

United States General Accounting Office
Washington, D. C. 20548

For Release on Delivery
Expected at 9:30 AM EST
May 9, 1969

STATEMENT OF
ELMER B. STAATS, COMPTROLLER GENERAL OF THE UNITED STATES
BEFORE THE
COMMITTEE ON EDUCATION AND LABOR
HOUSE OF REPRESENTATIVES
ON RESULTS OF GENERAL ACCOUNTING OFFICE REVIEW OF THE
JOB CORPS PROGRAM ADMINISTERED BY THE OFFICE OF ECONOMIC OPPORTUNITY

GAD HISE01100

Mr. Chairman and Members of the Committee:

We are pleased to appear here today to discuss the results of our recent review of the economic opportunity programs, which was undertaken pursuant to title II of the Economic Opportunity Amendments of 1967. The results of our review were summarized in our report to the Congress dated March 18, 1969 (B-130515).

We understand that a particular interest of the Committee in these hearings relates to the Job Corps program. Accordingly, Mr. Chairman, we would like to summarize for you the results of our review of that program and then respond to any questions you or other members of the Committee may have.

Our review included examinations of recruiting and screening activities at selected locations, detailed examinations at nine Job Corps centers, and analyses of post-Job Corps experience of terminated Corps members (those whose enrollment was terminated) on a sample basis.

27p.

710086
094479

AGC01058
AGC00987

Recruiting and screening activities are carried out for the Job Corps by the U. S. Employment Service (USES), Women in Community Service, Inc., community action agencies, and other private recruiters and screeners on the basis of quotas established by Job Corps. For fiscal year 1968, the Job Corps reported that recruiting and screening costs amounted to about \$8 million.

We examined recruiting and screening activities at six of the seven OEO regional offices and at 17 local agencies.

We made detailed reviews of the operations at nine centers--two men's urban centers--Kilmer Job Corps Center in New Jersey and the Atterbury Center in Indiana; five conservation centers--the Eight Canyon Center in New Mexico, the Collbran Center in Colorado, the Cispus Center in Washington, the Acadia Center in Maine, and the Wellfleet Center in Massachusetts; and two women's centers--the Keystone Center in Pennsylvania and the Albuquerque Center in New Mexico.

These centers were selected principally on the basis of getting, within the time and resources available, a cross section of the three basic types of centers and in the case of the conservation centers, to get a representation of the principal Federal agencies which operate the centers for OEO.

During fiscal year 1968, direct operating costs for the nine centers selected for review amounted to about \$32 million and about 55,000 man-months of training were provided to about 13,000 youths who were in attendance at the centers for varying periods of time.

As part of our review of program results, in August 1968 we made inquiries of first employers of record for all those Corps members who had terminated in August and September 1967 from the nine centers where we made detailed examinations and who were reported to have been employed immediately after termination. Also, in August 1968 our contractor interviewed 638 youths out of about 1,850 who in August and September 1967 had terminated from the nine centers and 145 youths out of about 550 who had been selected to begin training at these centers during August and September 1967 but who had decided not to participate in the program (no-shows).

To the extent practicable the youths selected for interview were selected at random. However, certain limits were placed on the sample because some youths were not readily available or could not be located.

In September 1968 we made inquiries of the named employers of those youths who during the interviews, had stated that they were then currently employed. Also, another of our contractors made an analysis of the reported employment and earnings of a group consisting primarily of calendar year 1966 terminees and no-shows selected on a national basis.

We recognize that in such tests the possibility exists that terminated Corps members selected in a sample may not be fully indicative of all terminated Corps members. Also, the development of fully comparable control groups is not possible to achieve, and we recognize that some differences must exist between applicants who take part in Job Corps and applicants who, although scheduled to attend decide not to take part. We believe, however, that the data developed in our review do provide an indication of the relative extent to which Job Corps training assisted participants toward self-sufficiency.

RECRUITING AND SCREENING

Although the Job Corps has carried out a widespread advertising campaign and has estimated that about 900,000 youths are eligible for the program, we found that recruiting and screening organizations generally were unable to meet quotas during fiscal year 1968. The Job Corps established a recruitment quota of about 117,000 youths for the fiscal year which, after allowing for an anticipated no-show rate of 30 percent, was to insure that about 82,000 youths would enter the program. The recruiting organizations were able to recruit and screen about 90,000 youths of which about 73,000 entered the program and the remaining 17,000 were classified as no-shows.

The recruiting agencies provided us with a number of reasons for their inability to meet quotas: (1) existence of available jobs in certain areas, (2) disinterest of eligible youths in the program, and (3) discouraging reports on the Job Corps program made to potential enrollees by returning, terminated Corps members. It appeared that the lack of an active and direct recruiting activity by the organizations also contributed to the inability to meet quotas. Generally, we found that the organizations waited for applicants to appear rather than to actively solicit youths in the hard-core poverty areas. Also, of 638 terminated Corps members which were interviewed in August 1968, as part of our review, less than 15 percent stated that they became aware of the program directly from the recruiting organizations.

The inability to meet established quotas may have resulted in eligibility requirements being waived for a considerable number of enrollees.

It appears that screeners have requested waivers on a significant number of cases, because of the difficulty in recruiting applicants. Although responsibility for approving waivers of eligibility requirements rests with officials of the OEO regional offices, we noted that they relied heavily on the recommendations of the screeners in these cases.

Waivers of important eligibility criteria were granted for about 33 percent of the 1,000 enrollees included in our test. A subsequent study by the Job Corps revealed that, of the 73,000 Job Corps enrollees during fiscal year 1968, information on eligibility criteria was available on about 46,000 enrollees. The remaining 27,000 enrollee applications were not properly completed at the screening levels so that the eligibility status could be determined. Waivers had been granted for about 10,000, or 22 percent, of the 46,000 enrollees. Among the more important criteria frequently waived were: (1) the minimum period that an applicant had to be out of school, a requirement designed to discourage youths from dropping out of school to join the program; (2) the requirement that an applicant meet certain behavior standards; and (3) the requirement that an applicant not be a high school graduate.

In addition, we noted that in many cases there was not adequate verification by the screening agencies of data supplied by applicants and their parents, a factor which raises additional questions as to the extent to which youths may not have met the eligibility criteria for acceptance in the program.

Also, we noted instances where screening organizations apparently accepted youths without first determining whether the Job Corps was the most appropriate available training program to meet the applicants' needs. This condition existed primarily because (1) emphasis was on meeting quotas, (2) screeners were not familiar with other available programs, and (3) screening personnel did not question the wisdom of the applicants' choice to participate in the program. Job Corps agreed that such instances occur but informed us that it relies primarily on USES affiliated State employment service offices which screen about 70 percent of Job Corps applicants to make proper selections of applicants.

We also found that the Job Corps did not conduct periodic reviews designed to permit an overall evaluation of the effectiveness and efficiency of the activities of recruiting and screening organizations. We were advised by the Job Corps that the OEO-Job Corps-Labor-USES agreement places the responsibility of monitoring the performance of the affiliated State agencies on the USES. However, USES advised us that they did not have the funds or manpower capability to perform evaluation reviews at each employment service office and that all such reviews conducted were done on an exception basis. We believe that the absence of periodic reviews, at least to some extent, may have contributed to the conditions noted above.

CENTER OPERATIONS

Originally, young men were assigned to the conservation centers to increase their basic academic skills to a point where they could undertake vocational training at the urban centers. Subsequently, a determination was made to offer sufficient training at the conservation centers for employment. The urban centers offered the more advanced training for young men in Job Corps programs. Young men participating at these centers were selected primarily because of their higher achievement on tests given by recruiting and screening agencies. Separate urban centers were used for training young women.

Late in fiscal year 1968, Job Corps, in consultation with the Departments of the Interior and of Agriculture who operated conservation centers, made a decision to materially strengthen the training program available at these centers. Also, in November 1968, achievement test results were discontinued as a determinant factor for the initial assignment of an enrollee to the two types of centers, primarily to assign youths to centers close to their homes.

Retention of Corps members

A factor critical to the success of the Job Corps program is the need to retain Corps members for a sufficient period of time for them to obtain

the attributes necessary for responsible, productive citizenship. Job Corps, on the basis of its experience, believes that a Corps member must remain in the program for at least 6 months to develop such attributes and, during its existence, has taken a number of actions designed to encourage Corps members to remain in the program. We did find that the longer a Corps member stayed in the program the better his post Job Corps experience was.

Of 73,500 Corps members who left Job Corps in fiscal year 1968, 26,300 were classified as graduates. Of the remaining 47,200 youths, 18,200 had remained over 90 days and 29,000 less than 90 days at the centers. Overall, the length of stay of Corps members averaged 6 months. We found that, at the centers we reviewed, the majority of Corps members left the program in less than 6 months.

The reasons most readily identified by the centers we reviewed and most frequently expressed by the terminees that we interviewed regarding the failure of Corps members to stay at the centers until completing a program were (1) dissatisfaction with the center or Job Corps as a whole, (2) homesickness, (3) the inability to obtain desired vocational training, and (4) the fear of bodily harm.

The reported overall average length of stay of those corpsmen who terminated from the conservation center program during fiscal year 1968 was 6.3 months, and at the centers we reviewed the average ranged from 3.9 to 6.1 months. We found that the percentage of youths terminating in less than 6 months at the five centers ranged from 52 to 74 percent. It should be noted that a corpsman's time at a conservation center is generally

equally divided between academic classes and vocational training. Consequently, with the prevailing average retention period, the time available for Corps member training in each field would, in effect, be limited to an average of 2 or 3 months.

Our review showed that, because of variations and weaknesses in the development and use of graduating criteria at conservation centers, classification of a Corps member as a graduate would not in itself provide reasonable assurance that the Corps member had satisfactorily attained the academic, vocational, and behavioral levels required for entrance into employment in his selected vocational field.

The percentage of Corps members who left urban centers and who failed to complete a defined program (nongraduates) at the four centers we reviewed varied from center to center; however, during fiscal year 1968, this percentage was about 60 percent of all terminees from the two men's centers and about 65 percent of all terminees from the two women's centers. Nearly 65 percent of the nongraduate corpsmen and about 60 percent of the nongraduate corpswomen left Job Corps in 3 months or less. The length of stay for Corpsmembers who terminated during fiscal year 1968 averaged 6.2 months and 5.7 months for urban women's and men's centers, respectively. For the centers included in our review, the average length of stay for Corps members who terminated during fiscal year 1968 ranged from 4.5 to 5.4 months.

Vocational and academic training--conservation centers

The conservation centers generally provided vocational training through on-the-job training in performing conservation work projects with little or no classroom instruction related to the on-the-job training.

Generally, conservation center work projects consist of projects for the development and improvement of public lands under the supervision of the Department of Agriculture and/or the Department of the Interior. The agencies plan the work, and corpsmen are assigned to work crews. Specific work projects may include such things as landscaping, forest culture and protection, water control, irrigation, drainage, erosion control, construction and repair of buildings and recreation facilities, and construction and repair of roads and trails.

Training at the centers we reviewed was provided to corpsmen primarily within the context of the goals of such projects. If youths were induced to remain at a center for a reasonable period of time, such projects could provide an opportunity to instill good work habits in the youths and to contribute to their social and psychological development. On the other hand, the nature of the projects limited the opportunity for intensive vocational training. Projects such as cleaning debris from beaches and parks, clearing out undergrowth in forests, and seeding barren areas call primarily for common labor. Projects such as building and road construction, while providing greater potential for skills training, were not required to the extent necessary to allow the centers to provide intensive and progressive vocational training to the many corpsmen entering training at various times during the year.

We noted that the training program at the centers generally lacked precise, detailed curriculums and lesson plans, and the performance records showing achievements of corpsmen generally were not maintained.

Further, at some centers, the emphasis placed on the need to accomplish conservation work projects appeared to have adversely affected in varying degrees the training program and resulted in the instructors' performing the role of foremen rather than teachers.

Job Corps and the administering departments of conservation centers, Agriculture and Interior, recognized that weaknesses and deficiencies existed in training programs at the centers and, in a joint effort, considered means for improvement. On May 2, 1968, a Job Corps civilian conservation centers program task force report was issued containing, in part, a number of new program concepts and policies for future operations of academic and vocational training programs at the centers.

Our perusal of the various occupational standards issued by Job Corps as a result of the task force report indicates that, in order for Corps members to accomplish the minimum requirements for program completion in these occupational areas, Corps members will need an opportunity to take part in intensive classroom and work-experience programs directed specifically toward development of the knowledge and technical skills needed beyond the helper and laborer categories.

In our opinion, implementation of the requirements of the task force report, as they relate to vocational training would have a beneficial effect on the training program at the centers. However, these requirements are to be established within the context of the goals of the work projects.

We believe that, to provide programs of maximum benefit to the Corps members, it is necessary to emphasize skill-developing vocational programs through intensive classroom training and related work experience and,

through the development of work projects of sufficient complexity, to provide training of the caliber which would lead to skill training necessary to obtain worthwhile employment. More importantly, a sufficient number of such tasks should be developed to provide continuous and progressive training so that each Corps member may develop his capabilities at a pace appropriate to his readiness to move forward. Generally, the size and complexity of the work projects coming to our attention were not of a nature to serve as a basis for intensive vocational training.

Job Corps has recently enlisted the assistance of certain labor unions in training and placing conservation center corpsmen as carpenters, heavy equipment operators, cooks, and painters, and in other skills. As of January 1969, union assistance programs were being operated at 11 centers and, according to OEO, its plans provided that such programs would be implemented at 41 additional centers during calendar year 1969. In our opinion, implementation of the requirements for satisfactory completion of these programs would require Job Corps to develop training programs specifically designed to be in consonance with such requirements, which may not be possible within the context of available conservation work projects at the centers. For example, the carpentry program calls for the use of five instructors and a coordinator, all supplied by the union, to provide 52 weeks of training for participating corpsmen, half of which time is to be spent in general classroom instruction and half in practical carpentry-related work experience.

Regarding the academic program, we found that few corpsmen achieved the program goals established by Job Corps for conservation centers that were equivalent to about a seventh grade public school level. The enrollees'

generally low academic achievement level upon entering the program and their short length-of-stay at the centers, along with the centers' practice of generally dividing corpsmen time equally between academic and vocational training precluded them from advancing to the desired grade level.

In one instance there were indications that academic training was not emphasized because of the importance attached by the center to completing work projects. The need for intensive academic training is apparent from Job Corps data showing that enrollees who entered conservation centers during fiscal year 1968 had average grade levels of 3.7 in reading and 4.1 in mathematics.

We found that graduation criteria varied among centers, that they usually were minimal, and that frequently they were not adhered to. We found instances where terminees were classified as graduates, without regard to their length-of-stay, on such basis as their having obtained employment or having entered the armed services after termination. Some terminees were classified as graduates although they apparently had not made measurable progress in vocational or academic training areas.

In May 1968, Job Corps prescribed minimum criteria for graduation from conservation centers under which corpsmen would be required to demonstrate proficiency in certain vocational and academic areas and to meet certain social and emotional standards. Few of the graduates from the conservation centers we reviewed would have met the new Job Corps criteria.

Vocational and academic training--urban centers

The vocational programs at the urban centers were structured to provide vocational training in a number of areas. Although at the time of our

review Job Corps was in the process of establishing uniform training objectives for vocational areas at men's urban centers, it had not prescribed uniform criteria for graduation from either men's or women's urban centers and, therefore, such criteria were established by each of the centers. There was no assurance that the criteria established by the various centers were comparable or were always met. A number of Corps members were classified as graduates, although it did not appear that they had developed the necessary attributes required for employment in the area of their vocational training.

The academic programs at the centers were structured to provide the Corps members with the reading and mathematical skills necessary for employment in the area of their vocational training. In recognition that certain levels of academic achievement were essential to successful performance in various occupational areas, the centers generally established minimum academic requirements that were to be attained either prior to entering a specific vocational training program or by the time of completion of that program. Most of the centers we reviewed generally did not enforce the requirements however, and, as a result, many Corps members had not reached these academic levels by the time they had graduated from Job Corps. Also, although on-the-job training was a final objective for completing certain of the courses, such training was not being provided for many Corps members at the centers we reviewed.

Classification of a Corps member as a graduate even though he or she has not adequately demonstrated successful completion of all areas deemed necessary may initially increase a Corps member's chance to obtain employ-

ment because of Job Corps policy to place greater emphasis on obtaining employment for those terminees classified as graduates. However, in our opinion, such circumstances may also increase the possibility of losing the job obtained because of his or her inability to perform satisfactorily and may have an adverse effect on attempts to place future graduates.

Center placement and follow-up

Generally, centers' placement efforts were limited to their immediate geographic area. OEO regional offices have overall placement responsibility for all Corps members not placed by the centers. Since conservation centers are located on public lands in isolated areas, they have very limited responsibility in this area.

The urban centers we reviewed had varying degrees of success in placing terminated Corps members. The highest rate of success was in placing center graduates as contrasted with nongraduates.

Although some confirmations of initial placements were made by all centers, we found that reports of placements were not fully accurate. One center reported placements solely on the basis of confirmations that interviews were scheduled between terminees and prospective employers, and two other centers lacked adequate documentation on center placements.

Generally, Job Corps did not require the centers to obtain periodic followup information on terminated Corps members but, instead, relied on followup data on a sampling of terminated Corps members obtained by an independent firm under contract to Job Corps. The resulting data, although useful to Job Corps in considering its overall program, generally were not of a nature to provide meaningful data on specific centers. It appeared

that a periodic followup system for each of the centers would provide both the centers and the Job Corps with useful data for evaluating the effectiveness of programs at specific centers and for providing a basis for determining whether further assistance might be needed by trainees.

Other matters

In addition to the matters just discussed concerning center operations, we found a need to improve the counseling provided Corps members and a need to place more emphasis on encouraging Corps members to participate in the high school equivalency program.

Also, we found that various methods of assigning appraised values to completed work projects were being used at the centers we reviewed, which in some cases did not provide assurance that the assigned values were realistic.

POSTPROGRAM EXPERIENCE OF ENROLLEES

Employment and earnings

Post-Job Corps data concerning the 638 August and September 1967 terminees from the various types of centers and the corresponding 145 no-shows which were interviewed by our contractor are summarized in a schedule attached to this statement. For the terminees, the percentage of the youths engaged in gainful employment was greater after Job Corps experience than before such experience and earning power among those working had increased. Also we found that a number of youths were, after terminating from Job Corps, engaged in such useful pursuits as serving in the Armed Forces or continuing their education.

It appeared that the increased employment and earning power among those included in our sample can be attributable, for the most part, to the greater employability of youths due to the aging process and to higher employment and wage levels. This increased employability and earning power also appeared to be associated with the length of stay of Corps members at the centers; those who were graduated were the most successful.

Among the indications which are shown by the data are that, for men who had Job Corps experience and were working, earning power increased over a period of time but unemployment increased during the year following termination; the increase in unemployment was relatively greater for terminees from the conservation centers than for male terminees from the urban centers.

At the time of interview, about 26 percent of those men terminating from urban centers were unemployed compared with 36 percent of those

terminating from conservation centers. A comparison between conservation center and urban center male terminees at the time of interview also showed that the urban center terminees were earning \$0.10 an hour more than conservation center terminees. It should be noted that on the average the terminees from the conservation centers had a lower achievement level than those from the urban centers.

Percentagewise, employment at the time of interview among terminated corpsmen was greater and unemployment was less than among no-shows. Among those working, however, earning power was substantially the same for both groups.

An average of wages for employed terminated corpsmen - \$1.90 an hour for urban center terminees and \$1.80 an hour for conservation center terminees - would amount to about \$1.87 an hour compared with \$1.90 an hour reported by no-shows. Comparable figures for corpswomen and women no-shows, developed from a relatively small sample, indicate a greater variation - \$1.60 for corpswomen and \$1.41 for women no-shows.

Although we believe that such comparisons provide worthwhile information as to the circumstances of the youths at the time of interview, the projection of uncertain program results over an extended period of time would require a number of arbitrary assumptions which we believe cannot reasonably be made. Also, we believe that conclusions drawn from comparisons of the extent of change among the terminees and no-shows included in our test need to take into consideration that the no-shows were persons who failed to report to Job Corps during the same months in which the participants terminated rather than at dates, about 6 months earlier,

corresponding to the time of enrollment of the participants. As a result, the beginning wage and employment data for no-shows more closely correspond to similar data on Corps members immediately after they terminated from the program.

As a further part of our review, another one of our contractors made an analysis of the reported employment and earnings of a group of August 1966 terminees and a sample of no-shows from the last quarter of 1965 and the first three quarters of 1966, corresponding approximately to the time that terminees entered the Job Corps. This analysis was based on the findings of, and data available from, an opinion research organization which had been making a continuing study of post-Job Corps experience of a sampling of terminees and no-shows during calendar year 1966 under a Job Corps contract.

The research group interviewed about 900 terminees from all three types of centers and about 500 no-shows; both groups consisted of more than 85 percent males. Our contractor concluded on the basis of its analysis that in the employment area the terminees had not shown any major improvement clearly attributable to the program. The contractor found that Job Corps males had an employment rate of 56 percent when they entered the program and 58 to 60 percent measured at various periods ranging from immediately to 18 months after the program. The contractor was unable to ascribe even the small increase in employment to the program because the control groups showed even larger increases going from 47 percent at entry to 49 to 58 percent at various periods.

The contractor found also that the average wage for male terminees increased from \$1.22 at entry to \$1.55 at 6 months and \$1.91 at 18 months after termination. Female wages increased from \$1.05 at entry to \$1.56 at 18 months. No-show males earned \$1.17 at time of signup and \$1.46 at 6 months. Data on no-shows were not available for later periods, but short-term (0-3 months) enrollees, with wage rates at entry and 6 months later that were closely similar to those of the no-shows, were used as a substitute control group. The latter had wage rates of \$1.81 at 18-months - that is, 10 cents less than the average for male terminees. Based on the difference between wage increments from pre-entry to 18 months after termination, however, the net average wage increment attributed to the program was estimated at 7 cents.

The contractor did find that individuals who spent more than 6 months in the program appeared to improve their employment chances, and those who spent 12 months or more had a considerable additional wage advantage. Retention rates, however, were such that the weight of these groups in the average terminnee performance was relatively small.

There are a number of variations between the data as to employment, earnings, et cetera, found by our contractor and ourselves. The data generally indicate the same tendencies, however, and the differences could be expected in view of the differences between the groups which were used for the analyses.

Continuing employment problems of terminees

Our tests directed toward identifying measurable economic gains revealed evidence of continued employment problems for a significant portion of those sampled.

Of all the terminees interviewed, 14 percent informed us that they had held no jobs and 13 percent informed us that they had held four or more jobs during the 1 year since their termination.

In August 1968 we received responses from the initial employer of record of 362 of the Corps members who had terminated from the nine centers during August and September 1967 and were reported to have been employed immediately after termination.

Eighty, or 22 percent, of the employers of the 362 terminees indicated that the terminees had never worked for them. Of the 282 remaining terminees who had worked for the reported employers, 211, or 75 percent, had left their jobs and 71, or 25 percent, were still working at the time of our inquiry. Of the 211 terminees who were no longer working at their first job, 75 percent left during the first 4 months. Of the 211 who left their jobs, 59, or 28 percent, were discharged and an additional 59, or 28 percent, left but gave no reason for leaving. Most employers gave multiple reasons for discharging the 59 youths.

With respect to responses received from 166 employers identified by the terminees we interviewed as their current employer, 18 employers, or 11 percent, had no record that the terminees ever worked for them. Of the 148 who had worked, 81 were still working at the time of our inquiry. Of

the 67 who had left their jobs, 19, or 28 percent, were discharged and 14, or 21 percent, left but gave no reason for leaving. Some of the employers gave multiple reasons for discharging the 19 youths.

Effect of training, age, and length-of-stay

We compared the type of occupational endeavors that the terminees were engaged in at the time of our interview with the type of occupational training received by the terminees while in Job Corps. We found that 25 percent of the working terminees included in our sample for whom training information was available were working in areas in which they had received training and 75 percent were working in other areas.

Our analysis of data obtained from the interviews showed that the percentage of those working and the wages earned had increased with the age of those included in the sample. About 46 percent of those under 18 years of age at the time of interview were working and earning an average wage of \$1.79 an hour. In comparison, about 55 percent of those 18 years of age and older were working and earning an average wage of \$1.90 an hour.

Our analysis showed also that both the wage rate and the employment rate had increased in relation to the time spent in the program. The average hourly wage rate was, at the time of interview, for Corps members who stayed in the program for 6 months or less, \$1.78; for those who stayed 7 through 12 months, \$1.87; and for those who stayed more than 1 year, \$2.03. Further, the employment percentages for those who had corresponding lengths of stay in the program were 43 percent, 59 percent, and 60 percent, respectively.

GENERAL CONCLUSIONS

Through Job Corps institutionalized training, Corps members have had an opportunity to develop, in varying degrees, work skills, improved work habits, and an opportunity to further their academic education. These Corps members have also received benefits in a number of areas, such as health and social and psychological development, which are generally not subject to precise measurement. Also, after Job Corps experience, some Corps members have obtained good employment, returned to school, or joined the armed forces.

On an overall basis, however, it appears that the Job Corps had achieved only limited success in fulfilling its primary purpose of assisting young persons who need and can benefit from an unusually intensive program, operated in a group setting, to develop their capacities for work and social responsibilities. Our views are based in large part on our findings with respect to post-Job Corps employment experience and related economic benefits of Corps members, the unfavorable retention rate of Corps members, and problems relating to program content and administration which have existed.

On the basis of studies by our contractor and ourselves relating to post-Job Corps experience, it is questionable whether Job Corps training has resulted in substantial economic benefit thus far for those youths who participated in the program, although our tests showed that employment and earning power were somewhat greater after Job Corps experience than before.

We believe that the increased employment and earning power among those included in our sample can be attributable, for the most part, to the greater employability of youths due to the process of growing up and to higher

employment and wage levels. This increased employability and earning power also appeared to be associated with the length-of-stay of Corps members at the centers, those who graduated being the most successful.

It also appeared that Job Corps trainees had not done materially better than the other eligible youths who had applied to enter the program and then chose not to participate.

Factors limiting the success of Job Corps are many and vary in degrees of importance. One of the most significant factors was the short length-of-stay by Corps members. Given the limited achievement level of the entering youths, no program can be expected to have dramatic results if the youths cannot be induced to remain at the centers long enough to benefit from the training. The effectiveness of the program in meeting its objectives of assisting young persons who need and can benefit from an intensive training program is highly questionable for the large number of youths who remained at the centers for only short periods of time.

Weaknesses in the policies and procedures under which the program has been administered have detracted significantly from program success. According to Job Corps estimates, direct costs per enrollee man-year were \$6,600 for fiscal year 1968. Considering both the direct and the indirect costs for those centers in operation as of June 30, 1968, enrollee man-year costs for fiscal year 1968 were \$8,300.

Although the program had been in existence for over 4 years our study identified a number of major problems of administration including:

1. A need for improving the recruiting and screening procedures. A significant portion of Corps members have not met the qualifications generally considered necessary or desirable for participation in the program and the alternatives of enrolling applicants in other less costly, and possibly more suitable, training programs apparently were not always considered.
2. A need for improving the administration of the vocational and academic training programs and for establishing minimum graduation criteria which would provide assurance that graduates possess the minimum requisites for successful employment.
3. A need for strengthening the counseling system at each of the centers to more fully assist Corps members in making the social educational, and vocational adjustments necessary to become self-supporting members of society and to provide a means by which Corps members could be encouraged to remain at the centers for a sufficient period of time to acquire the skills necessary to obtain and hold jobs.
4. A need for the centers to improve their records and reporting systems in order to obtain accurate and meaningful information about individual Corps members and program operations as a tool for evaluating the effectiveness of the centers' various activities.

We have considerable doubt as to whether conservation centers can be expected to provide the intensive training contemplated in the act, at least without substantially upgrading the vocational training program which

we believe would be quite costly. Conservation centers generally provided vocational training through the performance of conservation work projects, with little or no related vocational classroom instruction.

We recognize the value of conservation work in itself. We also recognize that most of the centers have some work projects which permit exposure to certain occupational skills and that, generally, work projects are a good vehicle for instilling proper work habits in Corps members. However, the size and complexity of the work projects coming to our attention at the centers we reviewed generally were not of a nature to serve as a basis for intensive vocational training. It does not appear to us that the use of work projects as the primary vehicle for providing vocational training would permit the centers to establish and operate an effective training program directed toward skill development in occupational areas above the helper or laborer categories.

Job Corps and the administering departments of conservation centers, Agriculture and Interior, recognized that weaknesses and deficiencies had existed in training programs at the centers and, in a joint effort, considered means for improvement. However, our perusal of the requirements prescribed in May 1968 by Job Corps in conjunction with the departments, for improvements in the training program indicated that, in order for Corps members to accomplish the minimum requirements for program completion in the various occupational areas, Corps members would need an opportunity to take part in intensive classroom and work-experience programs directed specifically toward development of the knowledge and technical skills needed beyond the helper and laborer categories.

To establish intensive vocational training programs at each of the 82 centers in a number of vocational areas for the 100 to 250 corpsmen enrolled at each of the centers would be quite costly. Moreover, it is questionable whether a sufficient number of qualified instructors could be obtained to provide such training at the generally remote and isolated conservation center locations.

In summary, we believe that a valid need can be documented for residential training of the type envisioned in Job Corps for a certain number of youths whose needs, because of environmental characteristics or because of geographic location, cannot be well served through other programs operating in or near their home communities. We have doubt, however, that, in light of our findings and the cost of this type of training, the resources now being applied to the Job Corps program can be fully justified. Our doubt in this regard is especially applicable to the conservation center component of the program, particularly in consideration of the significant changes which appear necessary in this component to upgrade its effectiveness in achieving training program objectives.

In accordance with the foregoing conclusions, we recommended in our report that the Congress consider whether the Job Corps program, particularly with respect to conservation centers, is sufficiently achieving the purposes for which it was created to justify its retention at present levels.

That completes our statement, Mr. Chairman. We will be happy to respond to questions.

DATA ON EXPERIENCE OF TERMINATED JOB CORPS
ENROLLEES AND NONPARTICIPANTS (NO-SHOWS)

	Terminees at signup in program (note a)			No-shows at signup in program (note a)			Immediately after termination from program			At interview approximately 1 year later (note b)		
	No.	%	Average hourly rate	No.	%	Average hourly rate	No.	%	Average hourly rate	No.	%	Average hourly rate
Conservation centers:												
Working	44	42	\$1.37				72	69	\$1.50	48	46	\$1.80 ^c
School	20	19					8	8		7	7	
Work and school	-	-		N/A			4	4		5	5	
Unemployed	37	36					16	15		37	36	
Other ^d	3	3					4	4		7	6	
Terminees interviewed	<u>104</u>	<u>100%</u>					<u>104</u>	<u>100%</u>		<u>104</u>	<u>100%</u>	
Urban centers--men:												
Working	154	40	\$1.48				245	62	\$1.72	218	55	\$1.90 ^c
School	64	16					28	7		24	6	
Work and school	5	1		N/A			6	2		15	4	
Unemployed	160	41					93	24		101	26	
Other ^d	9	2					20	5		34	9	
Terminees interviewed	<u>392</u>	<u>100%</u>					<u>392</u>	<u>100%</u>		<u>392</u>	<u>100%</u>	
Total men terminees:												
Working	198	40	\$1.45				317	64	\$1.67	266	54	\$1.87 ^c
School	84	17					36	7		31	6	
Work and school	5	1		N/A			10	2		20	4	
Unemployed	197	40					109	22		138	28	
Other ^d	12	2					24	5		41	8	
Terminees interviewed	<u>496</u>	<u>100%</u>					<u>496</u>	<u>100%</u>		<u>496</u>	<u>100%</u>	
No-shows--men:												
Working				25	24	\$1.67				39	38	\$1.90 ^c
School				15	15					4	4	
Work and school				N/A			N/A			11	10	
Unemployed				61	59					37	36	
Other ^d				2	2					12	12	
No-shows interviewed				<u>103</u>	<u>100%</u>					<u>103</u>	<u>100%</u>	
Urban centers--women:												
Working	37	26	\$1.16				55	39	\$1.40	38	27	\$1.60 ^c
School	19	13					12	8		17	12	
Work and school	3	2		N/A			1	1		5	4	
Unemployed	79	56					58	41		58	41	
Other ^d	4	3					16	11		24	16	
Terminees interviewed	<u>142</u>	<u>100%</u>					<u>142</u>	<u>100%</u>		<u>142</u>	<u>100%</u>	
No-shows--women:												
Working				5	12	\$0.92	N/A			14	34	\$1.41 ^c
School				10	24					2	5	
Work and school				N/A						3	7	
Unemployed				25	60					16	38	
Other ^d				2	4					7	16	
No-shows interviewed				<u>42</u>	<u>100%</u>					<u>42</u>	<u>100%</u>	

^aTwo columns are provided for the at signup information because of chronological differences between the time that the terminees signed and the time that no-shows signed. This time difference is approximately six-months--the average length of stay in the Job Corps for terminees.

^bAt the time of interview the average age of those included in our sample was as follows:

Conservation center terminees	18 yrs. 10 mos.
Urban center terminees--men	19 yrs. 0 mos.
No-shows--men	18 yrs. 8 mos.
Urban center terminees--women	19 yrs. 4 mos.
No-shows--women	18 yrs. 11 mos.

At the time terminees entered Job Corps they would have been an average of 18 months younger, compared with no-shows who would have been approximately 1 year younger at the time they were scheduled to enter Job Corps.

^cRepresents the average hourly wage rate for those terminees and no-shows working and reporting a wage rate.

^dRepresents imprisoned youths, married females, those in the armed services, or those that did not provide the necessary information.

ATTACHMENT TO TABLE IN THE STATEMENT ON RESULTS OF
THE GAO REVIEW OF JOB CORPS PROGRAMS

The table shows that employed male terminees of urban and conservation centers had average wages about 42 cents per hour higher than at enrollment. This increase corresponds to a period of approximately 18 months. Hence, it is not directly comparable with the 23 cents per hour increase indicated for "no-shows," which corresponds to a 12-month period. In order to make the comparison with "no-shows" more clearly understood, their 12-month wage increment can be multiplied by 1.5, i.e., to an 18-month basis - or to 34.5 cents per hour increase. This procedure would result in an estimated program wage effect of 8 cents per hour for the Job Corps terminees.

External evidence supports the reasonableness of an estimated control wage increment on the order of 23 cents per 12 months and 35 cents per 18 months over the period under consideration. This increment has two components: (a) the effect of the rising trend of wage rates over calendar time; and (b) the effect of higher wage rates associated with additional years of age for individuals in the 16-21 age group. Based on data pertaining to lower paying industries and other industry wage data in the U.S.D.L. publication Employment and Earnings, our contractor, Resource Management Corporation, believes that 15-16 cents per hour is a reasonable estimate of the average wage increment for men in relatively low-wage industries and occupations over one year. This would amount to 7-8 cents per six months.

The "worth" of a year of age for disadvantaged individuals in the 16-21 range is estimated by our contractor at 6-8 cents. The Louis Harris Survey

of August 1966 Job Corps terminees in February 1967 indicated a 15-cent average wage differential between 16-17 year olds and 18-19 year olds, and an 8 cent differential between the latter and the 20-21 year olds. Taking into account the age distribution of wage earners within each 2-year group, the average wage increment for a year of age appeared to be 6-7 cents per hour. Similar data for Neighborhood Youth Corps terminees for a Dunlap Associates survey in February-April 1967 indicated increments of 18 cents per hour from 16-17 to 18-19, and 7 cents per hour from 18-19 to 20-21. In this case the average increment per year of age was estimated at 8 cents per ^{year} year.

Summing the separate calculations of wage effects of calendar time--related to general wage increases resulting from economic conditions--and aging, yields a combined estimate of 21-24 cents per hour per year--which is entirely consistent with the 23-cent increment for no-shows in the GAO table. These findings are additionally supported by data in the Louis Harris Survey of no-shows in early 1967 which indicate a 29 cent per hour wage gain for an average period of slightly less than a year.