivided into seven titles. (17) Title 1 focused on developing job opportunities, providing education, operating training programs and furnishing essential services. (18) Title 2 dealt with Public Service Employment and Manpower Training Programs in unemployed or underemployed areas in communities with chronic unemployment. Title 3 offered job programs for Native Americans, seasonal farm workers, inner-city youth, older workers, offenders, foreigners with limited knowledge of the English language and other targeted groups.

Title 4 provided a job corps within the U.S. Department of Labor. It offered residential and non-residential manpower services geared towards low-income disadvantaged adults and youth while Title 5 established a National Commission for

Manpower Policy with the responsibilities of examining national manpower issues, suggesting ways to deal with such issues and acting in an advisory capacity to the U.S. Secretary of Labor on these issues. Title 6 afforded additional public service jobs and special training programs for the unemployed and underemployed and offered special programs in areas of excessively high unemployment and Title 7 established the general provisions of this bill including definitions applicable to this act. (19)

The activities and services provided by CWRMC followed proscribed federal guidelines. It offered training, counseling and job placement for the chronic unemployed. It also encouraged recent school dropouts to return to the classroom and assisted battered women. On-site training, mini-manpower delivery systems, handicapped employment and social service programs for the elderly also received top priority.

The Consortium opened centers in Cleveland, East Cleveland and Parma. Lake and Geauga counties also furnished centers. Supporters included the Cleveland AFL/CIO, the Urban League of Greater Cleveland, the Greater Cleveland Growth Association, the Ohio Bureau of Employment Services (OBES) and the Federation for Community Planning.

CWRMC first applied for federal funds in the spring of 1974. Its proposal called for raising the income level of the disadvantaged immediately while at the same time improving their future prospects for good paying jobs. Federal officials were highly impressed with this new inventive approach and approved the Consortium's first year budget of \$13.9m.

The Public Employment Program (PEP) later renamed Public Service Employment Training (PSE) received 55% of CETA Title 1 budget for FY 1974-76. The remainder went towards classroom instruction, work experience, manpower services and on-site training. The city's Building Department, Police Department, EMS, Public Safety, Motor Vehicles Department, Cemeteries and Parks, Accounting Department, Law Department and Health Department profited from Title 1 funding. Federal cutbacks in 1977 forced the city to trim Title 1 allocations. Cleveland officials kept PSE alive by transferring funds from Title 1 to Titles 2 and 6 and the city's general fund. (20)

Nineteen seventy-four proved to be a very good year for Mayor Perk, the City of Cleveland and the CETA Program. In May of that year, the Perk Administration and the Greater Cleveland Growth Association unveiled their plans for a new World Trade and Cultural Center (WTC). First proposed by the Cleveland accounting firm of Ernest and Ernest in 1967, the Ohio State Assembly allocated funds for such a center in 1969. Cleveland State University was to be its site. However, the Stokes Administration did nothing further.

Hoping to revive interest, Mayor Perk authorized the Advisory Council on International Trade to conduct its-own feasibility study in 1972. The council discovered that over 90% of the region's business community supported the idea of a world trade and cultural center for downtown Cleveland. These leaders firmly believed that it would not only stimulate the economy, but also, serve to promote Cleveland's ethnic diversity. These findings convinced Ralph Perk that the time was right to build such a center. (21)

HRED assisted in this effort through its successful International Trade Program (ITP). ITP attracted new businesses to this region by increasing job opportunities. Working in conjunction with the Advisory Council on World Trade, the Council of World Affairs, the Sister City Committee and the Cleveland World Trade Week Committee, HRED proposed the establishment of a new non-profit organization to operate it.

The proposal developed in May 1974 by the Perk Administration with the cooperation of the Greater Cleveland Growth Association expounded upon this idea. Entitled For Establishing a World Trade and Cultural Center in Cleveland Through Creation of a Non Profit Corporation, this 28-page report argued that the State of Ohio had laid the groundwork for such a center five years earlier when the state assembly approved funding for a similar enterprise at Cleveland State University. What the Perk Administration wanted to do was expand upon the original plan.

This study then discussed three important benefits the community would receive from such a center. First, it would furnish the latest technical information and impeccable counseling services for its members. Second, it would promote greater cooperation among its trading partners. Third, it would offer a first class facility in which to hold meetings and conventions. This study emphasized the importance of immediate action if the City of Cleveland intended to become a major international center.

On October 16, 1976, Mayor Perk appointed Nicholas Bucur to head the Cleveland International Trade Commission (ITC). (22) Perk viewed ITC as an

important first step leading towards the establishment of an Office of International Trade in city hall. As the mayor said, “Cleveland has been in the forefront in space-age technology, and it is time for us to use the knowledge in the field of international commerce and people-to-people interchange for our advantage.”

ITC met with different business groups over the next several years. One of these endeavors the World Trade Show of 1976 propelled the City of Cleveland into the international spotlight. (23) Unfortunately, interest in the center soon waned. Previously unimagined economic crises prompted by double-digit inflation, escalating labor costs, high unemployment; major plant closes and continued population losses consumed much of the attention of the business community for many years to come.

The region’s return to prosperity in the early 1990s encouraged the Port Authority, Cuyahoga County and the Greater Cleveland Growth Association to seek out new international trading partners. Their efforts resulted in the establishment of a new regional entity known as the Greater Cleveland International Trade Alliance. This alliance enabled the local business community to widen its various trade options. In particular, they sought out new trading partnerships in Latin America and Asia while expanding existing agreements with Europe. In 1994, the City of Cleveland became one of 280 communities to receive the coveted World Trade Center (WTC) franchise. The high quality of the area’s on-line databases through WTC enabled the Cleveland business community of the 1990s to pursue new lucrative opportunities worldwide. Mayor Perk congratulated city officials on

**receiving this great honor, an honor based in part on the diligent efforts of the Perk
Administration twenty-years earlier.**

ENDNOTES

1. **Comprehensive Employment and Training Act of 1973, Pub L. No. 93-203, 87 Stat. 839.**
2. **Area Redevelopment Act of 1961, Pub L. No. 87-27, 75 Stat. 47. Conley H. Dillon, The Area Redevelopment Administration: New Patterns in Development Administration (College Park, MD: University of Maryland Press, 1964). Sar A. Levitan, Federal Aid to Depressed Areas An Evaluation of the Area Redevelopment Administration (Baltimore: Johns Hopkins University Press, 1964). James T. Patterson, America's Struggle Against Poverty 1900-94 (Cambridge, MA: Harvard University Press, 1994). Margaret Weir, Politics and Jobs: The Boundaries of Employment Policy in the United States (Princeton: Princeton University Press, 1992).**
3. **Public Works and Economic Development Act Amendments of 1976, Pub L. No. 94-487, 89 Stat. 2338.**
4. **Manpower Development and Training Act of 1962, Pub L. No. 87-415, 76 Stat. 23.**
5. **Economic Opportunity Act of 1964, Pub L. No. 88-452, 78 Stat. 508.**
6. **Social Security Act Amendments of 1967, Pub L. No. 90-248, 81 Stat. 821.**
7. **Emergency Employment Act of 1971, Pub L. No. 92-224, 85 Stat. 811.**
8. **Donald Baumer, Carl E. Van Horn and Mary Marvel, "Explaining Benefit Distribution in CETA Programs," Journal of Human Resources 14 (1979): 2.**
9. **For a more in-depth description of the law see Robert Guttman, "Job Training Partnership Act: New Help for the Unemployed," Monthly Labor Review 106, no. 3 (1983): 3-9.**
10. **The Job Training Partnership Act of 1982, Pub L. 97-300, 96 Stat. 1357.**
11. **For further information on the City of Cleveland Dept. of Human Resources and Economic Development see City of Cleveland, The Dept. of Human Resources and Economic Development February 10, 1972.**

12. Prior to 1968, Cleveland's manpower training programs were fragmented. Jack Krauskopf, Manpower Programs in Cleveland, A Case Study, U.S. Conference of Mayors and the National League of Cities, October, 1970.
13. For further information regarding the functions of the Department of Human Resources and Economic Development in the early 1970s see Michael Pap, An Introduction to a Great City and Its Surrounding Communities (Cleveland: The Cleveland Urban Observatory, 1974), 274-280.
14. Ibid.
15. For a closer look at the various programs offered by the Cleveland Urban Observatory see Michael Pap and Vladimir Rus, The Cleveland Urban Observatory Program: Applying Academic Research to Urban Problems (Cleveland: The Cleveland Urban Observatory, 1974), 1-9 and Pap, An Introduction to a Great City, 278-280.
16. Edward Whelan, "Urban Study Center Seeks Partial City Funding," The Cleveland Plain Dealer, August 13, 1972. U.S. Dept. of Housing and Urban Development, U.S. Dept. of Health, Education and Welfare and the National League of Cities, About the Urban Observatory, 1974.
17. For a description of the various program titles see Cleveland Area Western Reserve Manpower Consortium, Narrative Description of Titles 1-7, Under the Comprehensive Employment and Training Act of 1973, (Washington, D.C.: Congressional Budget Office, 1978), 23-27.
18. A properly detailed agreement and well-articulated annual plan were mandatory for all participating communities. All seven titles were lengthy proposals. Each one of the title agreements described its purpose and the agency's responsibilities along with monitoring procedures and grievance processes. Participating agencies left nothing to chance.
19. Mark Biniecki, A Cross-Referenced Compilation of CETA Regulations, (Cleveland: Dept. of Human Resources and Economic Development, 1977), Part 94.
20. For an in-depth look at the financial complexities involved in operating the PSE program in Cleveland see Price Waterhouse and

**Company, Cleveland Area Western Reserve Manpower Consortium
– City of Cleveland PSE, July 1, 1974 through September 30, 1976.**

21. “World Trade Putting Cleveland in the Picture,” The Cleveland Plain Dealer, March 12, 1973. Andrew Juniewicz, “Perk Prepares Proposal for Public Works,” The Cleveland Plain Dealer, October 1, 1976. “Perk Envisions City Hall Annex,” The Cleveland Press, October 1, 1976.
22. City of Cleveland, Mayor Ralph J. Perk Press Release, October 16, 1976.
23. City of Cleveland, World Trade Show, Cleveland, Ohio, USA, May 1976. (Program)