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REPORT TO THE CONGRESS

72-0131



Employment Security Operations--
The Impact Of A Computerized Job
Bank In Baltimore, Maryland B-133182

Department of Labor

BY THE COMPTROLLER GENERAL
OF THE UNITED STATES

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APRIL 27, 1972



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-133182

u To the President of the Senate and the
Speaker of the House of Representatives

This is our report on the impact of a computerized job bank on employment security operations in Baltimore, Maryland. The employment security program is administered by the Department of Labor.

Our review was made pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

Copies of this report are being sent to the Director, Office of Management and Budget, and to the Secretary of Labor.

A handwritten signature in cursive script that reads "James B. Stacks".

Comptroller General
of the United States

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ABBREVIATIONS

GAO	General Accounting Office
MDTA	Manpower Development and Training Act

D I G E S T

WHY THE REVIEW WAS MADE

Finding jobs for unemployed persons is one of the most important functions of the Federal-State employment security program which is funded by the Department of Labor. The introduction of job banks is intended to provide job-market information more quickly and on a broader scale to increase the effectiveness of the job-placement process.

The Manpower Development and Training Act requires the Secretary of Labor to establish a national job-matching program. The first stage of the program is the establishment by State employment service agencies of job banks in metropolitan areas. By use of computers the job banks collect, process, distribute, and control announcements of job openings by employers.

Subsequent stages of the program include (1) establishment of job banks to cover entire States, which is scheduled to be completed by July 1972, (2) development in all States of a computerized system to match job requirements with applicant qualifications, and (3) implementation of a national network linking the job-matching capabilities of all States.

Maryland's Department of Employment Security established a job bank in Baltimore in May 1968, which was adopted by the Department of Labor as a prototype for job banks in other metropolitan areas throughout the country. By June 1971 job banks had been established in 88 metropolitan areas at a cost, in fiscal year 1971, of about \$14.3 million, including \$2.6 million for acquisition of equipment.

2 GAO reviewed the activities of the Maryland State Employment Service (State Agency) and gave particular attention to the impact that the first 2 years of Baltimore Job Bank operations had on employers and job seekers. D.O 1760

FINDINGS AND CONCLUSIONS

Impact of the job bank

The Baltimore Job Bank has improved services to employers and to job seekers. (See p. 13.)

Daily updated information on job openings is available to all job applicants registering at any of the State Agency's offices (in the job bank

area) and at offices of other agencies involved in job placement. Employers received the benefit of having their job vacancies exposed to all registered applicants.

State Agency interviewers no longer contact employers to solicit jobs, which has eliminated the numerous solicitations of which employers previously complained. Since establishment of the job bank, only specified State Agency employees have been authorized to contact employers to solicit jobs.

The number of applicants referred to employers was brought under effective control. Thus overreferral--a problem which previously was an irritant to employers dealing with the State Agency--has been reduced substantially.

One of the expected advantages of the job bank--exposure of applicants to all training opportunities available in the job bank area--was not realized. (See p. 35.)

In its first 2 years of operation (through May 1970), the job bank had no appreciable impact in the Baltimore area in terms of the applicants placed and the use made by employers of the agency's services.

--A comparison of statistics for the first 2 years of job bank operations with statistics for the year prior to establishment of the job bank showed a significant increase in job openings and in new registrations, a small increase in job referrals, but a decrease in job placements in each year. (See p. 13.)

--A continued decline in job placements occurred during the third year of job bank operations (through May 1971), but this decline appears to be attributable to the overall economic downturn. (See p. 17.)

--Employers using the job bank said, in response to a GAO questionnaire, that they had not increased appreciably their use of the State Agency's services after the job bank had been established. They said also that many applicants referred to them were not qualified, that some were not reliable, and that others lacked proper work motivation. (These problems are not restricted to a computerized job bank but apply also to a manual system.)

Other employers said that they had not received prompt response to orders placed with the job bank and that sometimes few or no applicants had been referred to them. (See p. 26.)

Problems existed in the States Agency's system for reporting job placements.

--The number of job placements reported was overstated by 21 percent, which indicates the need for obtaining more reliable information on job placements. (See p. 18.)

--Increases in placements of disadvantaged persons--claimed as an accomplishment of the job bank--could not be verified because the criteria for classifying persons as disadvantaged had been revised by the Department several times. Also the factors considered in determining whether applicants were disadvantaged were not documented or consistently applied. (See p. 21.)

Improvements needed

The employment services provided by the State Agency need to be improved in several areas if the potential benefits available through utilization of the job bank are to be realized.

Interviewers generally used the same interviewing techniques for all applicants regardless of the extent of service needed by the applicants. (See p. 27.)

--Interviewers as a rule were not referring applicants to counselors, although many applicants were in need of their services.

--Job-ready applicants for whom no job openings were listed with the job bank were not being referred to specialists for help in finding jobs.

--Interviewers were not suggesting that applicants who were not job-ready participate in a manpower training or other education program which would improve the applicants' employability.

The potential of the State Agency, through use of the job bank, to be the major coordinating point for all Federal, State, and local agencies involved in manpower activities in the Baltimore area was not realized because these agencies did not utilize the job bank as contemplated; the number of cooperating agencies actually decreased from 21 to 12 by the end of the second year of job bank operations. (See p. 33.)

RECOMMENDATIONS OR SUGGESTIONS

The Department of Labor should:

--Direct that the State Agency, in addition to carrying out required validation of placement statistics, emphasize to employers that placements should be reported only after applicants referred for employment have started working. (See pp. 19 and 20.)

--Emphasize to the State Agency the importance of strengthening the interviewing function and of supplementing it with improved counseling and job-development services. (See p. 32.)

- Follow up on needed actions to be taken by the State Agency in applying the criteria prescribed by the Department for classifying persons as disadvantaged and in recording the information necessary for determining whether applicants should be classified as disadvantaged persons. (See p. 24.)
- Require that the sponsors of all Department-financed manpower programs in Baltimore (and other job bank areas) furnish the State Agency with information on available training opportunities. The Department also should seek the agreement of other Federal agencies financing manpower programs to similarly furnish information on available training opportunities in job bank areas. (See p. 37.)

AGENCY ACTIONS AND UNRESOLVED ISSUES

The Department generally agreed with GAO's recommendations and enumerated certain actions it was taking. (See pp. 19, 23, 32, and 37.)

MATTERS FOR CONSIDERATION BY THE CONGRESS

Matters discussed in this report may assist the Congress in its consideration of future appropriations to be made to the Department for its program of establishing a national job-matching system.

CHAPTER 1

INTRODUCTION

State employment service activities are part of the Federal-State employment security program authorized under title III of the Social Security Act (42 U.S.C. 501) and under the Wagner-Peyser Act (29 U.S.C. 49). This program encompasses (1) employment service, a nationwide network of public employment offices that find jobs for persons and persons for jobs, and (2) unemployment insurance, a method of providing payments to insured workers during periods of unemployment.

DEVELOPMENT OF JOB BANKS

The Secretary of Labor is authorized by the Manpower Development and Training Act (MDTA) of 1962, as amended (42 U.S.C. 2573), to develop and establish a program for matching the qualifications of unemployed, underemployed, and low-income persons with employer requirements and job opportunities on a national, State, local, or other appropriate basis.

The act stipulates that such programs be designed--using electronic data processing and telecommunication systems--to provide a quick and direct means of communication among local recruitment, job-training, and job-placement agencies and organizations and among such agencies and organizations on a national, State, local, or other appropriate basis with a view to the referral and placement of such persons in jobs.

The Department of Labor considers the first stage of a national job-matching program to be the establishment by State employment service agencies, under the direction of the Department, of job banks in metropolitan areas. By use of computers the job banks collect, process, distribute, and control announcements of job openings by employers.

Subsequent stages of a national job-matching program include (1) the establishment of job banks to cover entire States, (2) the development in all States of a computer capability for matching job requirements with applicant

qualifications, and (3) the implementation of a national network linking the job-matching capabilities of all States.

The State of Maryland's Department of Employment Security (since September 1, 1970, the State Employment Security Administration of the Department of Employment and Social Service) established a job bank in Baltimore in May 1968. The Baltimore Job Bank is a computerized system under which job orders and changes thereto are listed and provided, on a daily basis in book form, to employment service interviewers and counselors for use in assisting applicants in obtaining suitable employment and/or training required to become job-ready. This job bank subsequently was adopted by the Department of Labor as a prototype for job banks to be established in other metropolitan areas throughout the country. By June 1971 job banks had been established in 88 metropolitan areas.

For fiscal year 1971 nationwide job bank costs were estimated at \$14.3 million, including \$2.6 million for acquisition of equipment. The Department's plans provide for the establishment of statewide job bank systems in all States by the end of fiscal year 1972.

OPERATION AND FUNDING OF THE FEDERAL-STATE EMPLOYMENT SECURITY PROGRAM

The Federal-State employment security program is carried out by two units of the Department's Manpower Administration, the U.S. Training and Employment Service and the Unemployment Insurance Service. Prior to a reorganization in March 1969, the Bureau of Employment Security was responsible for this program.

The Manpower Administration carries out its responsibilities through a headquarters office in Washington, D.C., and through 10 regional offices. Each regional office is under the direction of a Regional Manpower Administrator who reports to the Office of the Manpower Administrator. The Manpower Administration's region III office in Philadelphia, Pennsylvania, is responsible for providing administrative direction over the Maryland State Agency.

The administration and operation of the employment security program are carried out at the State and local levels by State employment security agencies. Each of these agencies has established local employment offices in various locations within its jurisdiction. As of December 1970 there were 2,620 of these offices in operation throughout the country; approximately 59,000 positions were authorized for the State agencies and their local offices.

Each local employment office is responsible for carrying out the following functions.

- Finding jobs for workers.
- Recruiting workers to fill employers' needs.
- Offering specialized services to applicants who encounter serious difficulties in the job market, such as older workers, the handicapped, members of minority groups, workers having obsolete skills, farmers and farm workers, and veterans.
- Cooperating with other Government agencies and local groups to resolve manpower problems of the area served.
- Providing various services to claimants relating to the benefits available under Federal and State unemployment insurance laws.
- Providing a variety of services relating to special manpower programs authorized by MDTA and by the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2701).

In August 1966 the Department announced to all State employment service agencies that emphasis should be given to assisting disadvantaged persons. A disadvantaged person is one who is poor (has an income below a specified level) and who has one or more serious handicaps in finding and keeping satisfactory jobs, such as one who lacks a high school education or who is a member of a minority group. (See p. 21.)

Funding

The administration of the employment security program is financed principally from Federal unemployment tax funds, which are deposited into the general fund of the U.S. Treasury. These funds are made available by the Congress to the Department through authorizations in appropriation acts to finance the administration of employment security activities of the States as approved by the Department.

Funds also are advanced to the Department by executive departments and agencies to carry out certain manpower program activities through the employment service for the departments and agencies. Part of the funds provided from both sources are retained by the Department for its salaries and expenses, and the remainder is allocated to the State employment security agencies.

Approximately \$785.8 million of Federal funds were obligated for the administration of the employment security program for fiscal year 1970. Of this amount, \$718.6 million was obligated by State employment security agencies and \$67.2 million was obligated by the Department.

CREATION OF THE BALTIMORE JOB BANK

The Baltimore Job Bank evolved as the result of a series of meetings between officials of the State Agency and of the Metropolitan Baltimore Chamber of Commerce. Early in the spring of 1967, the industrial community of the Baltimore metropolitan area and many civic leaders were concerned greatly over the proliferation of manpower programs in Baltimore, primarily because of the number of calls to employers' personnel offices asking for jobs and training slots for applicants whom the various manpower programs were serving.

Before establishment of the job bank, the State Agency activities in the Baltimore area were carried out at a central office and at 11 other offices located throughout the area.

The central office was organized into 14 job-placement units, each specializing in an industrial occupation and

each serving applicants interested in this occupation or in closely related occupations. One of the 11 other offices was responsible for aiding youths in finding employment. The remaining offices were responsible for providing service to all applicants seeking jobs within a specific geographical area.

The central office had primary responsibility for obtaining job orders from employers in the Baltimore area. Each of the central office's 14 placement units manually maintained a file of job openings in the occupation in which the unit specialized. Information on job openings usually was obtained through solicitation of employers by the unit's interviewers or through orders from employers who had job openings they wanted filled. The other offices relied, for the most part, on the central office's placement units to provide them with information on job openings.

Under this system, the State Agency was not able to reproduce all job orders manually for distribution to all of its offices nor was it able to control the number of applicants referred to employers in response to their job orders. As a result, applicants were not exposed to all job openings and overreferral on orders became a problem.

The initiation of the Baltimore Job Bank in May 1968 was expected to overcome this problem by using the computer facilities of the State Employment Security Administration to process employers' job announcements during periods when computer time was available, generally at night. The Department estimated that the Baltimore Job Bank's operating costs, exclusive of computer costs, in fiscal year 1971 amounted to \$300,000.

The objectives of the Baltimore Job Bank, as stated by the State Agency, were:

- To control and reduce the number of visits to employers by representatives of the State Agency and of various other manpower agencies who solicited job openings or training opportunities.
- To use data processing equipment to assemble all job orders into a job bank book to be provided daily to each interviewer in the Baltimore metropolitan area.

--To control the number of referrals to each employer so that interviewers would send only the number of applicants the employer requested.

The overall objective, made possible through the use of electronic data processing equipment, is to provide job-market information more efficiently in order to increase the effectiveness of the placement process.

The following advantages were claimed by the State Agency as benefits of the Baltimore Job Bank.

- An employer who placed his job order with the job bank was assured that his job order would receive maximum exposure to qualified applicants.
- A job applicant, regardless of where he lived, readily could visit the local State Agency office nearest his home and could receive complete employment service.
- An applicant could be exposed to all job openings and training opportunities for which he was qualified.
- The data processing equipment used to assemble the job bank book could be programmed to provide reports to management to inform it of the success or lack of success in the rate of job placements through the job bank.

Baltimore City, Baltimore County, and Howard County were designated as the original Baltimore Job Bank area. On February 1, 1970, the job bank area was expanded to include four additional Maryland counties. The map on page 12 shows the original and expanded job bank area.

With the implementation of the job bank, the method of job-order taking was revised in the Baltimore area so that job orders were received by a centralized order-taking unit, generally as a result of a telephone request from an employer, and were assembled into a daily job bank book containing all current job orders placed with the State Agency. (App. II shows a sample page from a job bank book.)

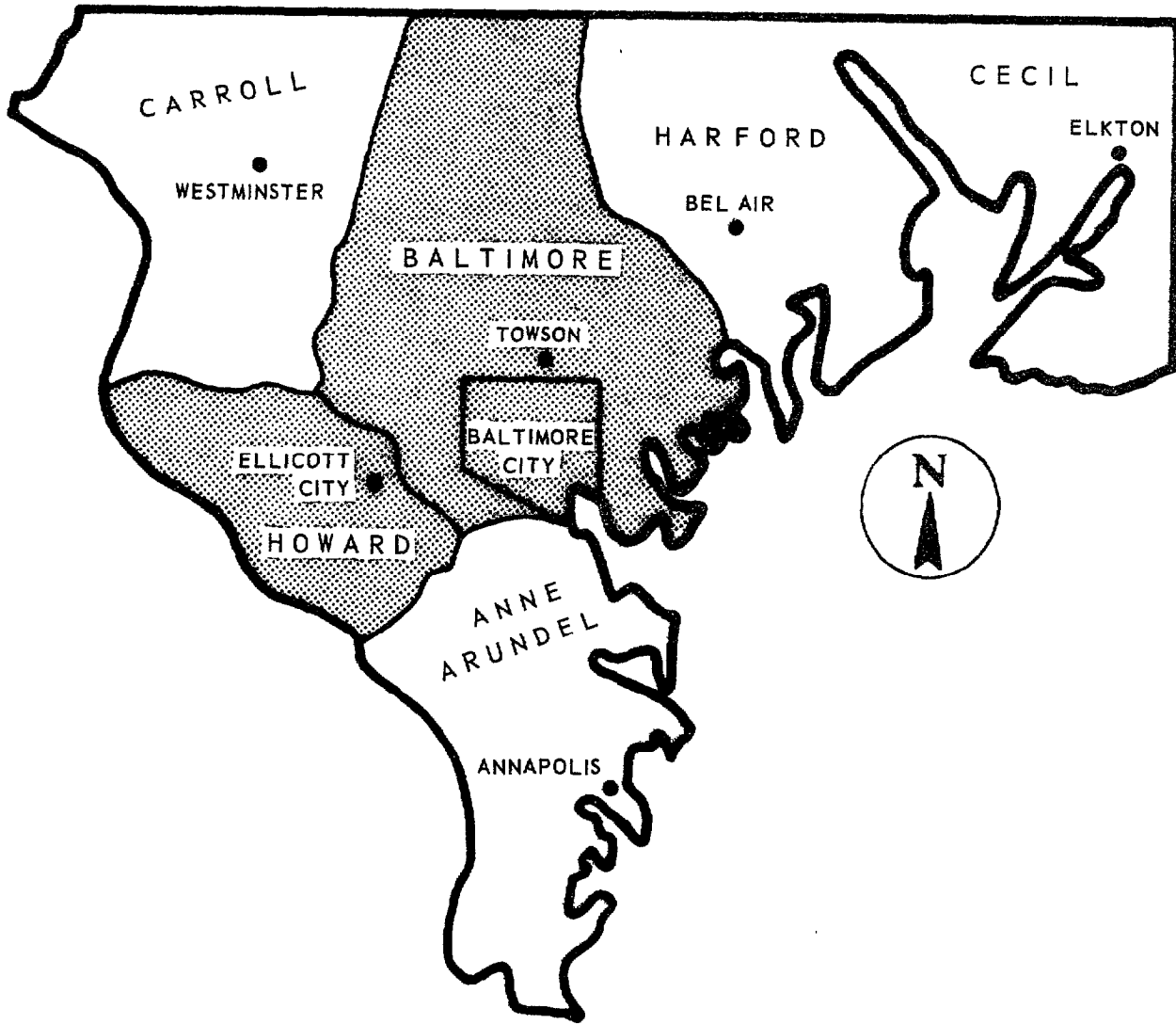
The book is updated daily to reflect changes in the status of job orders and is distributed to all State Agency offices and to offices of certain other agencies which place persons in jobs in the job bank area. During the second year of job bank operations, 60 copies of the job bank book were distributed daily to 25 locations.

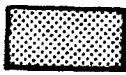

Interviewers use the job bank book to locate suitable jobs for applicants. Referrals of applicants to jobs are controlled from a central point, to ensure that applicants are not sent out in greater numbers than the employer requested or referred to jobs already filled.

- - - -

Our review of the first 2 years of the Baltimore Job Bank operations was directed essentially toward evaluating the extent to which the job bank had benefited the job-placement activities of the Maryland State Employment Service of the Department of Employment Security.

BALTIMORE JOB BANK AREA



-  ORIGINAL JOB BANK AREA
-  EXPANDED JOB BANK AREA

CHAPTER 2

IMPACT OF BALTIMORE JOB BANK OPERATIONS

The Baltimore Job Bank accomplished several of its objectives to improve services to employers and job applicants. We found, however, no appreciable impact by the job bank on the results of employment services in the Baltimore area in terms of applicants placed.

The Department and the States measure the results of the employment service portion of the Federal-State employment security program in terms of the numbers of job openings, registrations of applicants, referrals to jobs, and job placements in permanent-type positions.

A comparison of statistics for the first 2 years of job bank operations with statistics for the year prior to establishment of the job bank showed a significant increase in job openings and in new registrations, a small increase in job referrals, but a decrease in job placements in each year. Further our tests showed that the number of job placements reported by the State Agency had been overstated and that it was not possible to verify the increase in reported placements of disadvantaged persons claimed by the State Agency and by the Department as a job bank accomplishment.

Opportunities for improving State Agency services are discussed in chapter 3.

ACCOMPLISHMENTS OF JOB BANK

The following objectives of the job bank generally were accomplished.

--Information on all job openings listed with the State Agency in the job bank area was centralized in a job bank book which was updated daily and which was made available to all the State Agency's local offices and to other authorized offices involved in placement activities in the job bank area. As a result applicants could register at any location receiving the job bank book and could have access to information

on all job openings available to the State Agency in the Baltimore area. Conversely employers received the benefit of having the jobs they listed with the State Agency exposed to all applicants in the job bank area.

--State Agency interviewers no longer contact employers to solicit jobs for applicants. Some employers complained that in the past they had received numerous requests from various manpower organizations, including the State Agency, soliciting job openings. Since the establishment of the Baltimore Job Bank, only specified State Agency employees have been authorized to contact employers to solicit jobs.

--The job bank includes controls designed to limit referrals for each job opening to the number specified by the employer who placed the order. Thus overreferral--a problem which previously was an irritant to employers dealing with the State Agency--has been reduced substantially.

One of the expected advantages of the job bank--exposure of applicants to all training opportunities available in the job bank area--was not realized because information on the training opportunities was not furnished to the State Agency. (See p. 35.)

ANALYSIS OF OPERATIONS OF JOB BANK

State Agency statistics on the operation of the job bank for the first 2 years (June 1968 through May 1970) and comparable statistics for the 12-month period (June 1967 through May 1968) prior to the implementation of the job bank are summarized below.

	<u>Year ended May 31</u>		
	<u>1968</u>	<u>1969</u>	<u>1970</u> <u>(note a)</u>
Job openings	42,040	67,009	54,358
New registrations	81,775	88,163	96,298
Job referrals	78,446	79,504	79,077
Job placements	30,112	27,035	25,046

^aIn February 1970 the job bank area was expanded to include four additional counties.

Comparable State Agency statistics for Maryland other than the initial Baltimore Job Bank area showed a similar pattern of registrations, job placements, and job referrals during the period; however, there was no comparable increase in job openings. For the remainder of the State, the number of job openings stayed about the same in 1969 and showed a decrease of almost 10 percent in 1970 compared with 1968.

Thus it appears that the establishment of the job bank contributed to a significant increase in listed job openings but that the other activities in some measure were affected by general economic conditions in Maryland.

A report dated November 1, 1970, on the Department's preliminary evaluation of job bank operations in six cities (not including Baltimore), covering the period March through August 1970, showed that there was a similar substantial increase in job openings listed with the employment service offices in the six cities.

The report stated, as a possible explanation for the large increase in job openings, that job banks usually were introduced with considerable publicity, often with the support of the local chamber of commerce, and that this publicity and the promise of a new computerized system might have encouraged employers to list their job openings with the job banks. The Baltimore Job Bank evolved as a cooperative effort of the chamber of commerce, local business and civic leaders, and the State Agency and was publicized extensively as a source of computerized assistance to fill jobs.

The increase in the number of applicant registrations can be attributed, in some part, to the reorganization of local offices in Baltimore that accompanied the establishment of the job bank and that made the job bank book available to 25 locations. Also, to some extent, an increase in the labor force which occurred in the Baltimore area, as well as in the State as a whole, may have contributed to the increase in registrations. During the period July 1, 1967, through June 30, 1970, there was an increase in the number of persons in the labor force for the Baltimore area and for the State as a whole of 62,600 and 136,600, respectively.

State Agency officials attributed the overall decline in the number of job referrals and job placements to the emphasis placed on finding jobs for the disadvantaged. These officials stated that disadvantaged persons were more difficult to place because often they were not job-ready or possessed limited work skills. The report on the Department's six-city study showed that, although job referrals in the six cities had increased, job placements had decreased. The report stated that one explanation for the decline in placements was the fact that larger numbers of disadvantaged persons were being served by the job banks and the fact that these persons were more difficult to place.

The downturn in the economy which began in the latter part of 1969 apparently had little effect on overall employment in the Baltimore metropolitan area during the period of initial job bank operations and hence on the results of State Agency operations during that period. The following table shows the average annual unemployment rates for the civilian labor force for calendar years 1967 through 1970.

	Unemployment rate for calendar year			
	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>
Baltimore metropolitan area (note a):				
Total	3.7	3.4	3.5	4.0
White	2.2	2.4	2.5	3.6
Nonwhite	7.6	6.1	6.1	5.1
Baltimore (note b):				
Total	5.5	5.0	4.5	4.7
White	3.3	3.7	2.8	3.9
Nonwhite	8.0	6.5	6.4	5.4

^aRepresents the standard metropolitan statistical area.

^bRepresents the area within the corporate limits of the city of Baltimore.

The following statistics for the original job bank area for the 12-month period ended May 31, 1971, showed a substantial decrease in all categories of job bank operations.

Job openings	35,331
New registrations	88,635
Job referrals	74,742 ^a
Job placements	19,237

^aRepresents referrals for the expanded job bank area; data for original job bank area not available.

We believe that the above statistics are not representative because the economic downturn had begun to adversely affect overall employment in the Baltimore area, as evidenced by the increase in the unemployment rate from 3.4 percent in 1968 to 6.1 percent in 1971.

The problems discussed in this report, however, as well as our suggestions for improvement of job bank operations and the Department's reactions to these suggestions, are relevant in any given economic situation.

REPORTED NUMBER OF
JOB BANK PLACEMENTS OVERSTATED

Our tests of the number of job placements reported by the Baltimore Job Bank during its first 22 months of operation indicated that reported placements had been overstated by about 21 percent.

We used generally accepted statistical-sampling techniques to randomly select 174 of the approximately 36,100 job placements reported by the job bank during the period June 1968 through March 1970 (the most current month for which data was available at the time of our tests).

We sent questionnaires to the employers listed in the State Agency's records as having hired the 174 persons to obtain information on their employment status. Employer responses relative to 36 of the persons included in our sample, or about 21 percent of the sample, stated that the persons had never been hired. Our projection of the sample results to the total of 36,100 placements showed that the number of job placements had been overstated by about 7,500.

Under the Baltimore Job Bank, the State Agency mails to a potential employer a report form which is to be returned to the State Agency informing it of whether the employer hired the applicant referred to him or of the reason why the employer did not hire the applicant. If the form is not returned to the State Agency within a week after referral of the applicant, the employer is contacted by phone to obtain the necessary information.

State Agency officials agreed with us that the number of job placements reported by the job bank could have been overstated to the extent indicated by our tests and stated that job-placement information provided by the employers could have been erroneous, particularly in situations in which the employer had told the applicant to report for work on a later date but in which the applicant had failed to do so.

One of the primary goals of the Federal-State employment security program is the placement of applicants in permanent employment. A reliable measurement of the number of

job placements is needed to evaluate the success of the program in meeting this goal.

In a draft of this report, we proposed that the Department assist the State Agency in establishing a more reliable system for obtaining information on the placement of applicants. In commenting on this proposal, the Department stated its view (see app. I):

- That the State Agency had received adequate instructions from the Department for the validation of placements but that validation of placements was not made in fiscal years 1968, 1969, and 1970.
- That the problem lay not in the lack of a reliable system for obtaining information but in the failure of the Department to follow up on the numerous guidelines to the agency. The Department stated that such follow-up would be undertaken immediately.

We agree that validation surveys, if made on a periodic basis by the State Agency, should disclose inaccuracies in reporting of placements and should help to bring about needed corrective action. In connection with the validation procedure which is intended to include verification of reported data, on a sample basis, with employers and others for whom services are rendered, special attention needs to be directed to whether a placement is reported at the time an applicant is hired or only after he actually has begun working.

One of the factors cited by State Agency officials as possibly contributing to the problem was the reported placements of persons who had been hired but who had failed to report for work. This problem has been noted by us in a review at another location where federally supported manpower activities are carried out. We believe that the State Agency should emphasize to employers that a placement should not be reported until the applicant referred to the employer has started working.

Recommendation to the Secretary of Labor

The Department should direct that the State Agency, in addition to carrying out required validation of placement

statistics, emphasize to employers that placements should be reported only after applicants referred for employment have started working.

REPORTED NUMBER OF PLACEMENTS OF
DISADVANTAGED PERSONS COULD NOT BE VERIFIED

The State Agency reported that placements of disadvantaged persons increased during the first 2 years of job bank operations.

The following table shows the number of job placements of disadvantaged persons by month, as reported by the State Agency during the period June 1967 through May 1970.

Reported Placements of Disadvantaged Persons

	<u>1967-68</u>	<u>1968-69</u>	<u>1969-70</u>
June	-	1,012	1,034
July	28	1,974	976
August	108	1,064	735
September	109	1,275	977
October	246	652	777
November	247	962	764
December	182	570	645
January	230	838	632
February	345	826	543 ^a
March	289	760	713 ^a
April	451	757	710 ^a
May	<u>681</u>	<u>637</u>	<u>729^a</u>
Total	<u>2,916</u>	<u>11,327</u>	<u>9,235</u>
Monthly average	<u>243</u>	<u>944</u>	<u>770</u>

^aNot comparable to prior months, because these figures include placements by offices in the expanded job bank area, whereas figures shown for the previous months reflect activity in the initial job bank area only.

We could not verify the increase in the number of disadvantaged persons reported as placed by the job bank because the Department's criteria for classifying a person as disadvantaged had been revised several times during the first 2 years of the job bank's operations and because State Agency interviewers had interpreted and used the criteria inconsistently. In addition, we could not evaluate the accuracy of the classification of applicants as disadvantaged persons because State Agency interviewers had not recorded the factors upon which the classifications were based.

Criteria for classifying persons as disadvantaged

Effective June 1, 1967, the employment service agencies in all States were directed by the Department to classify as a disadvantaged person one

- who currently is unemployed and who has been unemployed for 15 weeks or more,
- who recently has been laid off or who has received notice of layoff and whose skills are such that, in the opinion of the employment service interviewer, he has little chance of securing other employment in less than 15 weeks without special assistance, or
- who is underemployed because of a lack of salable skill or of availability of work.

Also under the criteria a person, to be classified as disadvantaged, has to be a member of one of the following groups.

- School dropouts having less than 12th-grade educations.
- The handicapped.
- A minority group.
- Those 45 years of age or older.
- Prison releasees (including parolees).

--Those under 22 years of age who lack meaningful work experience.

In February 1968 the Department revised its criteria and defined a "disadvantaged person" as a poor person who does not have suitable employment and who is (1) a school dropout, (2) a member of a minority, (3) under 22 years of age, (4) 45 years of age or over, or (5) handicapped. A "poor person" is defined as one who is a member of (1) a family which receives welfare payments or (2) a family whose annual net income in relation to family size and location does not exceed certain specified income levels.

Prior to February 1968 a person's income or that of his family had no bearing on whether he would be classified as disadvantaged. After February 1968 the criteria were revised periodically to increase the income limits used in the Department's definition of a poor person.

Application of criteria by interviewers

We observed that State Agency interviewers had interpreted and applied the Department's definition of a disadvantaged person in varying ways. Some interviewers considered only the applicant's income rather than family income; other interviewers did not consider income in classifying a person as disadvantaged.

We noted also instances in which applicants had been classified as disadvantaged on the basis that (1) the applicant's residence was located in an area which the interviewer considered to be a poor neighborhood and (2) the applicant in a previous contact with the State Agency had been classified as a disadvantaged person and therefore had been given the same classification without the interviewer's ascertaining whether he still met the criteria.

State Agency officials informed us that they did not fully understand the criteria for classifying persons as disadvantaged and that they believed that the criteria should be clarified. These officials stated that they had discussed the problem with Department representatives but had been unable to obtain the necessary guidance.

State Agency officials agreed with us that the validity of the reported number of job placements of disadvantaged persons could not be substantiated because the underlying determinations had not been documented.

Because the Department has been placing increased emphasis on job placement of the disadvantaged and is requesting State employment service agencies to provide statistical information on these placements, there is a need for assurance that the reported statistics accurately reflect job placements of disadvantaged persons. The recording in the State Agency records of the information necessary for determining whether an applicant should be classified as a disadvantaged person would aid the interviewer in properly applying the criteria for classifying persons as disadvantaged and would provide documentation of the determination.

In commenting on this matter (see app. I), the Department stated that numerous directives on the subject had been

issued in the past to the State agencies but that the Maryland State Agency would be instructed to review the field directives and to ensure their uniform implementation at the local office level.

Recommendation to the Secretary of Labor

We recommend that the Department, through the Regional Manpower Administrator, follow up on needed actions to be taken by the State Agency in Baltimore in applying the criteria prescribed by the Department for classifying persons as disadvantaged and in recording the information necessary for determining whether applicants should be classified as disadvantaged persons.

IMPACT OF JOB BANK ON EMPLOYERS

Most of the employers we contacted said that the extent to which they used the services of the State Agency was about the same as it was before the job bank had been established.

To obtain employers' opinions on the benefits received from the job bank, we mailed questionnaires to 329 randomly selected employers who, according to State Agency records, had placed job orders with the job bank. Responses were received from 200, or about 60 percent of the employers.

The responses indicated that some of the anticipated advantages from operation of the job bank may not have materialized to the extent expected by the Department and the State Agency.

The responses showed that less than 50 percent of the employers had made regular or occasional use of the job bank. Of those who responded,

--16 percent said that they were regular or continual users,

--32 percent considered themselves to be occasional users,

--34 percent indicated that they seldom had used the job bank, and

--the remainder classified themselves in various other ways or did not show the extent to which they had used the job bank.

Most of the responding employers stated that, prior to the establishment of the job bank, they had not received an excessive number of contacts from agencies--other than the State Agency--seeking jobs or training opportunities for their clientele. Some employers stated that, after the job bank was established, various manpower agencies still were soliciting job and training opportunities for their clients. Most employers indicated, however, that, after the job bank was established, they had not received these types of contacts from manpower agencies other than the State Agency.

Almost all the employers responding to our questionnaires said that they had hired persons from sources other than the job bank. Of the 200 employers who responded to our questionnaire, 161 provided the following information concerning what they had found to be their best sources for hiring qualified people.

<u>Source</u>	<u>Percent of responses (note a)</u>
Newspaper and other advertising media	41
Employee recommendations, walk-ins, and recruiting programs	38
Baltimore Job Bank	17
Private employment agencies	15
U.S. and Maryland civil service commissions, job bank cooperating agencies, and public manpower agencies	9
Other	3

^aPercentages do not add to 100 because some employers listed more than one best source.

The responding employers generally were divided in their opinions as to whether persons referred to them by the

State Agency generally were qualified to fill the positions for which they had been referred. About 43 percent of the employers who expressed an opinion on this matter felt that persons referred to them generally were qualified, whereas about 40 percent expressed an opposite view.

About half of the responding employers stated that they had been unable to satisfactorily fill their job openings by using the job bank. Some employers stated that applicants referred to them were not qualified or reliable or lacked proper motivation. Other employers stated that they had not received timely responses to job orders placed with the job bank or that they sometimes had received few or no referrals after placing job orders with the job bank.

Some employers indicated that they did not plan to use the job bank in the future because applicants lacked qualifications. This problem, however, is not necessarily a job bank problem, since motivation and qualifications are matters with which an interviewer must deal, regardless of whether the job is listed by computer or is entered manually on a card.

The employers' responses to our questionnaires coincide with information gathered by the Department in a study of job bank operations in four cities, one of which was Baltimore. During the period January through March 1970, the Department interviewed 20 employers of persons referred by each of the four job banks, at least 12 employment service employees, and employees of four or five local agencies in each of the four cities. The results of these interviews showed that, although some criticism had been voiced, most of the persons interviewed believed that the job bank concept was good.

The information obtained by the Department, however, showed that persons referred by the job bank in many cases were not qualified for the jobs for which they had been referred. The employer responses to our questionnaires indicated no significant shift in the level of their use of the services of the State Agency.

As discussed in the next chapter, there are a number of areas in which State Agency operations can be improved, which thereby would make the job bank a more useful tool to satisfy both employers' and applicants' needs.

CHAPTER 3

OPPORTUNITIES FOR IMPROVING JOB-BANK-RELATED

EMPLOYMENT SERVICE ACTIVITIES

The employment services provided by the State Agency need to be improved in several areas if the potential benefits available through utilization of the job bank are to be realized. We noted that opportunities existed for improvement in interviewing and counseling applicants, job development, and follow-up on reported job placements. Also steps need to be taken to increase the use of the job bank by all Federal, State, and local organizations involved in manpower activities in the Baltimore area.

As noted in the preceding chapter, implementation of the job bank has not resulted in increased numbers of job placements by the State Agency offices serving the job bank area, although significantly increased numbers of job openings were listed with the job bank and although increased numbers of applicants registered for employment.

In addition, some employers informed us that applicants referred to them by the job bank were not qualified or reliable or lacked proper motivation with respect to working. Other employers stated either that they had not received timely responses to job orders placed with the job bank or that they sometimes had received few or no referrals after placing job orders with the job bank.

IMPROVEMENTS NEEDED IN INTERVIEWING AND OTHER SERVICES

Interviewers generally used the same interviewing techniques for all applicants regardless of the extent of service needed by the applicants. We observed that interviewers as a rule were not referring applicants to counselors although many of the applicants were in need of their services, that job-ready applicants for whom no job openings were listed with the job bank were not always being referred to specialists for help in finding jobs (job development), and that interviewers generally were not suggesting that applicants who were not job-ready participate in a manpower training or

other education program which would improve the applicants' employability.

The limited number of referrals to training programs is directly related to a lack of information on available programs. This matter is discussed in connection with the need for greater coordination between the State Agency and other organizations involved in manpower activities. (See p. 33.)

We observed 100 job interviews with applicants conducted between March and May 1970 by 24 State Agency interviewers at various locations in the Baltimore area. We were concerned primarily with the manner in which the job bank book was being used and with the effect the book might have had on employment service activities. Our analysis of the results of the 100 interviews showed the following information.

	<u>Number of applicants</u>
Applicants referred to employer:	
Reported as job placement	13
Failed to report for employment interview	16
Not qualified for job or failed test	9
Job already filled or employer took other referral	7
Failed to report for work after being hired	3
Refused job	1
No record of referral result	<u>8</u>
Total referrals	57
Applicants not referred to employer:	
No suitable openings	38
Applicant referred to counseling	3
Training requested by applicant but no openings available	<u>2</u>
Total nonreferrals	<u>43</u>
Total interviews observed	<u>100</u>

The interviewers generally discussed the applicants' work histories, prior work experiences, and current job preferences. The interviewers then scanned the current job bank book for job openings, considering the applicants' stated desires concerning such job particulars as salary levels, locations of jobs, and availability of public transportation.

The average time devoted by interviewers to each of the 100 applicants was about 20 minutes. The interviews ranged in length from 3 minutes to 60 minutes, and about one third of the interviews lasted more than 20 minutes.

Counseling

Only three of the 100 applicants whose interviews we observed were referred to State Agency counselors. Other applicants were not referred to counseling although they were not job-ready, had unstable employment records, had limited work experience, or were uncertain as to what kind of work they wanted or were able to do.

According to the Department's employment security manual:

"The purpose of employment counseling is to help each applicant achieve vocational adjustment at as satisfactory a social, economic, and skill level as possible. The field of work or occupation he chooses should utilize the best possible combination of his higher potentialities, together with his interests, temperaments, values, and other pertinent factors. Employment counseling should help a person gain sufficient insight into his own interests and abilities and the nature of the world of work so that he can make his own decisions, not only as to the selection of a vocational goal but as to the steps that should be taken to reach that goal."

The manual also points out that in some instances counseling might be needed because of attitudes or personality traits which interfere with getting or holding a job. In other instances applicants may have a negative attitude

toward training, which will need to be modified before training can be productive.

The counseling provided to the three applicants referred for counseling did not appear to be of an in-depth nature and was limited to identifying the applicants' problems--the initial phase of counseling--without attempting to solve them.

State Agency officials agreed that interviewers were dealing with all applicants in the same manner without regard to whether the applicants were job-ready or needed special manpower services. The officials stated that the interviewers could not spend more time with applicants who were not job-ready because of the large interviewing work load.

In November 1969 the Department undertook, in six cities where job banks had been established, a manpower service demonstration project under which three levels of services were offered, as follows:

- A streamlined self-help service under which the job bank book is made available to applicants for their use.
- A combination of employability exploration and job-development service for applicants in need of some help or guidance in locating suitable employment.
- Intensive employability development service for applicants most in need of assistance to be provided on a continuous, personalized basis with a full range of manpower services, such as counseling, training, job development, and placement.

A similar project was implemented at five locations, including the city of Baltimore, by the early part of fiscal year 1972. The project was scheduled to be implemented at a future date in the remainder of the Baltimore Job Bank area.

State Agency officials agreed that the counseling provided in the three cases cited by us had not been effective

and indicated that such situations as these could account for interviewers' hesitance to refer applicants to counseling. Subsequently State Agency officials informed the counselors' supervisors of our observations and of the need for improved counseling services.

Job development

Of the 100 applicants, 38 were not referred to employers because no suitable job openings were available. In only two instances, however, was any job development undertaken and it did not result in jobs for the applicants. Special job-development units had been established by the State Agency, but persons assigned to the units functioned primarily as interviewers.

The purpose of job development is to (1) determine on what jobs (existing or created) job-ready, hard-to-place applicants can be employed to the mutual advantage of the employers and the applicants and (2) work with employers to identify changes that can be made in their personnel management policies and practices, in jobs, and in organizational alignment to increase employment opportunities.

We observed that interviewers generally limited the assistance provided to applicants to searching the job bank book for job openings in which the applicants might be interested. If suitable jobs were not available, applicants were asked to return another day.

State Agency officials told us that interviewers were not expected to perform job development because, under the job bank concept, interviewers had only limited opportunity to become familiar with the needs of specific employers and thus were not equipped to effectively develop job openings for specific applicants. We were informed that the persons assigned to the job-development unit functioned as placement interviewers because of the large volume of applicants who had to be processed.

Conclusion

Although the centralized daily listing of job openings in the job bank book has facilitated the task of the State

Agency to match applicants and jobs, it is not enough to merely search the book for job openings that may be suitable for a particular applicant. The State Agency's function of interviewing job applicants and of determining their job or training requirements should be supplemented by appropriate counseling and job development if that function is to provide meaningful assistance and is to result in employment or in improvement of applicants' employability.

Counseling is needed for all applicants who are not job-ready and who are in need of special assistance, to evaluate their capabilities and their employment or training needs. Job development is needed for those job-ready applicants for whom suitable job openings are not listed in the job bank book and for whom special placement efforts must be made.

The State Agency can improve its employment services by more appropriate staffing arrangements and by more appropriate instructions to the employees assigned to provide such services.

Recommendation to the Secretary of Labor

The Department should emphasize to the State Agency the importance of strengthening the interviewing function and of supplementing it with improved counseling and job development for those applicants in need of such specialized services and should provide such technical assistance as is necessary.

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In commenting on our recommendation, the Department pointed out (see app. I) that the experimental program of service (see pp. 29 and 30) developed by its Manpower Administration had been implemented in Baltimore and was expected to correct the weakness discussed in our report. This program uses a three-level service approach--according to the extent and intensity of service needed by job applicants--and is designed to focus counseling efforts on those clients most in need of the services and to improve the quality of the services provided.

NEED FOR INCREASED COOPERATION BETWEEN THE
STATE AGENCY AND OTHER MANPOWER AGENCIES

The potential of the State Agency, through use of the job bank, to be the major coordinating point for all Federal, State, and local agencies involved in manpower activities in the Baltimore area was not realized because these agencies did not utilize the job bank to the extent contemplated and did not report training opportunities offered by them for listing in the job bank book.

The job bank was to have been a single clearinghouse for employers and job applicants. Also counselors and placement interviewers of the State Agency and of other Federal, State, and local manpower agencies in the Baltimore area were to cooperate in matching job applicants with job openings listed in the job bank book. Active participation in the job bank by all of these agencies was intended to eliminate duplicate job-solicitation and job-placement efforts with the same employer and to expose applicants to all available job openings and training opportunities for which they were qualified.

Limited use of job bank
by manpower agencies

State Agency records showed that, from November 1968 through May 1970, 21 manpower agencies (including such agencies as the Baltimore Opportunities Industrialization Center, Inc.; the Baltimore Urban League; the Congress of Racial Equality; the Community Action Agency of Baltimore; and the Maryland Department of Education, Division of Vocational Rehabilitation) used the job bank to make 2,116 applicant referrals, of which 359 resulted in job placements. For the same period job bank applicant referrals totaled 117,848, of which 32,689 resulted in reported job placements.

The 21 manpower agencies accounted for only about 2 percent of the total referrals and only about 1 percent of the total job placements during the period. The 21 agencies that used the job bank offered such services as counseling, job development, job placement, and remedial education. Nine of the agencies also offered skill training to the persons they served.

The State Agency's records showed that participation in the job bank by the 21 cooperating agencies had declined. During July 1970 only 12 of the 21 agencies still were using the job bank for placement of their respective clientele. At least 34 public and private agencies were involved in manpower activities in Baltimore at the time the job bank was established; 13 agencies never used the job bank.

Officials of some of the cooperating agencies advised us that their limited use of the job bank was attributable to the lack of meaningful jobs and the inadequate placement services offered by the State Agency.

Officials of other cooperating agencies explained that over half of the jobs available through the job bank were in the professional, technical, or skilled category, whereas half of the remainder were in the porter, dishwasher, baby sitter, or dead-end category, which left about a quarter of the total listed jobs as suitable for those unskilled job applicants desiring jobs having a potential for advancement. Consequently the cooperating agencies relied on their own manpower development teams to develop meaningful jobs for their clientele who, to a large extent, included disadvantaged youths.

Officials of some of the manpower agencies informed us that they had elected not to make use of the job bank because of the unique type of manpower services they provided. One agency handled only handicapped persons, including those having physical, mental, or language barriers. Another agency was concerned with delinquent youths who had special problems requiring specialized placement services. These agencies believed that employment opportunities for such persons had to be developed through their own efforts.

State Agency officials agreed that cooperating agencies did not utilize the job bank to the extent anticipated and that the State Agency did not provide the specialized services required by clients of some of the manpower agencies.

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We proposed that the Department assist the State Agency in obtaining the cooperation of public and private nonprofit

manpower agencies to make the job bank an effective clearinghouse for job seekers and employers in the Baltimore area.

In commenting on our proposal, the Department said (see app. I) that it had obtained considerable evidence from other job bank cities that employer relations, and thereby services to job applicants, deteriorated when several participating agencies shared in job bank operations.

The Department therefore is reconsidering the policies underlying the relationship with other agencies participating in the use of the job bank and plans, after its review has been completed, to issue an appropriate directive to its regional offices and to State agencies.

Limited number of training opportunities listed in the job bank book

One of the advantages claimed for the job bank was that it would expose applicants to all job openings and training opportunities in the job bank area available through the State Agency or the cooperating agencies. We noted that all training opportunities available in the Baltimore area had not been listed in the job bank book because such information had not been furnished to the State Agency.

The book listed a number of employers' job orders offering on-the-job training, including some orders placed under the Department's Job Opportunities in the Business Sector program. Job bank procedures also provide for listing on-the-job and institutional training opportunities under MDTA when such training projects are open for enrollment. Available opportunities in the latter projects are filled rapidly, and a waiting list of about 500 for MDTA training existed in the Baltimore area at the time we completed our fieldwork. Available training opportunities under other manpower programs were not listed.

We discussed the limited number of training opportunities included in the job bank book with State Agency officials who confirmed that, although there was a waiting list of persons seeking to be enrolled in the MDTA projects administered by the State, other agencies which are funded at least partially with Federal funds might have training opportunities

available. These officials stated that they had been unsuccessful in their efforts to have the various sponsoring Federal agencies keep them informed of when training projects were approved and funded.

The Job Bank Coordinator stated that such programs as the Department's Neighborhood Youth Corps out-of-school program and the program at the Opportunities Industrialization Center of Baltimore--both funded at least in part by the Department and both operated by the Community Action Agency--and the Target City Youth Programs--funded by the Department of Health, Education, and Welfare and operated by the Congress of Racial Equality--had not listed their training opportunities with the job bank. In fiscal year 1970 these three programs had a total of 980 enrollment slots in the job bank area.

State officials stated also that so many training programs were being offered throughout the community by different agencies funded by Federal and other sources that it was not possible to be aware of them all. They told us that, if all the training programs available were known, they would consider preparing a training bank book, similar to the job bank book, to inform residents of the community of available training opportunities.

The desirability of having all available training opportunities listed in the job bank book is illustrated by our observation that State Agency interviewers seldom referred applicants to skill-training programs, although it appeared to us that such training was needed to make them job-ready. Training referrals could not be made because the training programs participating in the job bank did not have openings and because the State Agency counselors had not been informed of training opportunities available under other programs which did not participate in the job bank.

Listing all available training opportunities with the job bank could provide greater assurance that job seekers in need of training would receive such training and that available training opportunities would be utilized. A requirement that manpower programs funded by the Departments of Labor; Health, Education, and Welfare; and Housing and Urban Development and by the Office of Economic Opportunity use the job bank to list their training opportunities would

provide leadership to the State of Maryland and to locally financed manpower programs to similarly list training opportunities offered by them.

Recommendation to the Secretary of Labor

The sponsors of all Department-financed manpower programs in the Baltimore area and in other metropolitan job bank areas should be required to furnish the State agencies with information on available training opportunities. The Department should seek the agreement of other Federal agencies financing manpower programs to similarly furnish information on available training opportunities in job bank areas.

Agency comments

In commenting on our recommendation, the Department stated that:

"The Maryland Agency currently lists training opportunities on a monthly basis in a separate publication other than the Baltimore Job Bank book. This monthly frequency is not acceptable to the Manpower Administration.

"Accordingly, we have sent a memorandum to the Philadelphia regional office stating our position. In this memo, we also pointed out that when Maryland converts to the Standard Job Bank package, the program for listing of training opportunities on a daily basis is already available and that we expect the regional office to insist on this daily listing in view of both the GAO and our position in the matter."

We agree with the Department that available training opportunities should be listed on a daily basis. During our follow-up work at the Baltimore Job Bank, however, we were advised by the Job Bank Coordinator that the monthly manpower training report had been limited to the MDTA training programs administered by the State Agency.

Our recommendation is directed to training opportunities in the Baltimore area, other than MDTA training, which are

financed by the Department of Labor and other Federal agencies and of which the State Agency has no knowledge. We believe that the listing of all such training opportunities would provide the opportunity for an applicant to be exposed to all training for which he is qualified rather than only to the training available under the MDTA training programs.

CHAPTER 4

SCOPE OF REVIEW

Our review was directed toward evaluating the effectiveness of the Baltimore Job Bank during its first 2 years of operation--June 1968 through May 1970--and related employment service activities. Information also was gathered for operations for the 12-month period ended May 1971. Our work was performed at the headquarters of the Department of Employment Security, Maryland State Employment Service, Baltimore; at various local offices in the Baltimore area; and at the Philadelphia Regional Office of the Federal Manpower Administration and included

- reviewing applicable legislation and policies and pertinent Federal and State records and reports,
- reviewing Department of Labor studies on job bank operations in Baltimore and other cities,
- interviewing business and civic leaders to obtain their reactions to the job bank program,
- obtaining employment status information from employers concerning persons hired by them through the job bank and obtaining the employers' opinions on the services received from the job bank program,
- observing interviews of job applicants by the Maryland State Employment Service interviewers at their headquarters and at several neighborhood locations,
- interviewing Federal officials regarding their monitoring of job bank operations, and
- discussing the matters noted during our review with State and Federal officials.

U.S. DEPARTMENT OF LABOR
 OFFICE OF THE ASSISTANT SECRETARY
 WASHINGTON, D.C. 20210



JAN 25 1972

Mr. Henry Eschwege
 Associate Director
 Civil Division
 United States General
 Accounting Office
 Washington, D.C. 20548

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Dear Mr. Eschwege:

We have reviewed the GAO draft report entitled "Job Bank and Related Employment Services" and have the following comments on recommendations.

1. The Secretary of Labor should assist the State agency in establishing a reliable system for obtaining information on the placement of job applicants.

The Maryland Agency has adequate instructions from the Department for the validation of placements. These instructions were issued with Manual Transmittal Letter No. 896, dated November 4, 1963. However, our records show the Maryland Agency made no validation surveys in fiscal 1968, 1969, and 1970.

The Maryland Agency has also been given instructions on how to identify disadvantaged individuals and these are shown in the answer to recommendation 2 immediately below.

The problem lies not in the lack of a reliable system for obtaining information but in the failure of the Department to follow up on the numerous guidelines to the agency. This latter will be done immediately.

2. The Secretary of Labor should provide the State agency with the necessary guidance for applying prescribed criteria for identifying disadvantaged individuals and should require the State agency to record the information necessary for determining whether an applicant should be classified as a disadvantaged person.

APPENDIX I

The Department has provided the following directives on this subject to the field: USESPL 2223, TESPL 2335, MAO 2-68, and MAO 1-69. USESPL 2223 contains instructions to mark all application cards of persons identified as needing employability development with the symbol "HRD," and TESPL 2335 combines the "HRD" symbol with the standard definition for "disadvantaged." The Maryland Agency will be instructed to review the field directives and ensure their uniform implementation at the local office level.

3. The Secretary of Labor should emphasize to the State agency the importance of strengthening the interviewing function and supplementing it with improved counseling and job development services.

The Manpower Administration has developed an experimental program of service, known as the Conceptual Model (COMO) directed precisely at correcting the weakness which the GAO recommendation points out.

Under the COMO concept, which has recently been implemented in the Baltimore offices, the Manpower Administration has a three-level service approach, using a Job Information Service to assist job ready applicants to conduct their own job search and concentrating the staff thus saved to provide improved counseling, placement, and job development services to other applicants. This is a recent development and had not yet been implemented in Baltimore at the time of the GAO study. Implementation of the COMO will focus counseling efforts on those clients most in need of the services and should improve the quality of service provided.

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[See GAO note.]

GAO note: Material deleted from this letter concerns matters included in the report draft which are not included in the final report.

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5. The Secretary of Labor should assist the State agency in obtaining the cooperation of public and private non-profit manpower agencies to make the Job Bank an effective clearing house for job seekers and employers in the Baltimore area.

This GAO recommendation, while directly pertinent, raises questions which run more deeply than merely insuring cooperation. There is considerable evidence from other Job Bank cities that employer relations, and thereby services to applicants, deteriorate when several participating agencies share in Job Bank operations. It is not entirely clear that improved training of participating agencies will eliminate this problem. Accordingly, we have begun a basic reconsideration of the policies underlying our relationship with participating agencies. When this process is completed, we will issue an appropriate field directive.

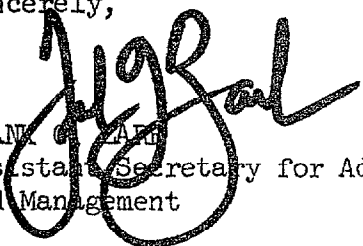
6. The Secretary of Labor should require that all Department of Labor sponsored manpower programs list with the State agency available training opportunities offered by them and seek the agreement of other Federal agencies sponsoring manpower programs in the Baltimore area to similarly list available training opportunities.

The Maryland Agency currently lists training opportunities on a monthly basis in a separate publication other than the Baltimore Job Bank book. This monthly frequency is not acceptable to the Manpower Administration.

Accordingly, we have sent a memorandum to the Philadelphia regional office stating our position. In this memo, we also pointed out that when Maryland converts to the Standard Job Bank package, the program for listing of training opportunities on a daily basis is already available and that we expect the regional office to insist on this daily listing in view of both the GAO and our position in the matter.

We appreciate the opportunity to review and comment on the draft report prior to issuance of the final report.

Sincerely,


FRANK G. ALLEN
Assistant Secretary for Administration
and Management

SAMPLE PAGE FROM A JOB BANK BOOK

P	O	A	R	C	H	E
318	887	TRAINEE	DISHWASHER MACH		BALTO	MD 21204
T	99285	YOUTH-18	OPENINGS- 1 REFERRALS- 5 RATE OF PAY- 2.13 PER HOUR LCC-ORDER TAKING S			
			DURATION- P SEX-M EDUCATION-10 HANDICAP-NO PHYS DEMAND-M23 DRAFT-			
			UNION-YES AGE RANGE-18 06 PHYS EXAM-YES TEST REQ- NO WORK COND-I BOND-			
			7-3.30 5 DAYS W/T #8 W/T DEPENDABLE GOOD WORKER /JOB LOCATION			

CALL FIRST

P	O	A	R	C	H	E
319	138	REGULAR	FOOD SERVICE SUPRVSR		BALTO	MD 21201
R	10656		OPENINGS- 1 REFERRALS- 3 RATE OF PAY- 85.00 PER WEEK LOC-ORDER TAKING S			
			DURATION- P SEX-M/F EDUCATION-01 HANDICAP-NO PHYS DEMAND-M DRAFT-			
			UNION- NO AGE RANGE-25 66 PHYS EXAM- NO TEST REQ- NO WORK COND-I BOND-			
			40 HRS., 5 DAYS, POSS INCL SAT & 1 EVE UNTIL 7PM. MIN 5 YRS EXP. #5, 7, 10, 19, 28, SUPERVISOR OVERSEEING 5-7 PEOPLE ENGAGED IN SERVING & CLEANING UP. WILL DO LIMITED THE MGRS ORDERS. FEMALE PREF/ALT CONTACT			

CALL FIRST

P	O	A	R	C	H	E
321	138	REGULAR	HOUSEKEEPER		BALTO	MD 21201
R	12343		OPENINGS- 1 REFERRALS- 3 RATE OF PAY- 1.65 PER HOUR LOC-ORDER TAKING S			
			DURATION- P SEX-M/F EDUCATION-01 HANDICAP-NO PHYS DEMAND-M DRAFT-			
			UNION- NO AGE RANGE-35 66 PHYS EXAM- NO TEST REQ- NO WORK COND-I BOND-			
			7AM-3.30PM, 5 DAYS, SOME WKENDS, EXP. #7 BUS WILL SUPERVISE CLEANING ACTIVITIES IN N OF LINENS & OTHER RELATED DUTIES.			

CALL FIRST

P	O	A	R	C	H	E
323	887	PART TIME	MAID		GLENBURNIE	MD 21061
P	9857	YOUTH-21	OPENINGS- 1 REFERRALS- 3 RATE OF PAY- 1.60 PER HOUR LOC-ORDER TAKING S			
			DURATION- P SEX-F EDUCATION-01 HANDICAP-NO PHYS DEMAND-L DRAFT-			
			UNION- NO AGE RANGE-21 66 PHYS EXAM- NO TEST REQ- NO WORK COND-I BOND-			
			830AM-5PM 4 DAYS WKLY- WORK ED WKEND- EXP. OWN TRANS. 2 DAYS WILL BE CLEANING MOP & I KITCHEN. WASH DISHES.			

CALL FIRST

P	O	A	R	C	H	E
323	887	REGULAR	MAID HOSPITAL		BALTO	MD 21211
R	10189		OPENINGS- 2 REFERRALS- 9 RATE OF PAY- 2.00 PER HOUR LOC-ORDER TAKING S			
			DURATION- P SEX-F EDUCATION-01 HANDICAP-NO PHYS DEMAND-M DRAFT-			
			UNION- NO AGE RANGE-25 66 PHYS EXAM- NO TEST REQ- NO WORK COND-I BOND-			
			7.00 AM TO 3.30 5 DAYS E/O WK END EXP IN MAID WORK PICK UP AT PARK CIRCLE. GENL CLEAN BEDS, BED TABLES-KEEP AREA CLEAN. / CO SUPPLIES 2 MEALS & UNIFORMS-FRINGE BENEFITS /			

CALL FIRST

P	O	A	R	C	H	E
323	887	REGULAR	MAID		BALTO	MD 21217
R	10645	YOUTH-18	OPENINGS- 3 REFERRALS- 9 RATE OF PAY- 1.40 PER HOUR LCC-ORDER TAKING S			
			DURATION- P SEX-M/F EDUCATION-01 HANDICAP-NO PHYS DEMAND-M DRAFT-			
			UNION- NO AGE RANGE-18 66 PHYS EXAM- NO TEST REQ- NO WORK COND-I BOND-			
			35HRS 5 DAYS INCL WKENDS NO EVES. EXP. #28.37 WILL CLEAN ROOMS, CHANGE LINENS.			

CALL FIRST

00100 TELA-000 THRU 399 0 400 THRU 599

J P BANK CARRERS

STATE OF MARYLAND EST. BY