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# REPORT TO THE CONGRESS



## Opportunities For Improving Training Results And Efficiency At The East Bay Skills Center, Oakland, California Under The Manpower Development And Training Act B-146879

Department of Labor

Department of Health, Education, and Welfare

*Mr. Egan*  
*Mr. Carroll*  
*3. Fite*

BY THE COMPTROLLER GENERAL OF THE UNITED STATES

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FEB. 10, 1971



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

B-146879

C1 To the President of the Senate and the  
Speaker of the House of Representatives

This is our report on opportunities for improving training results and efficiency at the East Bay Skills Center in <sup>San Francisco</sup> Oakland, California, operated jointly by the Department of Labor and the Department of Health, Education, and Welfare, under the Manpower Development and Training Act. 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).

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

*James B. Stacks*

Comptroller General  
of the United States

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CHAPTER	<u>Page</u>
Individuals completing training	41
Conclusions	46
Recommendations to the Secretary of Labor	46
Counseling services provided to trainees	48
Conclusions	50
Recommendations to the Secretary of Health, Education, and Welfare	51
Payments for unexcused absences	52
Conclusions	53
Recommendation to the Secretary of Labor	54
Assessing results of program activities and providing follow-up services to trainees in need of assistance	55
Conclusions	57
Recommendation to the Secretary of Labor	57
 6 PROGRAM MONITORING AND EVALUATION BY FEDERAL AND STATE AGENCIES	 59
Conclusions	62
Recommendation to the Secretaries of Labor and of Health, Education, and Welfare	62
 7 SCOPE OF REVIEW	 64
 APPENDIX	
 I Letter dated September 23, 1970, from the Assistant Secretary for Administration, Department of Labor, to the General Ac- counting Office	   67

## C o n t e n t s

		<u>Page</u>
DIGEST		1
CHAPTER		
1	INTRODUCTION	6
	Manpower Development and Training Act	6
	Development of the institutional training program	7
	Manpower training skills centers	9
	East Bay Skills Center	9
2	PROGRAM RESULTS	13
	Training provided	14
	Training costs	16
	Results of training	18
3	UNDERUTILIZATION OF THE EAST BAY SKILLS CENTER	21
	Conclusions	25
	Recommendations to the Secretaries of Labor and of Health, Education, and Welfare	26
4	PROGRESS TOWARD MORE EFFECTIVE FUNDING AND TRAINING PROCEDURES	28
	Problems in project-by-project funding	28
	Problems with courses designed along traditional education lines	31
	Changes in funding and training procedures	32
	Conclusion	34
5	IMPROVEMENTS NEEDED TO ENHANCE EFFECTIVENESS OF THE TRAINING PROGRAM	36
	Selection of individuals for training	36
	Voluntary and involuntary terminations	40
	Individuals employed prior to completing training	41

benefit of independent review of the performances of the executive agencies. GAO selected the East Bay Skills Center for a review of activities under the institutional training program in response to this urging.

FINDINGS AND CONCLUSIONS

Following are the principal results of the Center's training program during its 45-month operating period.

- About 3,350 trainees enrolled in vocational training courses, and 550 other trainees obtained basic education and prevocational instruction under a contract with the local community action agency.
- The average length of the courses completed in 1968 was about 8 months, and the average cost of training a person was about \$4,100.
- Of the 2,826 trainees who left the training courses during the period July 1967 through December 1969, 1,805 completed training or left training to accept employment and 1,021 left training prior to completion for various other reasons.
- Follow-up information on the employment status of 430 of the 685 trainees who had enrolled in courses completed in fiscal year 1968 and had completed training or accepted employment prior to completing training showed that about 67 percent of the 430 trainees were working and 33 percent were not working.
- According to GAO's analysis of changes in earnings for a random sample of former trainees, about two thirds of the trainees who were employed were earning at a higher rate than they were earning prior to training.

The data which GAO obtained on program results provides some insight into the accomplishments of the Center. However, the absence of adequate data on the employment status of former trainees precluded GAO's arriving at a conclusion concerning the Center's overall effectiveness.

Space acquired, renovated, and equipped was designed to provide training to 1,500 individuals at one time. However, from April 1966 to December 1969, the Center had an average monthly enrollment of about 490 trainees, or only about 33 percent of the complement that the Center was designed to serve.

Center facilities were not fully used because

- institutional funding for skills centers was reduced,
- provisions were not made for other federally supported organizations to use the facilities for their training programs (see p. 21).

OPPORTUNITIES FOR IMPROVING TRAINING  
RESULTS AND EFFICIENCY AT THE EAST BAY  
SKILLS CENTER, OAKLAND, CALIFORNIA, UNDER  
THE MANPOWER DEVELOPMENT AND TRAINING ACT  
Department of Labor  
Department of Health, Education, and  
Welfare B-146879

D I G E S T

WHY THE REVIEW WAS MADE

The Manpower Development and Training Act of 1962 authorizes institutional, or classroom-type, training for unemployed or underemployed persons who cannot be expected to secure full-time employment without such training.

Manpower training skills centers were established in July 1968 by the Departments of Labor and Health, Education, and Welfare to help carry out the institutional training program. In contrast to most institutional training courses prior to July 1968--small classes were held in public schools after school hours--skills centers generally operate in former school buildings or industrial and warehouse structures during the day and provide a large number of persons with training in a variety of occupations and with work orientation, counseling, and job-placement services.

Sixty-nine skills centers were operating in October 1970. Enrollments in skills centers accounted for 17 percent of all persons in the institutional training program in fiscal year 1969.

The Department of Labor, through agreement with State employment security agencies, determines the occupations for which persons are needed, selects the persons to be trained, pays them training allowances, and helps them find employment. The Department of Health, Education, and Welfare, through agreements with State vocational education agencies, provides the curriculum, instructors, and facilities for the courses to be taught.

The General Accounting Office's (GAO's) review covered the training activities of the East Bay Skills Center in Oakland, California. From April 1966--about 2 years prior to its official designation as a skills center--through December 1969, the Center incurred costs of about \$14.9 million and provided training to about 3,900 persons.

The Senate Committee on Labor and Public Welfare, in reporting on the 1968 amendments to the Manpower Development and Training Act, urged GAO to broaden its evaluation of manpower programs to give the Congress the

- take appropriate action to convert the funding of the Center's operations to an annualized basis, institute a more flexible curriculum design to permit continuous trainee intake and exit from the Center's training courses, and group together related occupational training courses to allow trainees to progress as far as they are able within the groupings. (See p. 35.)
- allocate the necessary funds to ensure that Center operations are monitored adequately. (See p. 62.)

The Secretary of Labor should also

- direct the employment security agency (1) to be appropriately selective in screening individuals for skill training, (2) to refer persons with serious physical handicaps or emotional problems, when possible, to programs designed to overcome their particular problems rather than to training programs for which they are not suited, and (3) to provide persons qualified to accept employment without training with appropriate job-placement assistance rather than with training. (See p. 46.)
- review the implementation of the Center's revised attendance procedure to ensure that trainees do not receive allowance payments for periods of unexcused absence. (See p. 54.)
- to the extent feasible within existing fund limitations, require the employment security agency to obtain information on the status of former trainees and, where the need for assistance is indicated, provide trainees with follow-up services. (See p. 57.)

The Secretary of Health, Education, and Welfare should also examine into the nature and extent of counseling services currently provided at the Center, furnish appropriate guidelines concerning the case-load levels and the frequency of counseling contacts, and emphasize to the Center the importance of adequate documentation of counseling services. (See p. 51.)

AGENCY ACTIONS AND UNRESOLVED ISSUES

The Department of Labor and the Department of Health, Education, and Welfare advised GAO of their general agreement with the recommendations and outlined corrective actions to

- encourage full utilization of all skills centers (see p. 26),
- provide for funding all skills centers on an annualized basis, a more flexible curriculum design, and the grouping of related training courses (see p. 35),
- improve the procedures for selecting individuals for training (see p. 47).

--the Center's method of funding its training courses on a project-by-project basis was causing delays in initiating follow-on training courses after prior courses had been completed (see p. 28), and

--the design of the training courses did not readily permit new trainees to enter into training positions made available through attrition as the courses were proceeding (see p. 31).

Persons referred to the Center for training frequently did not meet the enrollment criteria that a person be in need of training to obtain employment. Some trainees were physically or emotionally handicapped; and some appeared to have possessed, at the time they were referred for training, sufficient skills to obtain employment without training. (See P. 36.)

The Center's counseling program was designed to help the trainees plan their vocational goals and to assist them with personal problems that would hinder their progress in getting a job. Only limited counseling services, however, were provided and records frequently were not maintained on the counseling that had been provided. (See p. 48.)

Contrary to the Manpower Development and Training Act and to Department of Labor directives, many trainees were paid training allowances for unexcused absences. (See p. 52.)

Local employment security offices are expected to maintain contact with trainees and their employers after completion of training, render further assistance that may be needed, and evaluate the effectiveness of the training program to provide a basis for making program changes. The local employment security agency did not develop needed information on the status of trainees who left the Center for employment and did not provide these trainees with such follow-up services as additional training and placement services. (See p. 55.)

GAO believes that the administrative weaknesses noted in its review could have been identified and corrected earlier through more appropriate and timely monitoring by the two Federal Departments and their State counterparts. (See p. 59.)

#### RECOMMENDATIONS OR SUGGESTIONS

The Secretaries of Labor and Health, Education, and Welfare should

--make effective use of the excess capacity of the Center for skills training and other manpower programs operating in the Oakland area or, if that is not feasible, minimize operating costs by seeking other possible uses for excess capacity. Consideration might also be given to obtaining a smaller facility more in line with needs. (See p. 26.)

## CHAPTER 1

### INTRODUCTION

The General Accounting Office has made a review of the operation of the institutional training program conducted at the East Bay Skills Center in Oakland, California. The institutional training program is authorized by title II of the Manpower Development and Training Act of 1962, as amended (MDTA) (42 U.S.C. 2581).

We examined into the results of the training program from its inception in April 1966 through December 31, 1969, the utilization of the training facilities, the selection of individuals for training, the counseling of trainees, and the follow-up on former trainees.

The scope of our review is described on page 64.

### MANPOWER DEVELOPMENT AND TRAINING ACT

MDTA provides that persons who lack the skills needed for available jobs be given the training and related education which will qualify them for work in occupations where shortages of trained workers exist. Title II of MDTA, pertaining to training and skill development programs, directs the Secretary of Labor and the Secretary of Health, Education, and Welfare to develop and institute programs to select and train unemployed persons who cannot reasonably be expected to obtain full-time employment with their present skills and underemployed persons who are working but who, with training, could obtain higher level employment. Title II authorizes both on-the-job and institutional training programs to prepare workers for job opportunities.

The institutional training program provides vocational training in either a public or a private vocational education institution using a classroom method of teaching. Under MDTA, the Department of Labor is responsible for

- determining the occupations for which skilled individuals are needed,

- establish procedures to examine into the nature and extent of counseling services and to emphasize the importance of adequate documentation of counseling services (see p. 51),
- further strengthen attendance control procedures (see p. 54),
- make funds available for follow-up services (see p. 57), and
- develop and implement a comprehensive regional monitoring system (see pp. 62 and 63).

MATTERS FOR CONSIDERATION BY THE CONGRESS

GAO is reporting these matters to the Congress because of its expressed interest in how effectively and efficiently the Departments of Labor and Health, Education, and Welfare carry out manpower training programs.

After the need for training in certain occupations has been determined, the local vocational education office designates the training facilities and, in cooperation with administrators of the training facilities, prepares course curricula and budgets for all costs other than the training allowances, which are determined by the employment security office.

After the training proposal has been reviewed and approved by the responsible State agencies, it is submitted to a Federal review team, composed of officials of the Office of Education and the U.S. Training and Employment Service, for a review of the (1) adequacy of the labor market justification, (2) adequacy of the training plan, (3) suitability of the budget, and (4) overall compliance with objectives and requirements of MDTA.

Under section 301(b) of MDTA, as amended in October 1968, State employment security agencies and vocational education agencies are authorized to approve and obligate 20 percent of their apportioned funds for training proposals without further approval by the Federal Government. Proposals for the remaining portions of their funds may be approved by the State agencies but may be disapproved by either the Department of Labor or HEW within 30 days of transmittal to the Departments' regional offices. Approval is contingent upon the training proposals' conforming to the States' federally approved Cooperative Area Manpower Planning System plans.

After approval of the training proposals, the local employment security office screens, counsels, tests, and selects persons for referral for training and subsequently provides trainees with counseling, job-placement, and follow-up services. The local vocational education agency office supervises the educational and vocational training and provides counseling during the training.

- counseling, selecting, and referring applicants for institutional training,
- paying training allowances,
- assisting trained individuals in finding training-related employment, and
- making follow-up studies to determine if the training programs meet the occupational needs of the individuals.

The U.S. Training and Employment Service of the Manpower Administration administers these activities through agreements with State employment security agencies. Prior to March 1969 these activities were administered through the Manpower Administration's Bureau of Employment Security.

MDTA provides also that the Department of Health, Education, and Welfare (HEW) enter into agreements with States to provide training programs--including curriculum, instructors, and facilities--for the occupations determined and the trainees selected by the Department of Labor. The Bureau of Adult, Vocational, and Technical Education, Office of Education, HEW, administers these training functions through agreements with State vocational education agencies.

The principal officials of the Department of Labor and HEW having responsibility for the administration of the institutional training program are listed in appendix III.

#### DEVELOPMENT OF THE INSTITUTIONAL TRAINING PROGRAM

Institutional training projects are developed and carried out jointly by the local offices of the responsible State agencies in coordination with their Federal counterparts in the Department of Labor and HEW. The local employment security offices determine the need for training, on the basis of comparisons of labor supply and demand, and propose the establishment of institutional training courses to a coordinating committee composed of community representatives.

The Watts riot in August 1965 gave Oakland attention as a "hot city" where the next riot was expected. Shortly thereafter four centers were decided upon in California, three in the Los Angeles area and the fourth in Oakland. In early 1966, the proposal to operate a skills center in Oakland was approved by the Department of Labor and HEW.<sup>1</sup>

The skills center was planned with a capacity to train 1,500 persons. A Department of Labor official in San Francisco told us that the capacity of the center was determined on the basis of a commitment by the Department's Washington office that MDTA institutional training funds of \$5 million would be made available for training in the first year of operation.

In April 1966 the East Bay Skills Center was established as a training facility under the sponsorship of the Peralta Junior College District in Oakland.

The Center, which was officially designated as a Manpower Training Skills Center by the Department of Labor and HEW in July 1968, is located in the northern part of the city of Oakland, as shown on the map on page 11, and is housed in part--242,000 square feet--of a building, leased by the District, that was formerly used by a manufacturing company. (See picture on p. 12.)

The State Department of Human Resource Development (DHRD) is the employment security office for the State of California. Local DHRD offices prepared the justifications of the need for training at the Center. These offices are responsible for referring applicants for training, paying allowances to trainees, assisting those terminating training in finding employment, and performing necessary follow-up studies. Training curricula at the Center were established by the State vocational education agency in coordination with the District.

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<sup>1</sup>"Total Impact Evaluation of Manpower Programs in Four Cities" (first phase report), January 1970--Olympus Research Corporation, Salt Lake City, Utah.

## MANPOWER TRAINING SKILLS CENTERS

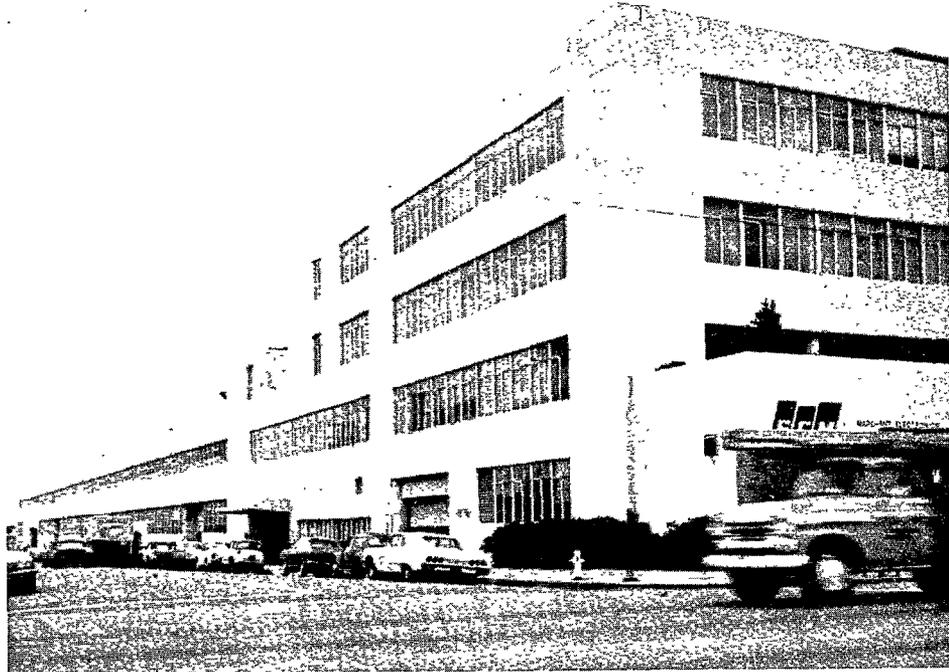
Manpower training skills centers--an important component of the institutional training program--are designed to provide trainees with individualized training programs. Skills centers were developed in response to the acute and widely varying needs of large numbers of trainees for special teaching methods and approaches and for a broad range of supportive services.

The skills centers are self-contained facilities, operating on a full-time basis during the day, generally under public school administration, to provide work orientation, basic and remedial education, institutional skill training in a variety of occupations, and counseling and related services for trainees recruited from a broad area.

In July 1968 the Department of Labor and HEW identified 55 establishments as meeting the established requirements and designated them as manpower training skills centers. As of October 1970, 69 skills centers were operating. The number of trainees enrolled in skills centers has increased each year and has accounted for a growing portion of all institutional trainees. In fiscal year 1969, enrollments in skills centers accounted for about 23,000 persons, or 17 percent of the enrollees in institutional training courses funded under MDTA.

### EAST BAY SKILLS CENTER

The Olympus Research Corporation, a management consultant firm under contract with the Department of Labor, in its report on manpower programs in four cities stated that the original impetus for establishing a skills center in the Oakland area came from the California State Employment Service and the Economic Development Administration of the Department of Commerce. The State employment service in late 1965 proposed four skills centers in California, including one in Oakland. In 1965 the Economic Development Administration chose Oakland as the site for an intended demonstration of what it could do in urban development and advocated a skills center as vital to its plans.



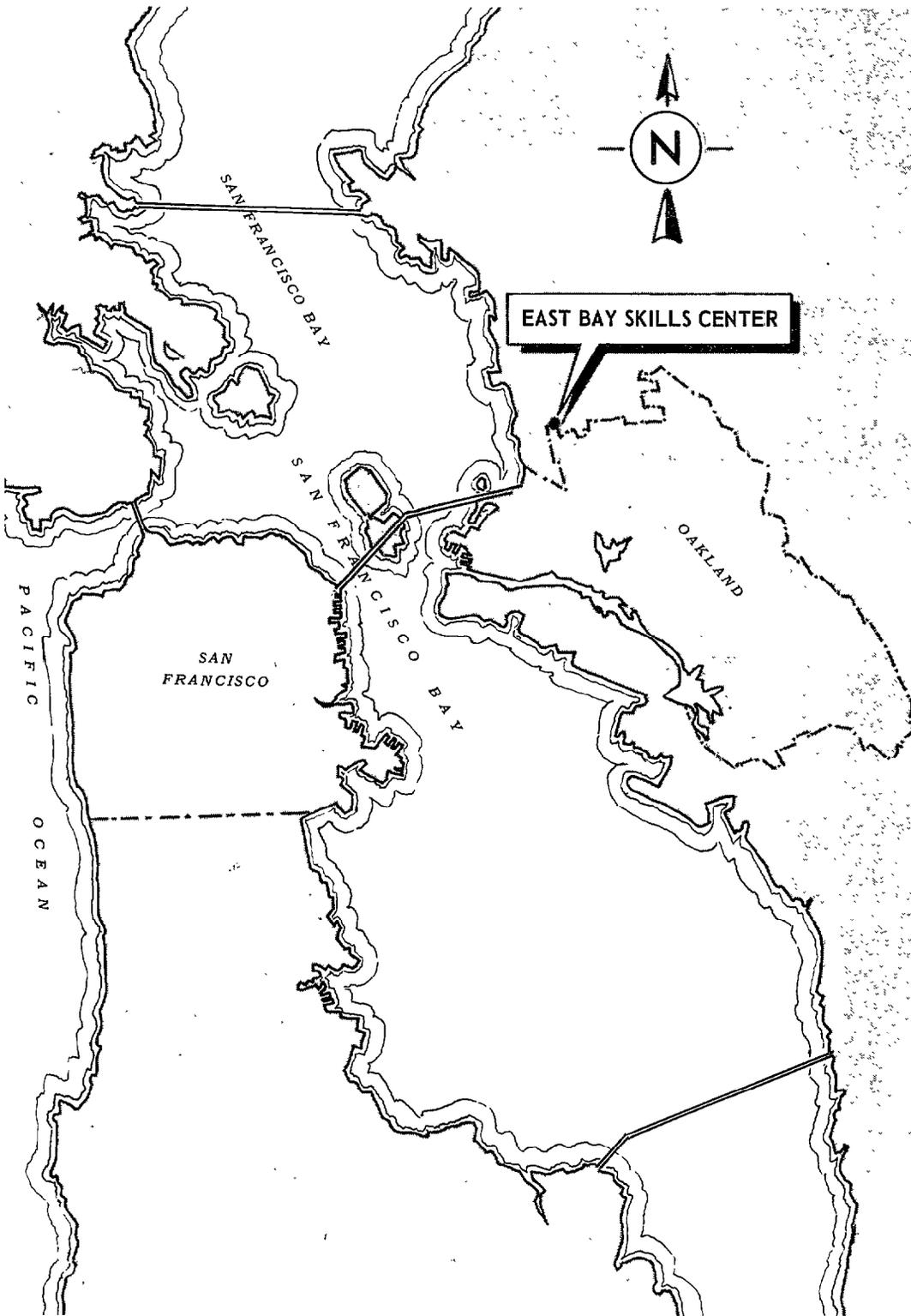
FACILITY HOUSING THE EAST BAY SKILLS CENTER

Costs incurred in operating the Center from inception through June 1970 totaled about \$16,400,000, consisting of \$9,300,000 for training costs--instructional services, supportive services, equipment, facilities, and program administration--and \$7,100,000 for trainees' allowances.

The original lease of the Center building covered a 2-year period beginning in April 1966 at a monthly rental of \$12,262, or \$147,000 a year. The lease was renewed for an additional 2-year period in April 1968 at a monthly rental of \$13,000, or \$156,000 a year. In the first program year, about \$500,000 was spent for building modifications, principally for partitions and for changes to meet fire regulations. An additional \$290,000 was spent in the two following years for other building modifications.

Training allowances are paid to trainees at a rate equal to the State's average unemployment insurance weekly benefit payment plus certain adjustments to give recognition to a trainee's number of dependents, the trainee's length of enrollment, and in certain instances for transportation between a trainee's residence and the Center. The average allowance paid to trainees enrolled at the Center during the period January 1 through June 30, 1969, was \$63 a week.

# LOCATION OF EAST BAY SKILLS CENTER



## TRAINING PROVIDED

From inception of the training program through December 31, 1969--a period of 45 months--the Center enrolled about 3,350 trainees in its vocational training courses and provided basic education and prevocational instruction to an additional 550 trainees between September 1967 and June 1968, under a contract with the local community action agency which operated the area's Concentrated Employment Program.

As shown in the chart on the following page, the number of trainees at the Center has ranged from a low of 80 during the early months of operation in August and September 1966 to a high of 1,100 trainees in March 1967 and has followed a declining trend since that time through December 1969.

Data maintained by DHRD showed that, of 542 trainees entering the Center during calendar year 1969, about 73 percent were male, 67 percent were 25 years of age or under, 51 percent had no dependents, 51 percent had not completed high school, 67 percent had been unemployed 26 weeks or less, and 16 percent were on public assistance.

## CHAPTER 2

### PROGRAM RESULTS

The principal results of the Center's training program during its initial 45-month operating period are summarized below.

- About 3,350 trainees enrolled in vocational training courses, and another 550 trainees obtained basic education and prevocational instruction under a contract with the local community action agency.
- The average length of the courses completed in 1968 was about 8 months, and the average cost of training a person was about \$4,100.
- Of the 2,826 trainees who left the training courses during the period July 1967 through December 1969, 1,805 trainees completed training or left training to accept employment and 1,021 trainees left training prior to completion for various other reasons.
- Follow-up information on the employment status of 430 of the 685 trainees who had enrolled in courses completed in fiscal year 1968 and had completed training or accepted employment prior to completing training showed that about 67 percent of the 430 trainees were working and 33 percent were not working.
- Our analysis of changes in earnings for a random sample of former trainees showed that about two thirds of the trainees who were employed were earning at a higher rate than they were earning prior to training.

The data presented in this chapter provides some insight into the accomplishments of the Center. However, the absence of adequate data on the employment status of former trainees precluded our arriving at a conclusion concerning the Center's overall effectiveness. Details of the Center's program are discussed in the following sections of this chapter.

## TRAINING COSTS

We analyzed Center records to ascertain the costs for the 45 training projects which included 67 training courses completed in calendar year 1968, the latest period for which cost data was available at the time of our field review.

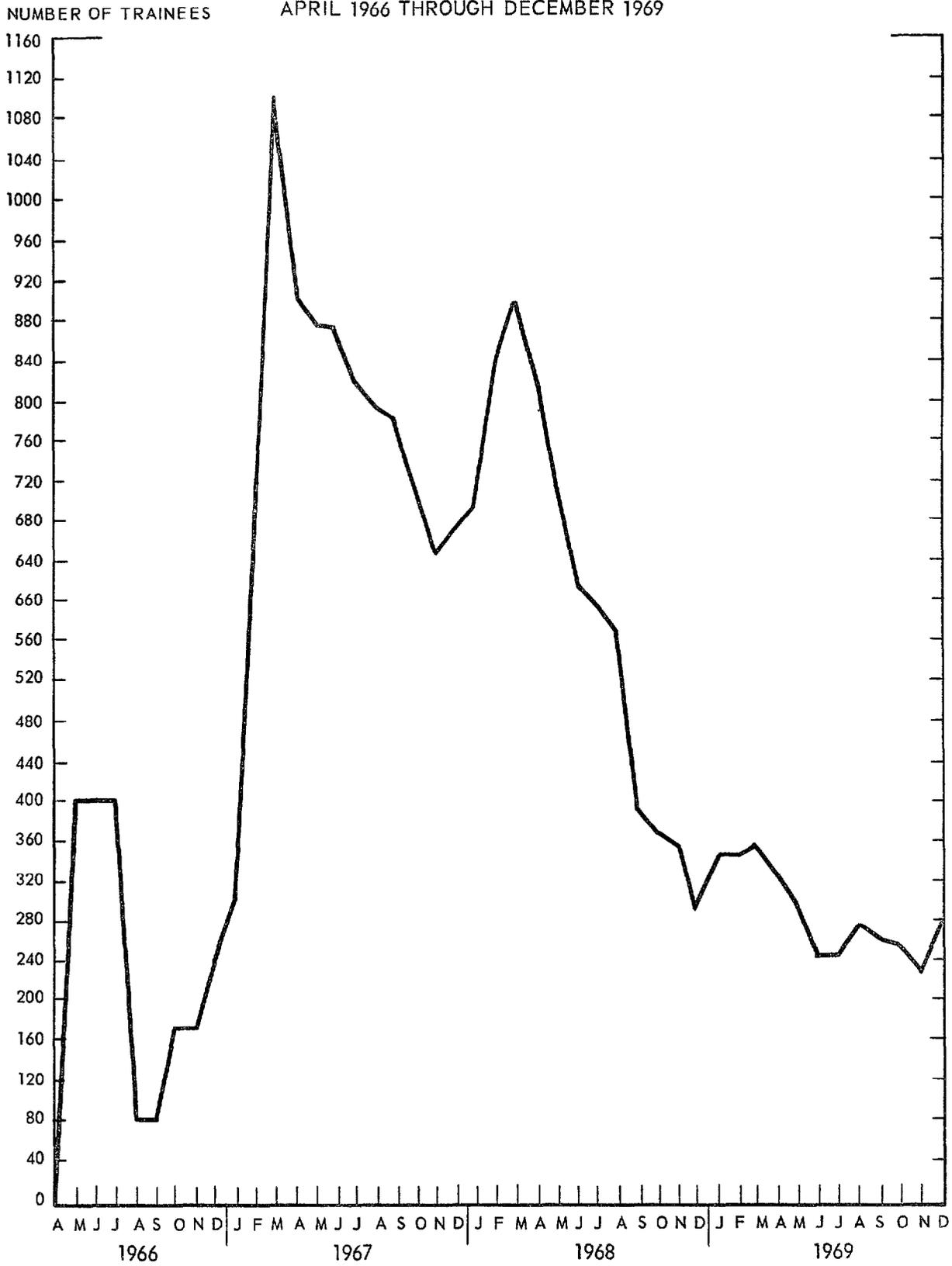
We estimated that the costs for the 67 courses totaled \$4,466,000, as shown below.

	<u>Amount</u>
Center costs:	
Instructional services	\$1,664,000
Building rental and employee payroll benefits	378,000
Equipment purchases and maintenance and repair	134,000
Utilities, custodial services, and miscellaneous costs	<u>218,000</u>
Total Center costs	2,394,000
Allowances paid trainees	<u>2,072,000</u>
Total estimated costs	<u>\$4,466,000</u>

An average of about 18 trainees were enrolled monthly in each of the 67 courses. Our allocation of the total estimated costs of about \$4.5 million shows that the costs averaged about \$511 a man-month, or about \$6,100 a man-year.

The lengths of the various courses ranged from 25 to 56 weeks. The average length of the 67 courses was about 8 months, and, the average cost to train a person was about \$4,100. As shown in the following table, the costs, as estimated by us, of training persons in the various courses varied considerably.

NUMBER OF TRAINEES AT THE CENTER  
FROM  
APRIL 1966 THROUGH DECEMBER 1969



## RESULTS OF TRAINING

Center records showed that, of the 2,826 trainees who left the vocational training courses during the period July 1967 through December 1969, 1,805 trainees, or 64 percent, either completed training or left training to accept employment and 1,021 trainees left training prior to completion for reasons such as absenteeism, personal problems, loss of interest, and illness. This data is summarized below.

<u>Status</u>	<u>Number and percent of trainees</u>							
	<u>1967</u> <u>(note a)</u>		<u>1968</u>		<u>1969</u>		<u>Total</u>	
Completed training or left training to accept employment	482	74%	873	64%	450	55%	1,805	64%
Voluntary and involuntary terminations	<u>166</u>	<u>26</u>	<u>494</u>	<u>36</u>	<u>361</u>	<u>45</u>	<u>1,021</u>	<u>36</u>
Total	<u>648</u>	<u>100%</u>	<u>1,367</u>	<u>100%</u>	<u>811</u>	<u>100%</u>	<u>2,826</u>	<u>100%</u>

<sup>a</sup>July 1967 through December 1967 only.

A further analysis of the reasons that 1,805 trainees left the program follows:

	<u>Number and percent of trainees</u>							
	<u>1967</u> <u>(note a)</u>		<u>1968</u>		<u>1969</u>		<u>Total</u>	
Employment	386	80%	673	77%	328	73%	1,387	77%
Other than employment	<u>96</u>	<u>20</u>	<u>200</u>	<u>23</u>	<u>122</u>	<u>27</u>	<u>418</u>	<u>23</u>
Total	<u>482</u>	<u>100%</u>	<u>873</u>	<u>100%</u>	<u>450</u>	<u>100%</u>	<u>1,805</u>	<u>100%</u>

<sup>a</sup>July 1967 through December 1967 only.

DHRD is responsible for making a follow-up on the employment status of terminated trainees. Our review of Center and DHRD records pertaining to the 1,224 trainees enrolled in the 67 training courses completed during calendar year 1968 showed that 685 trainees, or 56 percent, completed training or accepted employment prior to completing training and that the remaining 539 trainees either dropped out,

Occupational division	Number of projects	Length of projects in weeks	Enrollment		Range of estimated costs	
			Authorized	Actual (note a)	High	Low
Automotive and aircraft mechanics	10	26 to 56	369	281 <sub>b</sub>	\$ 6,244	\$2,613
Clerical and sales	14	25 to 40	335	343 <sub>b</sub>	6,452	1,716
Welding, machine ser- vicing and assembly	11	26 to 56	320	359 <sub>b</sub>	11,776	2,972
Federal preapprentice and utility workers	5	25 to 30	160	129	7,219	1,990
Technical	3	47	95	96 <sub>b</sub>	5,618	5,000
Culinary and related services	<u>2</u>	26 to 48	<u>105</u>	<u>86</u>	5,111	2,347
Total	<u>45</u>		<u>1,384</u>	<u>1,294</u>		

<sup>a</sup>The enrollment total of 1,294 shown above exceeds the actual number, 1,224 of enrollees because of transfers of trainees from one course to another.

<sup>b</sup>The fact that enrollment was higher than authorized is due to the enrolling of trainees to replace others leaving or dropping out prior to completion of a course.

High-cost projects generally evince high equipment and teacher salary costs, low enrollment levels, and long training periods; low-cost projects generally evince low equipment and teacher salary costs, high enrollment levels, and short training periods.

Of the 33 former trainees who were employed at the time of our review, 16 were employed in training-related jobs. The former trainees who generally accepted employment prior to completing their training were working in non-training-related jobs.

We compared the earnings of the 33 former trainees who were employed at the time of our interviews with available earnings data at the time they entered training. The comparison showed that the earning rates of 21 were higher than they had been prior to training and that the earning rates of 10 were lower. Information on the earnings of the other two prior to their entering training was not available. The earning rates for the 22 trainees who were employed prior to completion of training averaged 17 percent more than the earning rates indicated for them prior to training. The earning rates for the 11 trainees who attended training through its completion averaged 12 percent more than indicated prior to training.

Our contacts with the former employers of 20 trainees who had been employed after leaving the Center showed that four had quit, seven had been fired for unsatisfactory performance, and five had been laid off because of lack of work or injury. We were not provided with reasons for separation of the remaining four.

Benefits of training may have been derived by some of the 1,021 trainees (see p. 18 ) who left the program before completing training for reasons such as absenteeism and personal problems. DHRD does not, however, perform any follow-up with such trainees to determine their experiences in the labor market. Of the 50 such trainees included in our random sample of 116, we were able to determine the status of only 4. One trainee had joined the Navy, one was employed, one had been employed but was again unemployed, and one had not been employed during the 9-month period after she left the Center.

voluntarily or involuntarily--for reasons such as absenteeism, personal problems, loss of interest, and illness--or transferred to other courses at the Center.

DHRD performed a limited amount of follow-up on terminated trainees, primarily through inquiries mailed at 3-, 6-, and 12-month intervals. (See p. 55.) The data obtained by DHRD in this manner showed that, at the most recent contact or attempted contact with the 685 former trainees who had completed training or had accepted employment prior to completing training, 287, or 42 percent, reported that they were working; 143, or 21 percent, reported that they were not working; and 255, or 37 percent, could not be located.

To examine into the employment status of former trainees, we selected at random 116 from the 1,224 trainees who had been enrolled in the 67 training courses completed in calendar year 1968 and reviewed the Center's and DHRD's records relating to their participation in the training program and interviewed the former trainees and/or their last-known employers. The records showed that, of the 116 trainees, 66 had completed training or had left to accept employment before completing training and 50 had left training prior to completion, for various reasons. In interviewing the 66 former trainees and/or their employers, we learned that 33 were employed, 29 were unemployed, and 4 were going to school. Shown below is the time that had elapsed from the time the 66 trainees had left the Center to the time of our interviews.

<u>Status</u>	<u>Total</u>	<u>Elapsed time after leaving Center</u>			
		<u>18 months or more</u>	<u>12 to 18 months</u>	<u>6 to 12 months</u>	<u>less than 6 months</u>
Employed	33	2	18	13	-
Unemployed	29	3	14	11	1
Going to school	<u>4</u>	<u>-</u>	<u>1</u>	<u>3</u>	<u>-</u>
Total	<u>66</u>	<u>5</u>	<u>33</u>	<u>27</u>	<u>1</u>

readily permit new trainees to enter into positions made available through attrition as the courses proceeded. (See p. 28.)

The low utilization of the Center's facilities was not offset by the use of the facilities for other federally supported manpower training programs. Between September 1967 and June 1968, the Center acted as a subcontractor to provide basic education and prevocational instruction to 550 trainees under the area's Concentrated Employment Program (CEP). The Center, however, was not awarded the follow-on contract for such training. The continued use of the Center's facilities for such programs would appear to be in keeping with congressional intent.

The Senate Committee on Labor and Public Welfare, in its report (S. Rept. 1445) dated July 20, 1968, on the 1968 amendments to MDTA, expressed concern that there was no plan or rationale for linking the operation of the skills centers with CEP and JOBS. The Committee expected that program sponsors funded under part B, title I, of the Economic Opportunity Act would use funds provided to arrange for or purchase skill training or other services from MDTA programs. The Committee clearly envisioned that title I-B funds could be used by CEP and JOBS sponsors for institutional training activities by subcontracting with an institutional training operator, such as a skills center, to provide the training services.

The 1968 amendments to MDTA, effective October 24, 1968, provided in section 231(b) that--in making arrangements for institutional training financed with funds appropriated to carry out titles I and II of MDTA including but not limited to basic education, employability and communications skills, prevocational training, and vocational and technical training--priority be given to the use of skills centers for carrying out such training.

To implement the 1968 amendment to section 231(b), the Department of Labor in September 1969 established a policy that priority would be given to MDTA skills centers for programs such as CEP and JOBS. In June 1970 the Department of Labor and HEW jointly issued guidelines for the planning and

### CHAPTER 3

#### UNDERUTILIZATION OF THE EAST BAY SKILLS CENTER

The Department of Labor planned to fund the Center to permit its operation at a 1,500-trainee level. However, other high-priority programs such as the Job Opportunities in the Business Sector program (JOBS) were authorized, and the Department was unable to provide the level of funding that had been planned for the Center. With the exception of funding for fiscal year 1967, funds made available to the Center have not been adequate to permit its operation at the planned level, as shown below.

<u>Fiscal</u> <u>year</u>	<u>Funds</u> <u>available</u>	<u>Authorized</u> <u>training</u> <u>positions</u>
1966	\$ 4,744,162	688
1967	5,041,808	1,555
1968	1,926,658	625
1969	3,509,585	680
1970	<u>2,353,929</u>	<u>430</u>
Total	<u>\$17,576,142</u>	<u>3,978</u>

The total number of trainees who were enrolled in the vocational and educational training program from its inception through December 1969 represented an average monthly enrollment of about 490 trainees, or about 33 percent of the complement that the Center was designed to serve. During calendar year 1969, an average of about 300 trainees were enrolled each month, or about 20 percent of the complement that the Center was designed to serve.

The low utilization of Center facilities was primarily attributable to a reduction in MDTA institutional funding for skills centers and a failure to provide for use of the facilities for the educational and vocational programs of other organizations. Also, the Center's method of funding its training courses was causing delays in initiating follow-on training courses after prior courses had been completed, and the design of the training courses did not

The proposal was submitted to and approved by the regional MDTA program officer, and the HEW regional office approved the subcontract with the Opportunities Industrialization Center.

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development of skills centers, which include procedures for implementing the policy.

In June 1967 the Department of Labor contracted with the community action agency to operate CEP in the Oakland area. The agency arranged with the Center to conduct a program of basic education and prevocational instruction for 550 CEP participants from July 1967 through June 1968 at a subcontract price of about \$753,000, exclusive of training allowances. The price included about \$170,000 for the Center for necessary renovations to provide classroom space and \$72,000 for instructional equipment. CEP participants were enrolled during the period September 1967 through June 1968; the number of participants ranged from a low of 49 in September to a high of 487 in March and averaged 224 a month during the period.

On March 11, 1968, CEP requested the Center to submit a proposal by March 15, 1968, for providing basic education under a second-year CEP contract with the Department of Labor. The Center Director told us that, because of the limited time available, the proposal submitted in response to this request was a rough estimate and not a final document.

The Center's proposal provided for training 400 persons for periods ranging from 8 to 30 weeks at a cost of \$877,000, exclusive of trainee stipends. The community action agency's council approved the proposal as part of the second-year CEP. However, the Department of Labor then notified the agency that CEP funds for the second-year program had been reduced from \$9.6 million to \$4.6 million. The agency's director thereupon determined that the Center's cost proposal was too high to be acceptable within the new budget.

We found no evidence to indicate that the community action agency negotiated with the Center to develop a basic educational instruction program in keeping with the reduced CEP budget. Instead, the agency director requested the Opportunities Industrialization Center in Oakland to submit a proposal for the basic education training subcontract. The community action agency helped the Opportunities Industrialization Center to prepare the proposal providing for training 344 persons for a period of 18 weeks at a cost of \$463,000, exclusive of training stipends.

programs. To realize the maximum benefit from the large investment in modifying the building for use as a training facility--about \$790,000 (see p. 12)--and the significant annual rental costs, every effort should be made to use the excess capacity of the facility for other manpower programs operating in the Oakland area, such as the Job Corps, CEP, and JOBS.

RECOMMENDATIONS TO THE SECRETARIES  
OF LABOR AND OF HEALTH, EDUCATION, AND WELFARE

We recommend that the Manpower Administration and the Office of Education make effective use of the excess capacity of the Center for skills training and other manpower training programs operating in the Oakland area or, if that is not feasible, minimize operating costs by seeking other possible uses for the excess capacity. Consideration might also be given to obtaining a smaller facility more in line with needs.

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The Assistant Secretary for Administration, Department of Labor, commented on our draft report by letter dated September 23, 1970. (See app. I.) A Department of Labor official told us that the views of DHRD on the draft report were incorporated in the Department's comments to us. In commenting, the Assistant Secretary pointed out that the Department of Labor and HEW had developed and issued in June 1970 new guidelines for the planning and development of skills centers and that these guidelines would encourage other programs to make use of skills center facilities. He said that, although the Department of Labor's regional staff was making a continuous effort to achieve full utilization of the Center, there was no immediate prospect of this. He also stated that the Department of Labor would wait to see if these efforts alleviated the Center's excess capacity problem and that, if the problem still persisted after a year or so, the Department would look into the desirability of moving to a smaller building.

The Assistant Secretary, Comptroller, HEW, by letter dated October 2, 1970 (see app. II), advised us that HEW agreed that appropriate steps should be taken to make use of

In February 1970 the Regional Assistant Commissioner of HEW in San Francisco told us that he was concerned about the poor utilization of the Center facility. He stated that a team of Federal officials was scheduled to make a comprehensive review of the Center's operation and that a report on the review would be sent to the State vocational education agency and to the State human resources development agency. He stated also that he expected that HEW and Department of Labor representatives would meet with these two State agencies and would meet later with officials of the Peralta Junior College District. He said that he was advised that the Job Corps unit in the Department of Labor was negotiating with the State vocational education agency and the Center for use of part of the facility in the near future.

In February 1970 the Department of Labor's Regional Manpower Administrator in California told us that he was concerned about low utilization of the Center and that the low utilization in fiscal year 1970 was due to a decrease in the amount of funds provided. He pointed out that MDTA institutional training funds made available to California in fiscal year 1970 were \$2,993,000 less than the amount made available in fiscal year 1969 and that the reduction resulted in decreases in a number of training projects.

The Regional Manpower Administrator stated that the Job Corps was giving serious consideration to leasing space at the Center and that he had encouraged the Job Corps to utilize the Center's services, including its instructional services, if possible. He stated also that he understood that funding of 4 projects under section 241 of MDTA was imminent and that the courses, which would be held at the Center, would increase enrollment by 180 trainees.

### CONCLUSIONS

If the funding of MDTA institutional training programs at the Center is continued in subsequent years at the same level, the Center's facilities will continue to be significantly underutilized, unless steps are taken to use the Center to provide training services for other manpower

## CHAPTER 4

### PROGRESS TOWARD MORE EFFECTIVE

### FUNDING AND TRAINING PROCEDURES

The Center had achieved less-than-effective use of its facilities, staff, and other resources because (1) the method of funding its training courses caused delays in initiating follow-on training courses after prior courses had been completed and (2) the design of the training courses did not readily permit introduction of new trainees into training positions made available through attrition as the courses proceeded. As a result, fewer persons were provided training than could have been if the courses had been designed to permit replacement of terminated trainees.

### PROBLEMS IN PROJECT-BY-PROJECT FUNDING

The Center has not been funded in a manner which provides for continuous operation of its training courses but rather has been funded on a project-by-project basis. The Department of Labor's procedures (see p. 7) require (1) the local employment security agency to determine the need for a specific type of training, (2) the local vocational education agency to prepare and approve a training course, (3) State and Federal officials to review and approve the training proposal, and (4) after approval, the employment security agency to recruit trainees and the vocational education agency to assign members of the existing staff or to hire new staff members, and to resolve administrative matters associated with providing a training course. Although the Center reprogrammed training courses in most skills on a continuing basis, the above procedures had to be completed before each succeeding course could be scheduled.

Center facilities are costly to maintain even when not fully used because of fixed costs--the rental for building space and the amortization of the investment in building modifications and equipment. Expenditures for modifying the building to use as a training facility amounted to about \$790,000. (See p. 12.) Two of the classrooms are illustrated in the pictures on the following page. Also, the

the Center's excess capacity. He stated that HEW was hopeful of additional funding during fiscal year 1971, which would provide for an increase in skills training. He stated also that, before considering a smaller facility, consideration must be given to the capital investment, the local community involvement, and the large expenditures already incurred.

In December 1970 a Department of Labor official told us that the Department planned to have CEP provide basic education to its enrollees at the Center beginning in February 1971.

Center acquired large amounts of equipment, such as typewriters, lathes, drill presses, milling machines, and cash registers, for the training courses. In view of such a significant investment in the facilities, every effort should be made to use them to the greatest extent feasible.

The underutilization of space and equipment resulting from the funding procedures is illustrated below.

#### Clerk-typist course

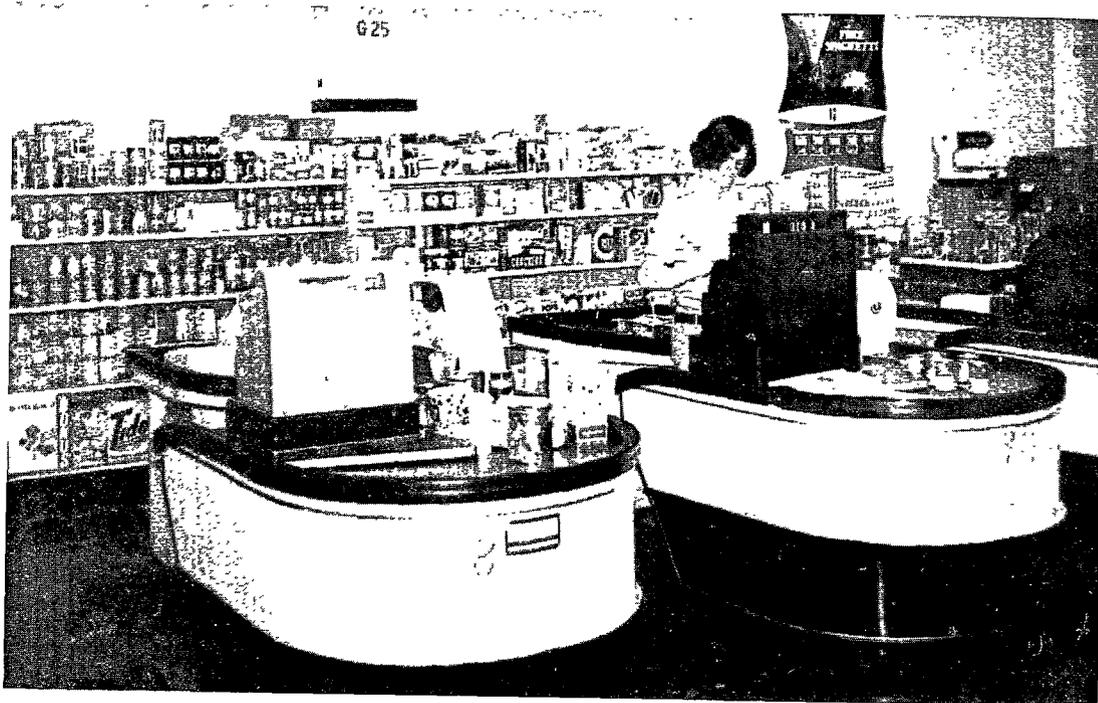
During 1968 two courses were given with an authorized total enrollment of 40 persons. The first course ended in August and the second course ended in November. Planning for the next two courses began in April 1968. The courses were funded and approved in January 1969. One of the follow-on courses started in January and the other started in February 1969. As a result, intervals occurred between the end of the two 1968 courses and the beginning of the two follow-on courses, of 5 and 3 months, respectively, during which the classroom space was unused.

#### Switchboard operator course

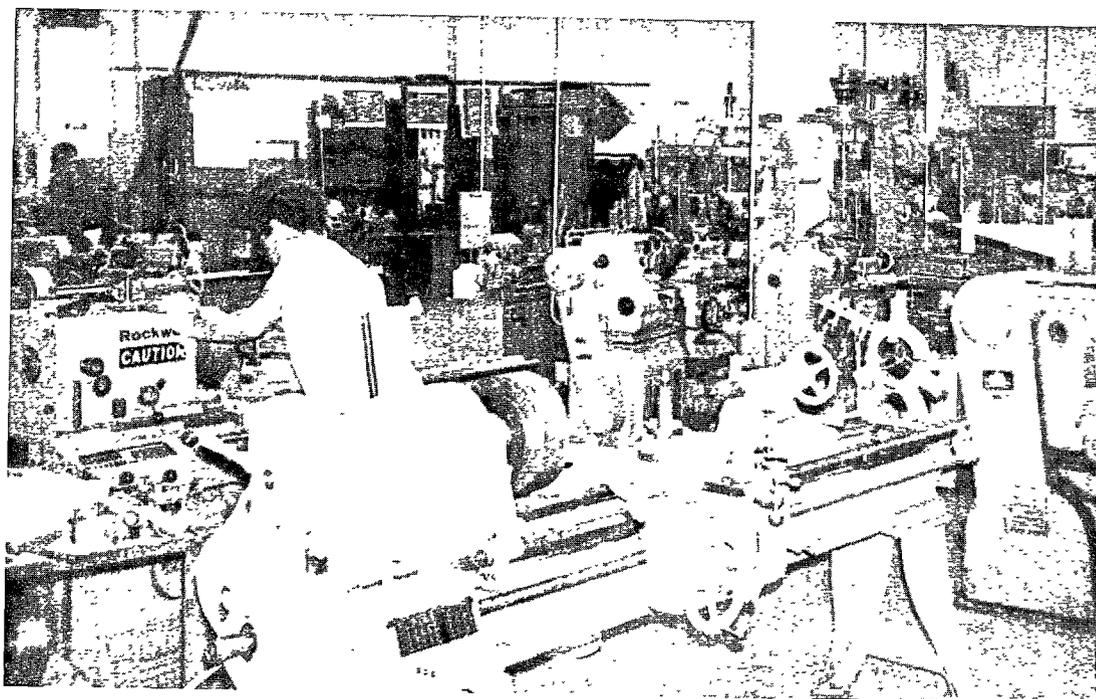
During the period March through September 1968, the Center gave a course with an authorized enrollment of 20 persons for training telephone switchboard operators. In April 1968 the Center initiated plans for a follow-on course for 20 persons, but the course was not funded and approved until January 1969. The course began in January 1969, more than 3 months after the preceding course was completed. During this period the classroom space was unused.

Periods in which training facilities are not used result in increased per-person training costs. Fluctuating levels of training activities also have an affect on the Center's ability to recruit and retain a qualified staff because the number of training personnel needed varies, depending on whether courses are being given. Finally, as discussed on page 36, course-scheduling practices at the Center appear to have contributed to inappropriate selection and referral of individuals for training.

EQUIPMENT IN TWO CLASSROOMS AT THE EAST BAY CENTER



GROCERY CHECKER COURSE



METAL FORMING COURSE

## CHANGES IN FUNDING AND TRAINING PROCEDURES

HEW recognized that, during late 1967 and early 1968, manpower training skills centers experienced long delays in obtaining funding for training projects. These delays resulted in facilities not being used, instructors leaving, and delays in enrolling trainees. Project-by-project funding resulted in sharp fluctuations in enrollments and reduced skills centers' capacities to respond quickly to local needs.

The Senate Committee on Labor and Public Welfare, in its report dated July 20, 1968, on the 1968 amendments to MDTA, directed the Department of Labor and HEW to revise the funding arrangements for skills centers. The report stated that the Committee expected some skills centers to be funded on an annual rather than a project basis in order that a determination might be made of whether annual funding would improve administration and guarantee that persons most in need of training are served.

In August 1968 the skills centers in Forth Worth, Philadelphia, and Syracuse began operating their institutional training programs on an annual funding basis. In July 1969 after reviewing the results of the change in funding procedure, the Division of Manpower Development and Training of the Office of Education, HEW, approved the use of annual funding--the "annualization" concept--for all skills centers.

Annualization of funding enables skills centers to develop operating plans--including planning, development, and funding of training courses--to cover the basic training program for a year or more. The operating plan specifies the education and training to be offered, the additional services to be provided, the number of trainees expected, a schedule of trainees to be enrolled, and the timing and amount of the related expenditures. The annualization concept allows a skills center director to schedule the center's work to minimize excessive peaks and valleys in enrollments.

To maintain a constant enrollment level, skills centers operating under the annualization concept can institute a more flexible curriculum design which permits continuous

PROBLEMS WITH COURSES DESIGNED  
ALONG TRADITIONAL EDUCATION LINES

Each training course at the Center was designed along traditional education lines. A prescribed training curriculum was established for each course, through which trainees were presented with increasingly difficult subject matter as the course proceeded. A specific number of training positions was established for each course. This system resulted in a progressively declining utilization of facilities and training staff as a course proceeded because of (1) the high attrition rate due to trainee dropouts--voluntary and involuntary--and (2) the Center's policy of placing trainees in employment as soon as they were adjudged proficient for a known job opening. New trainees generally could not benefit from enrolling in vacancies in on-going courses created by dropouts because of the lack of knowledge of the training previously provided in the courses.

Our examination of the records of 116 randomly selected trainees who were enrolled in courses completed during 1968 showed that 79 had left training prior to completion of their courses.

We noted that, in the 1969 fiscal year courses, a high attrition rate and difficulties in enrolling new trainees as positions became available were experienced. At the time of our fieldwork, 25 of the 32 courses funded in fiscal year 1969 had reached or exceeded the halfway point of the scheduled training period. Of the 584 trainees enrolled, only 318 (54 percent) were still in training at the halfway point. Of the 25 courses, 21 had reached the three-quarter point of the training period; and, of the 496 trainees enrolled, only 198 trainees (40 percent) were still in training.

The Center Director advised us that, when possible, the Center tries to enter trainees in vacated training positions until a course reaches its halfway mark; but, as a course progresses, the characteristics and standards for enrollment of a trainee must be raised if the trainee is to catch up and maintain pace with the class. He also stated that trainees entering courses beyond the midpoint could not be expected to complete the courses.

The Center Director advised us that he was aware of the benefits of the annualization concept but that he had not been able to implement the program because of the limitations of existing regulations which were project, rather than program, oriented. He added, however, that the Center planned to prepare its fiscal year 1971 project proposals on the basis of the annualization concept. An official of the State Department of Education told us that he believed annualization was necessary but that guidelines for putting the concept into effect had not been developed.

The Regional Manpower Administrator advised us that he had participated in meetings to discuss annualization and open-end and cluster-type training with Center and State agency staff and to lend assistance in implementing this approach to training. He said that it was hoped that by using this approach the Center would be able to train more persons with the same amount of funds because it would be possible to replace trainees who completed courses early or dropped out. He said that this approach also would provide an opportunity for enrolling trainees in courses throughout the year.

The HEW regional program officer for MDTA in California agreed that annualization appeared to offer advantages not available under the current project method of funding but stated that HEW had not issued guidelines for establishing an annualized program.

### CONCLUSION

We believe that the new funding and training procedures--annualized funding, open-entry/open-exit system, cluster courses--offer opportunity for a more effective training program. Under these procedures recruitment goals could be set sufficiently in advance to provide greater opportunities for enrolling those most in need of the training and programs could be planned to provide better utilization of facilities and promote greater continuity of staff. Individualized attention to trainees and continuous progress of those in training would become more feasible.

trainee intake and exit from center programs. This concept of an open-entry/open-exit system provides an individual with the opportunity to enter a training course at given intervals throughout the year and to terminate when he has attained the level of training consistent with his occupational goal. The open-entry/open-exit system generally stabilizes the enrollment throughout the year and consequently tends also to equalize the demand for administrative and counseling services throughout the year.

Annualization is accompanied by a concept under which educationally and industrially related occupations are grouped or "clustered" at the same skill level or in a skill ladder progression that allows a trainee to progress as far as his ability will carry him. For example, a motor vehicle mechanic occupational cluster may consist of specialties ranging from a low-skilled occupation--service station attendant--to progressively higher skilled occupations--body repairman, tune-up man, transmission mechanic, or air-conditioning mechanic.

An individual could enter the motor vehicle occupational cluster in the body repairman course and, if he showed high aptitude, could subsequently take the transmission mechanic course. If he did not exhibit the mechanical aptitude for body work, he could enroll in a course, such as that for service station attendant, requiring less mechanical aptitude.

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## CHAPTER 5

### IMPROVEMENTS NEEDED TO ENHANCE

#### EFFECTIVENESS OF THE TRAINING PROGRAM

Our review revealed a number of operating areas in which improved administration by DHRD and the Center could result in a more effective training program.

The DHRD local offices frequently selected and referred for training at the Center individuals who had physical, mental, or emotional handicaps which the Center was not equipped to remedy or who did not appear to need the training available at the Center to obtain gainful employment.

The Center was not providing trainees with the comprehensive counseling service to improve their attitudes and motivation with the objective of increasing their employability.

The Center did not penalize trainees for unexcused absences.

DHRD was not obtaining sufficient data on the employment status of former trainees to assess the adequacy of training at the Center. In addition, DHRD did not provide these trainees with such follow-up services as additional training and placement services.

The above matters are discussed in detail in the following sections of this chapter.

#### SELECTION OF INDIVIDUALS FOR TRAINING

Our review revealed that individuals were frequently referred to the Center for training by local DHRD offices although they did not appear to meet the criteria for enrollment. Some trainees were physically or emotionally handicapped; and some appeared to have possessed, at the time of their referral for training, sufficient skills to obtain gainful employment.

In a draft report, we proposed that the Secretaries of Labor and Health, Education, and Welfare, together with responsible State and Center officials, take appropriate action to convert the funding of the Center's operations to an annualized basis and to adopt the open-entry/open-exit and the occupational cluster concepts.

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The Assistant Secretary of Labor for Administration advised us that the new guidelines for the planning and development of skills centers provide for annualized funding and that annualized funding at the Center began in March 1970.

The Assistant Secretary, Comptroller, HEW, advised us that HEW and the Department of Labor had reviewed and approved procedures to permit annualization of the funding of the Center, beginning with fiscal year 1971.

Center records showed that in March 1970 the Department of Labor and HEW approved annualized funding for 260 training positions at a cost of \$1.9 million for the period March 1970 through December 1970 and that the training projects would be operated on the open-entry/open-exit and the occupational cluster bases.

The selection criteria to be used by the local DHRD offices in making referrals to the Center was defined by the coastal area director of DHRD in a December 1966 memorandum to the local offices. The memorandum stated that the training was designed for those who did not have skills or who had low or obsolete skills. The offices were advised not to refer to the program individuals who had salable skills but who might be unemployed or underemployed for such reasons as racial discrimination, physical handicaps, emotional problems, alcoholism, or age. The memorandum pointed out that trainees selected should be in reasonably good physical condition.

DHRD is responsible for selecting enrollees for training at the Center. The State office allocates the available training positions to the local offices stationed throughout the Oakland area. The local office selects individuals on the bases of their personal characteristics and the occupational performance requirements.

As a test of the adequacy of the selection and referral process, we reviewed the case histories of the 116 trainees selected at random from among the 1,224 trainees who had been enrolled in the 67 training courses completed in calendar year 1968. Our classification of the appropriateness of these 116 trainees for enrollment in the training courses is shown in the following table.

<u>Trainee status</u>	<u>Total</u>	<u>Appropriate (note a)</u>	<u>Inappropriate (note b)</u>	<u>Indeterminate</u>
Voluntary and involuntary termination	50	13	21	16
Employed prior to completing training	29	9	10	10
Completed training	<u>37</u>	<u>20</u>	<u>8</u>	<u>9</u>
Total	<u>116</u>	<u>42</u>	<u>39</u>	<u>35</u>
Percent	<u>100.0</u>	<u>36.2</u>	<u>33.6</u>	<u>30.2</u>

<sup>a</sup>The selection of a trainee was classified as appropriate when he appeared to meet the required physical and educational levels set forth in the training projects and needed a salable skill.

<sup>b</sup>The selection of a trainee was classified as inappropriate when the case history indicated that he exhibited serious physical, medical, or emotional problems; did not meet the required reading level; did not indicate an interest in training; or appeared to be job-ready as evidenced by prior work history and education levels.

The enrollment of persons whom the Center is not designed to serve reduces the number of training positions available for those who could benefit from the Center's program. To improve the selection process, the Center and DHRD temporarily initiated, at the time of our review, an additional screening process under which enrollees underwent a further evaluation at the Center after they were referred by the local DHRD offices but before they were accepted as trainees.

In the Department of Labor's Employment Security Manual, the section dealing with the selection of applicants for training provides that:

"In considering an applicant for suitable training courses, the decision will be based upon an appraisal of his skills, aptitudes, interests, and personal qualities \*\*\*."

The MDTA Handbook's chapter on selection and referral of trainees states that:

"\*\*\* A heavy responsibility, therefore, rests on the Employment Service to select and refer for training those workers who (a) are particularly in need of this training in order to obtain employment, and (b) at the same time are so likely to profit from it that they will obtain full-time suitable work promptly upon their completion of the course."

Relative to the personal characteristics of persons selected for training, the DHRD manual states that:

"Some applicants may seek training as a solution to their personal or financial problems. MDTA training is not intended to remove a physical handicap, cure a psychosis, restore a damaged reputation, or erase a prison record. \*\*\* In the long run, a careless or 'stop-gap' referral to training for a person with serious personal problems is as undesirable as no service at all in terms of the ultimate effect on the individual."

## Voluntary and involuntary terminations

The case histories showed that, of 34 trainees who had left, 21 had been selected and referred for training although they had problems, singly or in combination, such as drug addiction, alcoholism, serious mental and emotional disorders, or physical handicaps. Center officials advised us that the Center had experienced only limited success in developing skills of individuals with these problems and in placing them. The following cases illustrate the selection of trainees not meeting the criteria for enrollment.

Trainee A was referred to the Center by a local DHRD office on June 19, 1968, for training as a waiter. The referral was made after one interview by DHRD, during which the trainee refused counseling services. He was enrolled at the Center on June 24, 1968. On July 8, 1968, the trainee received his first counseling. The counselor records stated that the trainee used dope and stole and that he was using the program for obtaining the training allowance rather than for training. The trainee left on July 19, 1968, after being advised to do so by the counselor.

Trainee B was a 39-year-old single male with no dependents, who recently had been released from 6 years of imprisonment. He was initially referred to the program in November 1967 for enrollment in basic education under CEP. DHRD records indicated that this trainee was an alcoholic. Shortly after being enrolled he was arrested for drunkenness. On May 8, 1968, he was jailed for carrying a gun and his enrollment was terminated.

On June 10, 1968, the trainee was reenrolled in a machine operator course. Reports of the enrollee's counselor showed that the trainee had a drinking and attendance problem. He was placed on probation and, after failing to attend 20 training classes, his enrollment was terminated in September 1968 for poor attendance and inability to adjust to the program.

As shown in the above table, the case histories for 30 percent of the trainees included in our sample did not contain enough information to permit a conclusion on their appropriateness for enrollment in the training courses.

because of their potential for employment without additional training or because of their participation primarily to obtain the training allowance.

Cases of such individuals follow.

Trainee A was a 47-year-old Army veteran who spent 22 months at the Center in an auto mechanic training course. His records showed 11 years of military service as an auto mechanic and 2 years of civilian experience as an auto mechanic assembler. The records indicated that the trainee had had auto mechanic experience since retirement from the military but that an ulcer problem had prevented him from working for a long period. Our discussions with a DHRD representative indicated that the trainee was apparently employable without additional training and that he should have been referred to a job. The counselor's records stated that the trainee probably had not learned a great deal more than he already knew from his experience in the Army and that he should have been able to obtain jobs in transmission work and minor auto repairs.

Trainee B was a 45-year-old male who was referred to a 1-year truck mechanic course which began on February 14, 1967, reportedly to fill the local DHRD office enrollment quota for this course. The records indicated that prior to referral he had been steadily employed as a motel manager for 4 years. He filed an application for employment at the local DHRD office, but there was no evidence in the records to show whether he had been referred to a job. He apparently had no particular problems that would prevent his employment, as indicated by his class records at the Center and his previous work experience. On the basis of these factors, a DHRD representative agreed with us that he was employable and was not in need of skills training.

After 230 days of training as a truck mechanic, the trainee obtained non-training-related employment with a shoe repair shop. In our contact with the trainee in September 1969, he advised us that he was manager of the shop.

Individuals employed prior to completing training

The case histories showed that, of 19 trainees employed before completing training, 10 did not appear to need skills training, as demonstrated by their previous work histories, or did not indicate an interest in training.

The following cases illustrate the selection of trainees not meeting the criteria for enrollment.

Trainee A was a 23-year-old female who had achieved a 12th-grade reading level and an eighth-grade arithmetic level. Prior to her being referred to the Center, she had attended the Opportunities Industrialization Center in Oakland to improve her typing. DHRD files did not indicate that she had been referred to employment when she applied for training although she appeared to be employable. She was enrolled in a bank teller course on April 8, 1968. After 2 weeks she left the Center to accept employment as a clerk typist and was employed in the same job when we contacted her employer in August 1969.

Trainee B was a 36-year-old male who was enrolled in the aircraft mechanic course on January 2, 1968. Center records showed that he had completed 2 years of college and had had 10 years of experience at various cooking jobs, 7 years as a personnel clerk in the Army, and 2 seasons as a line inspector in a cannery. The DHRD records did not indicate that he had been referred to employment although he appeared to be experienced in several types of work and to have a creditable work history. On April 12, 1968, about 4 months after enrollment, he left to accept employment in a non-training-related job as a laboratory assistant with a chemical company. He was employed in the same job when we contacted his employer in August 1969.

Individuals completing training

The case histories showed that, of 28 trainees who had completed training, eight had been selected for training although they did not appear to meet the enrollment criteria

problems that could be taken care of at the Center. Those making the assessments were instructed that alcoholism, drug addiction, severe psychological disturbances, and some physical handicaps could best be served by agencies other than the Center.

The DHRD local office manager at the Center advised us that the assessment-week concept was an interim measure but that it would be used as long as necessary to ensure the quality of trainee selections. When the assessment concept was first placed in operation, seven applicants referred for enrollment in a welding course were rejected by the Center for such reasons as lack of interest, absenteeism, or alcoholism.

Trainee C was a 31-year-old single female who was initially enrolled in the CEP basic education course on September 25, 1967. Her apparent problem was an inability to speak English. Center records showed that she had completed 1 year of college in Colombia, South America, where she had been employed as a secretary for 10 years. DHRD records disclosed that she could type 60 words a minute and could take shorthand, but only in Spanish.

Her counselor noted that she was reluctant to speak English but was capable of doing so, that she was not interested in secretarial-type work, and that she had indicated a strong desire to become a nurse. Prior to completion of the basic education course, she was counseled on ways to enter the nursing field. At one time she was considered by the Center as possibly ready for employment but she declined employment, stating that she wanted only to learn English.

In April 1968 she enrolled in a bank teller course, according to a Center official, primarily to give her added exposure to English and to provide her with money. Shortly after the start of the bank teller course, she was given permission by the Center to attend chemistry and English classes at a local college. She was referred to a job as a clerk-typist but did not accept the employment, indicating that she wanted only a part-time job in order to continue her classes at college. The bank course was completed on October 11, 1968. She told us in May 1969 that she was attending college and was not working.

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The DHRD coastal area director, in a memorandum dated June 4, 1969, notified the local DHRD offices that the dropout rates for trainees were alarming and that more reliable screening procedures were necessary. To improve the quality of referrals, DHRD and Center officials instituted an "orientation assessment week" in June 1969. Under the assessment-week procedure, a counselor and a vocational instructor interview each trainee to determine (1) the suitability of the trainee for the occupation selected and (2) the trainee's

had rejected only a few persons referred by DHRD for more recent courses.

The State chief of the DHRD client division services section advised us that a refinement of the selection and referral process to reduce the number of dropouts would result, in his opinion, in screening out many individuals who needed special assistance but who could not obtain it because other programs to meet their needs to become employable were not available. He stated, however, that the Center was not presently capable of servicing individuals with serious problems.

Department of Labor and HEW regional officials and certain State officials generally agreed that a better matching of individuals' abilities with the requirements for enrolling in the training program was needed to improve the effectiveness of the program.

### Conclusions

Referrals to the Center of individuals either not suited to training or not in need of training result in improper use of program funds and reduce the number of openings available for persons who can be helped by skills training. The screening of an individual for referral to the Center should involve an evaluation sufficient to relate his needs to his ability to benefit from the training program and to afterwards obtain gainful employment.

The adoption by the Center of a weekly assessment period for determining that suitable persons have been referred by DHRD offices appears to have had a beneficial effect. Improved screening of applicants by local DHRD offices, however, would obviate the need for the Center to conduct the weekly assessment procedure which was intended only as a temporary procedure.

### Recommendations to the Secretary of Labor

We recommend that the Manpower Administration emphasize to DHRD

Officials at nine local DHRD offices which made referrals to the Center advised us that improper referrals generally resulted from the lack of sufficient time to adequately screen prospective trainees. The officials told us that they were given as little time as 4 or 5 days to fill their quota of persons for a particular course. They said that, although their files showed that a large number of individuals were interested in particular types of training, a great deal of time would have to be spent in locating these individuals. They said also that in most cases individuals could not be located at the address shown in the records or, when located, were found to be employed or to be no longer interested in training.

At two of the local DHRD offices, we were told that, because of the low educational level of applicants coming into their offices, it was difficult to find individuals who met the selection criteria for enrollment in the training program. (See p. 37.)

Center officials told us that they recognized that inappropriate referrals of individuals were being made but that, to avoid showing a high dropout rate, they retained these individuals in the training courses on the premise that they might benefit from participating in the program.

Center and DHRD officials stated that the local DHRD offices had been primarily responsible for inappropriate selection of prospective trainees. DHRD officials stated that many of these offices had used the Center as a "dumping ground" for problem cases or undesirable persons. They also pointed out that it was sometimes difficult to determine a prospective trainee's true interest in a particular course because he might know what subjects were being offered and might express interest in a course just to be referred to the Center.

Center officials advised us that the assessment-week procedure had encouraged the local DHRD offices to exercise better judgment in screening and selecting individuals for referral to Center programs and that consequently the Center

## COUNSELING SERVICES PROVIDED TO TRAINEES

Only limited counseling was provided to trainees. Also, records frequently were not maintained on the counseling that had been provided to the trainees.

The objective of the counseling program at the Center is defined in the Center's Teachers Handbook, as follows:

"Counseling is all those activities which complement teaching by assisting the trainee to plan for a vocational and or educational objective; examine and evaluate his personal, interpersonal and social functioning; determine those personal characteristics which contribute to or impede progress toward ultimate employment."

To achieve its objectives, the Center has further outlined in the handbook the following specific activities which counselors should provide.

- Assist trainees to understand and adjust to the training program through interviews and group discussions.
- Formulate with the trainee, in coordination with the instructional staff, an individualized plan of action which would enable him to obtain a vocational objective.
- Assist a trainee to recognize and use his talents in facing and overcoming his deficiencies and to develop skills to cope with problems which interfere with training.
- Serve as a resource to instructors for their understanding of the trainee's behavior and adjustment in the classroom.
- Make periodic evaluations with instructors of the trainee's motivation and attitude toward the vocation and progress in the course.

- that it be appropriately selective in screening individuals for skill training,
- that individuals with serious physical handicaps or emotional problems be referred, when possible, to programs designed to overcome their particular problems rather than to training programs for which they are not suited, and
- that individuals qualified to accept employment without training be provided with appropriate job-placement assistance rather than with training.

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The Assistant Secretary of Labor for Administration noted that, to improve the selection processes, DHRD had initiated a screening procedure (see p. 43) and noted significant improvement; but he also noted that, owing to DHRD's emphasis on serving the severely disadvantaged, it was difficult to completely eliminate inappropriate referrals because of the characteristics of the severely disadvantaged.

Counseling records were available for 91 of the 93 trainees. They showed that there had been counseling contacts with the trainees on an average frequency of slightly more than once a month. The records showed, however, that counselors were not regularly providing the counseling services outlined in the Teachers Handbook. For 52 of the 91 trainees, there was no information regarding the trainees' backgrounds and personal characteristics; for 43 trainees there was no information reflecting periodic evaluations of their progress at the Center; and for 53 trainees there was no information indicating their vocational desires or interests in their training courses.

The Center's head of student personnel told us that counseling was provided to only those trainees who were having obvious problems that affected their receptiveness to the training at the Center. He stated that in such cases the counselor was responsible for establishing a trainee's vocational objective and for evaluating his performance, motivation, attitudes, and interests.

He explained that the counseling records were intended to reflect the problems of a trainee as noted by his counselor. He stated that, if a trainee had no problems and was performing satisfactorily in his training, there would be no need for counseling and little or no documentation would be reflected in the counseling records. He stated also that he did not believe that the counseling case load was excessive or that it prevented the counselor from dealing with the problems of those trainees in need of counseling services.

### Conclusions

There is a need to provide all trainees with counseling services in a planned and systematic manner to help identify trainees' problems and to enhance their potential for obtaining and retaining employment. To provide such counseling to trainees, the case load assigned to each counselor must be set at a reasonable level. Also, counseling contacts should be adequately documented to enhance the counselor's ability to recall pertinent information, to facilitate follow-up

--Maintain a written record of all significant facts regarding the trainee, contacts with the trainee, evaluations from contacts with outside agencies, and pertinent observations.

The personnel files of 43 of the 116 trainees in our randomly selected sample (see p. 19) contained no record of a counseling contact. The files showed that the remaining 73 trainees had had an average of five counseling contacts each, about one contact each month. The counseling records generally noted only that a contact had been made and that a problem had been discussed.

We discussed the lack of more information in the counseling records with the Center director in July 1969. He told us that, during the period covered by our sample, the counselors had very high workloads which made it impossible for them to keep the necessary records. He said that, although the counseling may have been performed, the counselors frequently did not record the contacts. The director stated that he was placing emphasis on development of better counseling records.

To ascertain whether counseling had been provided and improvements had been made on documenting counseling contacts, we reviewed the counseling records for 93 trainees enrolled in four courses which had been completed or were still in process in the fall of 1969. Each of the four courses in our review had been assigned a counselor.

Except for having an initial interview upon entry to the Center, the trainees did not meet regularly with their counselors. The four counselors assigned to the four courses stated that their major counseling efforts were directed toward helping the trainees with their day-to-day problems as they occurred and that other counseling services were not provided unless a trainee who had obvious problems brought them to the attention of his counselor. The four counselors advised us that the major factor which restricted their counseling efforts was the excessively high case load. They indicated that a lower average case load would enable them to adequately counsel all trainees, not only those who came to them with problems.

## PAYMENTS FOR UNEXCUSED ABSENCES

Many trainees were paid training allowances for unexcused absences, contrary to the intent of the MDTA and to Department of Labor directives. The Center's payment of allowances for such absences does not contribute to trainees' developing good work habits or becoming aware of the requirements in the world of work.

Section 231 of MDTA provides that training agencies be responsible for determining and certifying (1) whether a trainee has a satisfactory attendance record and is making satisfactory progress in training and (2) whether a trainee had good cause for unsatisfactory attendance or progress.

The importance of a trainee's attendance at MDTA training courses is stressed in the Department's handbook and DHRD instructions, which state that the payment of training allowances for days that trainees are absent is dependent on the training agencies' determination of whether a trainee had good cause for being absent.

The Center's attendance policy basically has remained unchanged since its inception. The policy requires trainees to attend each class to receive the training allowance, subject to certain circumstances. For example, the attendance policy in September 1969 permitted (1) 1 day of excused absence each month to take care of personal business, (2) 1 day of excused absence each month for illness, (3) excused absence for court leave, and (4) excused absence for unusual and unforeseen circumstances. With the exception of absence for illness, all absences were to be approved in advance.

For the period February through June 1969, we examined into the adequacy of the Center's procedures and practices for ensuring that trainees were not being paid for unexcused absences. The procedures require (1) instructors to record and submit daily attendance reports to an attendance office for posting to a trainee attendance card, (2) the attendance office to classify each reported absence as excused or unexcused on the basis of documents submitted by the trainee or discussions with the trainee's counselor, and (3) the attendance office, at the end of each pay period, to furnish a

counseling, to enable the Center to better evaluate its counseling activities, and to enable continuity of counseling in cases of counselor turnover.

Recommendations to the Secretary of  
Health, Education, and Welfare

We recommend that the Office of Education examine into the nature and extent of counseling services being provided at the Center and furnish appropriate guidelines concerning the case-load levels and the frequency of counseling contacts. We recommend also that the Office of Education emphasize to the Center the importance of adequate documentation of counseling services.

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The Assistant Secretary, Comptroller, HEW, advised us that HEW concurred with our recommendations and stated that the procedures for their implementation would be included in an Office of Education's skills center handbook which was being developed and that the handbook would amplify the Office of Education's responsibilities for counseling services as set forth in the June 1970 guidelines on skills centers.

of unexcused absences and has revised its attendance procedures to effect proper control. The revised procedure should preclude the paying of training allowances to trainees for unexcused absences and should help in motivating enrollees toward regular class attendance.

Recommendation to the Secretary of Labor

We recommend that the Manpower Administration review the implementation of the Center's revised attendance procedure to ensure that trainees do not receive allowance payments for periods of unexcused absences.

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The Assistant Secretary of Labor for Administration advised us that the revised attendance procedures instituted by the Center appeared to be adequate and that the Department's regional staff was making continuing efforts to further strengthen the attendance control procedures and to see that they are fully implemented.

list of the unexcused absences to the instructors for their use in preparing the weekly requests for training allowances.

Our review of the attendance records and reports for trainees attending the Center during the period February through June 1969 showed that an average of 313 trainees were in attendance daily, which accounted for 29,785 training days during the period. The weekly requests for training allowances prepared by the instructors showed 2,507 absences, an absentee rate of 8.4 percent. The trainee attendance cards maintained by the attendance office, however, showed 4,083 absences, an absentee rate of 13.7 percent. Our analysis of the 1,576-day discrepancy between these records showed that 1,529 were unexcused absences and that 47 were excused absences.

The 1,576-day discrepancy in absences resulted generally from the instructors' incorrectly recording unexcused absences, as shown on the list furnished by the attendance office, on the weekly requests for allowances. Some instructors told us that they did not use the information furnished by the attendance office; they maintained their own attendance records and made their own evaluations of reasons given by trainees for their absences.

The Center director told us in February 1970 that the attendance procedure had recently been revised. He stated that the revised procedures required the instructors to forward the weekly requests for training allowances to the attendance office for verifying that the unexcused absences, as shown on the trainee attendance cards list furnished to instructors, had been correctly recorded by them on the requests for training allowances.

State DHRD officials stated that they would review the adequacy of the revised attendance procedures in the near future.

### Conclusions

Center management has recognized the need to improve its controls to ensure that trainees are not paid for periods

interviewed or otherwise obtained data for 66 trainees who were included in our random sample of 116 and who had completed training or had accepted employment before completing training. DHRD follow-up records on these 66 trainees showed the following information.

<u>Status</u>	<u>3-month follow-up</u>		<u>6-month follow-up</u>	
	<u>Completed full course</u>	<u>Left for employment</u>	<u>Completed full course</u>	<u>Left for employment</u>
Employed	2	6	5	8
Unemployed	10	4	3	1
Could not locate	4	5	11	6
No information	<u>21</u>	<u>14</u>	<u>18</u>	<u>14</u>
Total	<u>37</u>	<u>29</u>	<u>37</u>	<u>29</u>

As shown above, DHRD did not locate or obtain information on two thirds or more of the 66 trainees through its mail follow-up.

Our follow-up examinations and interviews with the 66 former trainees and/or their last known employers revealed that 33 were employed, 20 had been employed earlier but were currently unemployed, nine had not been employed since leaving the Center, and four were attending school. For 16 of the 20 trainees who became unemployed, we found that they had quit or had been laid off, or fired; for four no information could be developed. Former employers told us that most of the 16 trainees left employment for such reasons as irregular attendance and poor job performance. These trainees might have been aided in overcoming such problems if follow-up services had been offered. With regard to the nine trainees who had not been employed since leaving the Center, we noted that either very little or no follow-up assistance had been offered to them by DHRD. These persons also, it appeared to us, could have been helped through appropriate follow-up services.

At the DHRD offices referring persons to the Center, the managers told us that the offices generally provided follow-up services only when specifically requested by former trainees.

ASSESSING RESULTS OF PROGRAM ACTIVITIES  
AND PROVIDING FOLLOW-UP SERVICES TO  
TRAINEES IN NEED OF ASSISTANCE

DHRD did not develop needed information on the status of trainees who left the Center for employment and therefore was unable to review the effectiveness of the training program and to initiate changes where appropriate. Further, DHRD did not provide these former trainees with such follow-up services as additional training and placement services.

The MDTA Handbook states that local employment service offices are expected to maintain contact with trainees after completion of training to evaluate the effectiveness of the MDTA program. Such evaluations are essential to provide a basis for making program changes. At the time of our fieldwork, DHRD was responsible for mailing a follow-up questionnaire at 1-, 3-, and 6-month intervals to trainees who had completed a training course at the Center or who had accepted employment prior to completing training. Prior to March 1969 follow-up questionnaires to these trainees were required at 3-, 6-, and 12-month intervals. DHRD's internal procedures also provide for its continued placement assistance or other aid to trainees who have completed courses, when circumstances indicate the need for such aid.

DHRD obtained only limited follow-up data on former trainees from the mail questionnaires. As of the most recent contact or attempted contact with the 685 former trainees who were enrolled in courses completed in 1968 and had completed training or had accepted employment prior to completing training, 255 trainees (37 percent) could not be located, 287 (42 percent) reported that they were working, and 143 (21 percent) reported that they were not working.

Further, DHRD did not prepare summary statistics for each training course or for the Center's overall training program from the follow-up questionnaires obtained from former trainees. The questionnaires therefore did not provide a basis for systematic assessment of the results of program operations.

To further analyze follow-up data and to obtain an indication of the potential need for follow-up services, we

would be made available to skills centers to provide follow-up services and that a skills center was required to include staff for this function in its "base funding" budget which provides for resources in a separate category specifically set aside for basic facility and administrative staff costs.

The manager of the DHRD office at the Center told us that funds had not been provided for making follow-up interviews with former trainees or their employers, that he had to rely on the mail questionnaires for obtaining information on the retention rate of terminated trainees, and that experience had shown a response rate of only about 15 percent to questionnaires sent out at the 6-month interval.

DHRD and regional Department of Labor officials told us that follow-up information on the status of former trainees and follow-up services to former trainees were essential but missing components of the Center's program. The State chief of the DHRD client division services section told us that postplacement follow-up would be given greater emphasis in the future.

### Conclusions

Our review indicates that DHRD should place greater emphasis on the follow-up of terminated trainees to obtain information for assessing the results of program operations and to identify trainees who need further assistance in obtaining and retaining jobs.

Because of the low response rate to the mail questionnaires, DHRD may have to personally contact a sample of trainees who have left to obtain more complete follow-up information.

### Recommendation to the Secretary of Labor

We recommend that the Manpower Administration, to the extent feasible within existing fund limitations, require DHRD to obtain information on the status of former trainees and, where the need for assistance is indicated, provide trainees with follow-up services.

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The Assistant Secretary of Labor for Administration advised us that, under the new skills center guidelines, funds

placement and any recommendations for improving the instructional program. A local official of the State Department of Education told us that he was directed by his office in January 1970 to implement this requirement at the Center and that he intended to do so.

We reviewed reports made by the Federal-State review team and discussed the monitoring and evaluation being provided to the Center with knowledgeable officials in the regional offices of the Department of Labor and HEW and in the DHRD and the State Department of Education offices.

The Federal-State review team made seven visits to the Center during the period March 1967 through June 1968. The visits generally lasted one day and included an inspection of the facility and discussions with Center and DHRD personnel on problems and progress of the Center. The reports made by the Federal-State review team on the results of the visits contained comments on the Center's problems but only general and brief comments on whether the Center was meeting program goals, the adequacy of the training program, the rate of placement of trainees in jobs, and the working relationships between Center and DHRD personnel. The Department of Labor's directive regarding the Federal-State review effort makes no mention of the specific areas to be reviewed and evaluated during a monitoring visit.

## CHAPTER 6

### PROGRAM MONITORING AND EVALUATION

#### BY FEDERAL AND STATE AGENCIES

Operations of the Center have not been monitored adequately, in our opinion, by the Department of Labor, HEW, DHRD, or by the State Department of Education. We believe that the weaknesses in administration discussed in previous sections of this report, concerning selection of individuals for training, counseling, unexcused absences, and follow-up activities, could have been identified and possibly corrected earlier through more appropriate and timely monitoring of training operations.

Various Federal and State guidelines require that operations of the Center and related activities of DHRD be monitored. For example, a memorandum issued by the Department of Labor in June 1966 states that, for each training project having an enrollment of 200 or more trainees, a Federal-State team composed of regional representatives of the Department and HEW and of their State counterparts should review the projects within 60 days after the start of a project and every 4 months thereafter.

A prior Department of Labor directive to State employment security agencies provides that States make an evaluation of MDTA training programs at least once each fiscal year. The directive specifies that the evaluation be directed to determining (1) adherence to standards and procedures for recruitment, selection, and referral of trainees, (2) adequacy of counseling services, (3) trends in the number leaving training courses and the extent of efforts to help trainees adjust to training, and (4) accuracy and adequacy of reporting.

An HEW program memorandum issued in June 1969 established a requirement that training facilities prepare a written self-evaluation for each instructional program within 30 days after completion. It provides that the self-evaluation include an assessment of local administration, instruction, supervision, and trainee achievement and

primarily of dealing with the day-to-day problems noted in their review of enrollment and termination statistics received from the Center for ongoing courses. They said that their activities were not specifically directed to identifying program areas in need of improvement and that fund limitations for staff prevented implementation of a formal and effective monitoring system.

The program supervisor for the State Department of Education told us that the monitoring performed by his staff does not follow any definite plan for evaluating each training course. He also stated that he was not aware of any HEW guidelines defining his department's responsibilities for monitoring.

### CONCLUSIONS

Effective and continuous monitoring of Center and DHRD operations by Federal and State representatives is essential to detect and correct program weaknesses, strengthen program administration, and better ensure achievement of program objectives.

### RECOMMENDATION TO THE SECRETARIES OF LABOR AND OF HEALTH, EDUCATION, AND WELFARE

We recommend that the Manpower Administration and the Office of Education allocate the necessary funds to ensure that Center operations are monitored adequately.

- - - -

The Assistant Secretary of Labor for Administration advised us that the new skills center guidelines require that a Department of Labor and HEW regional office team, working with their State counterparts, periodically

- evaluate the operation of each skills center for which they are responsible,
- assess conformity of the operations with the skills center criteria and performance standards, and

Regional officials of the Department of Labor and HEW and representatives of DHRD and the State Department of Education commented on the lack of funds available for hiring staff to make systematic evaluations of MDTA training programs. State representatives advised us that greater definition and delineation of the monitoring and evaluation activities to be performed by their respective agencies was needed for establishing a coordinated and responsible monitoring system for MDTA programs.

Regional officials of the Department of Labor told us that, except for reviews of the training projects submitted for approval, little monitoring and evaluation of Center and DHRD operations had been made since July 1968. They stated that visits had been made to the Center since July 1968 but that no reports had been prepared. They also said that the heavy work load and shortage of staff precluded their making visits every 4 months as required by the June 1966 memorandum.

The HEW regional senior program officer for MDTA training in California told us that the monitoring and evaluation of MDTA training programs was primarily the responsibility of the State Department of Education and that the regional HEW staff limited its monitoring activities to participation in the visits performed by the Federal-State review team and to the review process for approving training projects.

The HEW regional program officer told us also that he had recently prepared written guidelines for use by the State Department of Education in evaluating institutional training programs and that he expected that these guidelines would be implemented in May 1970. The proposed guidelines would require the State to periodically evaluate training conducted under its State agency agreement with HEW and to submit reports of these evaluations to the Commissioner within 90 days after the end of the fiscal year. The proposed guidelines include detailed comments on how the evaluations of programs are to be made.

DHRD officials told us that their monitoring and evaluation of the Center's and DHRD's activities consisted

## CHAPTER 7

### SCOPE OF REVIEW

Our review of the East Bay Skills Center in Oakland, California, was directed primarily toward analyzing the results of program operations of the Center since its inception in April 1966 through December 31, 1969, and toward evaluating the administrative efficiency of program areas such as use of the training facility, selection of individuals for training, and counseling and follow-up services.

We reviewed applicable legislation, policies, program documents, reports, correspondence, and other pertinent records at the Center, the DHRD office located at the Center, and other DHRD offices in the Oakland area. Also, we reviewed records and reports at the regional offices of the Department of Labor and HEW in San Francisco, and at the DHRD and State Department of Education headquarters offices in Sacramento. In addition, we interviewed former trainees and their employers to obtain their views and comments on the results of the training received by the trainees.

We randomly selected for review the available records for 116 of 1,224 trainees who were enrolled in the 67 training courses completed at the Center during calendar year 1968. We considered the trainees' eligibility, the appropriateness of their referral to the Center, the counseling services provided them, and the follow-up contacts by DHRD.

Our review was performed primarily at the Center in Oakland, 10 local offices of DHRD in Oakland, offices of the Peralta Junior College District in Oakland, and regional offices of the Department of Labor and HEW in San Francisco, California.

--summarize the team's recommendations and submit them to the appropriate Cooperative Area Manpower Planning System Committee and the MDTA Skills Center Advisory Committee.

The Assistant Secretary stated further that the Manpower Administration was acutely aware of the importance of monitoring and was working to develop and implement a comprehensive regional monitoring system.

The Assistant Secretary, Comptroller, HEW, advised us that HEW, through the Office of Education, had developed a project evaluation form which required a report to the State agency 30 days after completion of a project; that the State agency had allocated an educational supervisor to the Center and the Junior College District that administers the Center; and that the allocation of sufficient funds to ensure that Center operations were monitored adequately had not been possible due to budgetary restrictions.

**APPENDIXES**

3. Selection of Individuals for Training

GAO recommends that the Department direct the Department of Human Resources Development (DHRD) to be appropriately selective in screening individuals for skill training, giving due recognition to the existing capabilities of the center.

In order to improve the selection processes, DHRD has initiated a screening procedure and has noted significant improvement. At the same time, with emphasis by DHRD on serving the severely disadvantaged, it is difficult to completely eliminate inappropriate referrals because of the characteristics of the severely disadvantaged.

4. Unexcused Absences

GAO recommends a review of the implementation of the center's revised attendance procedure to ensure that trainees do not receive allowance payments for periods of unexcused absence.

The revised attendance procedures instituted by center management appear to be adequate. Our regional staff is making continuing efforts to further strengthen the attendance record control procedures and to see that they are fully implemented.

5. Follow-up Services

GAO recommends, to the extent feasible within funding limitations, emphasizing to DHRD the importance of obtaining information on the status of former trainees and provides trainees with needed follow-up services.

Under our new guidelines, funds will be made available to skills centers to provide follow-up services. When a skills center submits its "base funding" budget, they are required to include staff for this function. Base funding is the provision of resources from funds apportioned to the States in a separate category specifically set aside for basic facility and administrative staff costs.

6. Effective Monitoring

GAO recommends development of appropriate controls and procedures and allocate the necessary funds to ensure that center operations are monitored adequately.

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



SEP 23 1970

Mr. Henry Eschwege  
Associate Director  
U.S. General Accounting Office  
Washington, D. C. 20548

Dear Mr. Eschwege:

This is in response to your request for comments on a draft report on opportunities for improving the effectiveness and efficiency of institutional training programs at the East Bay Skills Center, Oakland, California.

For ease of reference, our comments follow the order of recommendations in the report.

1. Under Utilization of the Center

The General Accounting Office (GAO) recommends that the Department of Labor (DOL) and Department of Health, Education, and Welfare (HEW) take appropriate steps to either make use of the excess capacity or have other manpower training programs operating in the Oakland area use the center of skills training or minimize operating costs by seeking other possible uses for the present excess capacity.

DOL and HEW developed and issued in June, 1970, new guidelines for the planning and development of skills centers. The guidelines encourage other programs to make use of skill center facilities.

Our regional staff is making a continuous effort to achieve full utilization of the center but there is no immediate prospect of this. We feel, however, that we should wait to see if these efforts alleviate the center's excess capacity problem. If the problem still persists after a year or so, we will look into the desirability of moving to a smaller building.

2. Funding Center Operations on an Annualized Basis

GAO recommends that appropriate action be taken to convert the funding of center operations to an annualized basis.

Guidelines for the Planning and Development of Skills Centers provide for annualized funding.

Annualized funding at the East Bay Skills Center began in March, 1970.



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE  
WASHINGTON, D.C. 20201

OFFICE OF THE SECRETARY

OCT 2 1970

Mr. Philip Charam  
Associate Director  
Civil Division  
U. S. General Accounting Office  
Washington, D. C. 20548

Dear Mr. Charam:

This is in reply to the General Accounting Office draft report to the Congress of the United States on Opportunities for Improving the Effectiveness and Efficiency of Institutional Training Programs at the East Bay Skills Center, Oakland, California, under the Manpower Development and Training Act. It represents the consensus of the cognizant Office of Education (OE) offices, the California State Vocational Agency, and the East Bay Skills Center on those findings which pertain to the Secretary of Health, Education, and Welfare.

NEED FOR GREATER USE OF CENTER FACILITIES

We concur that appropriate steps should be taken to make use of the excess capacity of the Skills Center. We are hopeful of additional funding during Fiscal Year 1971 which would provide an increase in skill training. However, before considering a smaller facility, consideration must be given to the capital investment, the local community involvement, and the large expenditures already incurred.

METHOD OF FUNDING AND DESIGN OF TRAINING COURSES

We concur that appropriate action should be taken to convert the funding of center operations to an annualized basis. This procedure has been reviewed and approved by both Departments - Health, Education, and Welfare, and Labor - which will now allow for annualization of the funding of the East Bay Skills Center beginning with Fiscal Year 1971.

COUNSELING SERVICES PROVIDED TO TRAINEES

We concur with the recommendation that an examination should be made into the nature and extent of counseling services at the Center as well as furnishing appropriate guidelines and emphasizing the importance of adequate documentation. These procedures will be required by the Office of Education in the Skills Center Handbook which is in process and will amplify OE's responsibilities as set forth in the guidelines for the Planning and Development of Skills Centers.

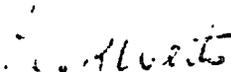
Our new guidelines require, on a timely basis, a Department of Labor and Health, Education, and Welfare regional office team, working with their State counterparts, to evaluate the operation of each skills center for which they are responsible. This review will:

- a. Assess conformity to skills center criteria. Any deviation from criteria must be fully explained and justified.
- b. Judge conformity with performance standards. A separate written report for each center detailing the findings and relating to the specific criteria will be submitted to the national office with recommendations.
- c. A summary of the Team's recommendations will be submitted to the appropriate CAMPS Committee and MDTA Skills Center Advisory Committee.

The Manpower Administration is acutely aware of the importance of monitoring and is working to develop and implement a comprehensive regional monitoring system.

We appreciate the opportunity to review and comment on this report in draft form. The findings and recommendations presented should be of considerable assistance to us in our efforts to efficiently administer the skills centers.

Sincerely,



LEO R. WERTS  
Assistant Secretary for Administration

PRINCIPAL OFFICIALS OF  
THE DEPARTMENT OF LABOR AND  
THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE  
RESPONSIBLE FOR THE ADMINISTRATION OF THE  
INSTITUTIONAL TRAINING PROGRAM

Tenure of office  
From                      To

DEPARTMENT OF LABOR

SECRETARY OF LABOR:

James D. Hodgson	July 1970	Present
George P. Shultz	Jan. 1969	June 1970
W. Willard Wirtz	Sept. 1962	Jan. 1969

ASSISTANT SECRETARY FOR MANPOWER:

Malcolm R. Lovell	July 1970	Present
Arnold R. Weber	Feb. 1969	June 1970
Stanley H. Ruttenberg	June 1966	Jan. 1969

MANPOWER ADMINISTRATOR:

Paul Fasser, Jr.	Oct. 1970	Present
Malcolm R. Lovell	June 1969	Oct. 1970
J. Nicholas Peet	Feb. 1969	June 1969
William Kolberg (acting)	Jan. 1969	Feb. 1969
Stanley H. Ruttenberg	Jan. 1965	Jan. 1969

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

SECRETARY OF HEALTH, EDUCATION,  
AND WELFARE:

Elliot L. Richardson	June 1970	Present
Robert H. Finch	Jan. 1969	June 1970
Wilbur J. Cohen	Mar. 1968	Jan. 1969
John W. Gardner	Aug. 1965	Mar. 1968

Page 2 - Mr. Philip Charam

PROGRAM MONITORING, AND EVALUATION

HEW, through the Office of Education, has developed a project evaluation form which requires a report to the State agency 30 days after completion of a project. In addition, the State agency has allocated an educational supervisor to the Center and the Junior College District that administers the Center. The allocation of sufficient funds to ensure that Center operations are monitored adequately has not been possible due to budgetary restrictions.

[See GAO note.]

BEST DOCUMENT AVAILABLE

Sincerely yours,

  
James B. Cardwell  
Assistant Secretary, Comptroller

GAO note: The deleted comments pertain to matters discussed in the draft report but omitted from this final report.

PRINCIPAL OFFICIALS OF  
THE DEPARTMENT OF LABOR AND  
THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE  
RESPONSIBLE FOR THE ADMINISTRATION OF THE  
INSTITUTIONAL TRAINING PROGRAM (continued)

	<u>Tenure of office</u>	
	<u>From</u>	<u>To</u>
<u>DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE</u>		
(continued)		
ASSISTANT SECRETARY (EDUCATION), DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE:		
Vacant	June 1970	Present
James E. Allen, Jr.	May 1969	June 1970
Peter P. Muirhead (acting)	Jan. 1969	May 1969
Lynn M. Bartlett	July 1968	Jan. 1969
Paul A. Miller	July 1966	July 1968
Francis Keppel	Oct. 1965	May 1966
COMMISSIONER OF EDUCATION:		
Sidney P. Marland, Jr.	Dec. 1970	Present
Terrel H. Bell (acting)	June 1970	Dec. 1970
James E. Allen, Jr.	May 1969	June 1970
Peter P. Muirhead (acting)	Jan. 1969	May 1969
Harold Howe, II	Jan. 1966	Dec. 1968
ASSOCIATE COMMISSIONER, BUREAU OF ADULT, VOCATIONAL, AND TECHNICAL EDUCATION, OFFICE OF EDUCATION:		
Arthur L. Hardwick	July 1970	Present
Grant Venn	May 1966	June 1970
John R. Ludington (acting)	July 1965	May 1966

APPENDIX

Page

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| II  | Letter dated October 2, 1970, from the Assistant Secretary, Comptroller, Department of Health, Education, and Welfare, to the General Accounting Office                      | 70 |
| III | Principal officials of the Department of Labor and the Department of Health, Education, and Welfare responsible for the administration of the institutional training program | 72 |

ABBREVIATIONS

- |      |   |
|------|---|
| CEP  | Concentrated Employment Program                           |
| DHRD | California State Department of Human Resource Development |
| GAO  | General Accounting Office                                 |
| HEW  | Department of Health, Education, and Welfare              |
| JOBS | Job Opportunities in the Business Sector program          |
| MDTA | Manpower Development and Training Act of 1962, as amended |