

92d Congress }  
1st Session }

COMMITTEE PRINT

MATERIAL RELATED TO H.R. 1

WORK AND TRAINING  
PROVISIONS

---

COMMITTEE ON FINANCE  
UNITED STATES SENATE  
RUSSELL B. LONG, *Chairman*



JULY 23, 1971

Prepared by the staff and printed for the use of the Committee on Finance

---

U.S. GOVERNMENT PRINTING OFFICE

64-014 O

WASHINGTON : 1971

5362-14

**COMMITTEE ON FINANCE**

**RUSSELL B. LONG, Louisiana, Chairman**

**CLINTON P. ANDERSON, New Mexico**  
**HERMAN E. TALMADGE, Georgia**  
**VANCE HARTKE, Indiana**  
**J. W. FULBRIGHT, Arkansas**  
**ABRAHAM RIBICOFF, Connecticut**  
**FRED R. HARRIS, Oklahoma**  
**HARRY F. BYRD, Jr., Virginia**  
**GAYLORD NELSON, Wisconsin**

**WALLACE F. BENNETT, Utah**  
**CARL T. CURTIS, Nebraska**  
**JACK MILLER, Iowa**  
**LEN B. JORDAN, Idaho**  
**PAUL J. FANNIN, Arizona**  
**CLIFFORD P. HANSEN, Wyoming**  
**ROBERT P. GRIFFIN, Michigan**

**TOM VAIL, Chief Counsel**

**(II)**

## CONTENTS

Charts:	Page
1. The WIN program has not kept pace with increases in the welfare rolls.....	3
2. What happened to 551,000 AFDC recipients found appropriate for referral to WIN?.....	5
3. Win dropouts.....	7
4. Status of WIN enrollees.....	9
5. Few WIN enrollees participate in other Labor Department Manpower programs.....	11
6. Waiting continues to be a major activity of WIN enrollees....	13
7. An increasing number of WIN trainees cannot find jobs.....	15
8. Registration and work requirements.....	17
9. Work and training provisions—1.....	19
10. Work and training provisions—2.....	21
11. Labor Department plans for OFF registrants.....	23
12. H.R. 1: What each dollar earned will cost a family of four in Wilmington, Del.....	24
13. H.R. 1: What each dollar earned will cost a family of four in Chicago, Illinois.....	26
14. H.R. 1: What each dollar earned will cost a family of four in New York City, N.Y.....	28
The work incentive program and related provisions of H.R. 1:	
Present law.....	33
Impact of the work incentive program during its first 2½ years....	34
Comparison of 1970 Senate bill and H.R. 1.....	36
Tables:	
1. Work incentive program: Enrollment, dropouts, and placement.....	43
2. Work incentive program: Budget plan.....	44
3. Status of WIN enrollees.....	45
4. Work incentive program: Cumulative enrollees, terminations and end-of-month enrollment by State, actual June 30, 1970, and December 31, 1970, and estimated June 30, 1971 and 1972.....	46
5. Number of work incentive program enrollees in on-the-job training or in special work projects (public service employment), by State, April 1971.....	48
6. Persons leaving the WIN program, by State, as of April 30, 1971.....	50
7. WIN enrollees ready for jobs, in jobs, and waiting for jobs.....	53
8. Work incentive program: Holding categories as a percent of end-of-month enrollment (E.O.M.), by month, May 1970 to April 1971.....	54
9. Amount received by a family of 4 with 1 member in training.....	55
10. Selected characteristics of WIN enrollees by year.....	57
11. Number of WIN enrollees and graduates at work.....	57
12. Work incentive program: New entrants, terminations, and month-end enrollments by month, May 1970 to April 1971.....	58
13. Average hourly wages and average hours worked per week of WIN employed graduates, by major occupational category, fiscal years 1971 and 1970.....	59
14. Average hourly wages and average hours worked per week of WIN employed graduates by major occupational category, July 1, 1970 to March 31, 1971.....	60
15. Cumulative Federal dollar amounts obligated and authorized slot levels by State as of April 30, 1971.....	62
Excerpt from 1971 Auerbach Report.....	65
Labor Department memorandum on status of implementation of 1970 Auerbach Report recommendations.....	75

---

---

**CHARTS AND DESCRIPTION OF H.R. 1**

---

---

(1)

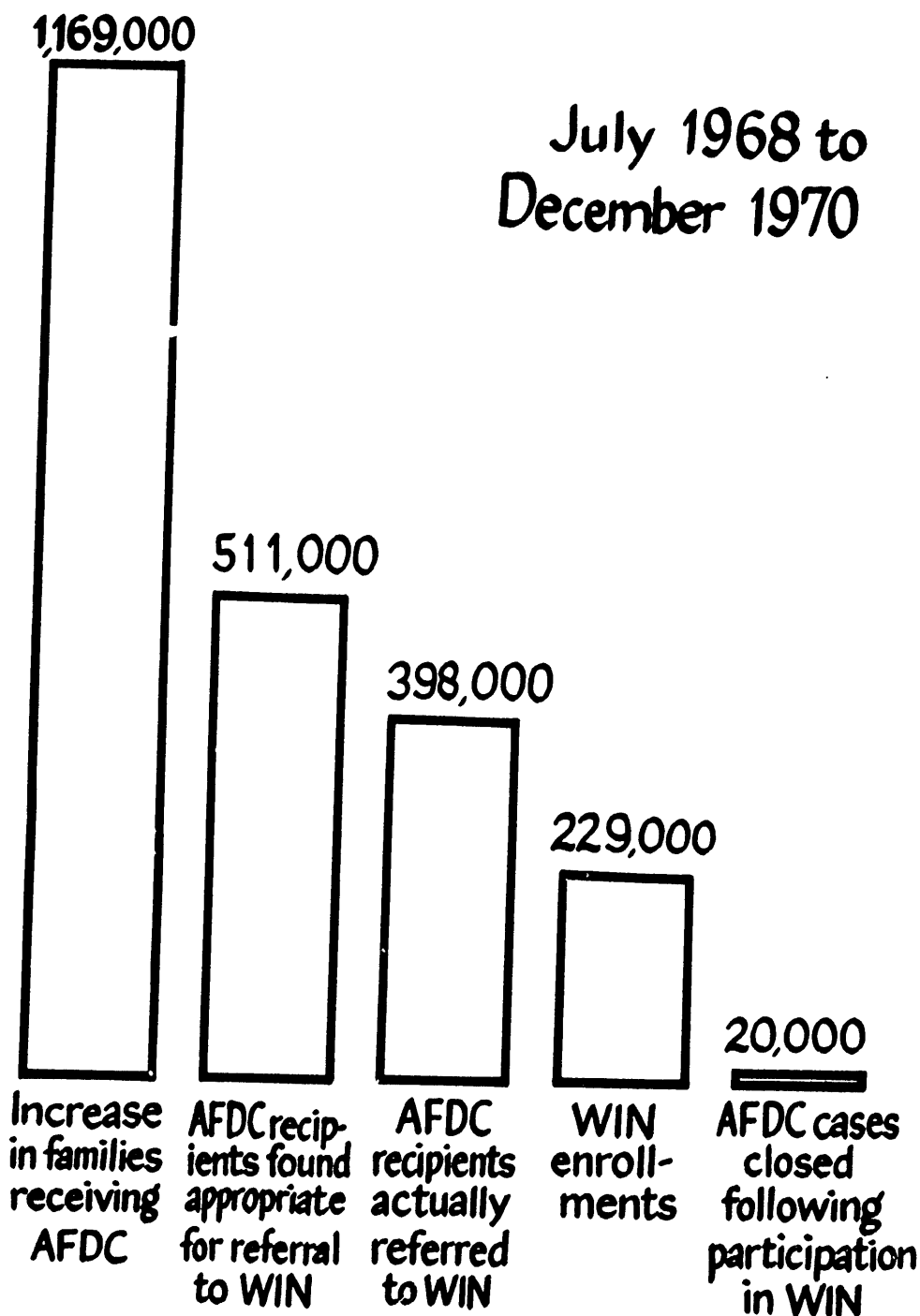
**Chart 1****The WIN Program Has Not Kept Pace With Increases in the Welfare Rolls**

Although the work incentive program was created in the hope that it would be an effective tool in helping welfare recipients to achieve greater economic independence, it has, in fact, had very little impact on the welfare rolls.

As the chart opposite illustrates, in the period since the WIN program began operating, from July 1968 to March 1970, there was an increase in the number of families receiving AFDC of 1,169,000. The total number of families receiving AFDC in December 1970 was 2,552,000.

During the first 2½ years of the WIN program, welfare agencies determined that 511,000 fathers, mothers, and other persons over age 16 receiving welfare were appropriate for referral for work and training. However, of those determined to be appropriate, only 398,000 were actually referred. And, of those referred by welfare agencies, only 229,000, less than one-half of those found appropriate, were enrolled in the work incentive program by the Department of Labor. Finally, only 20,000 AFDC cases closed within this period were attributable to employment or increased earnings following participation in WIN.

# The WIN Program Has Not Kept Pace with Increases in the Welfare Rolls



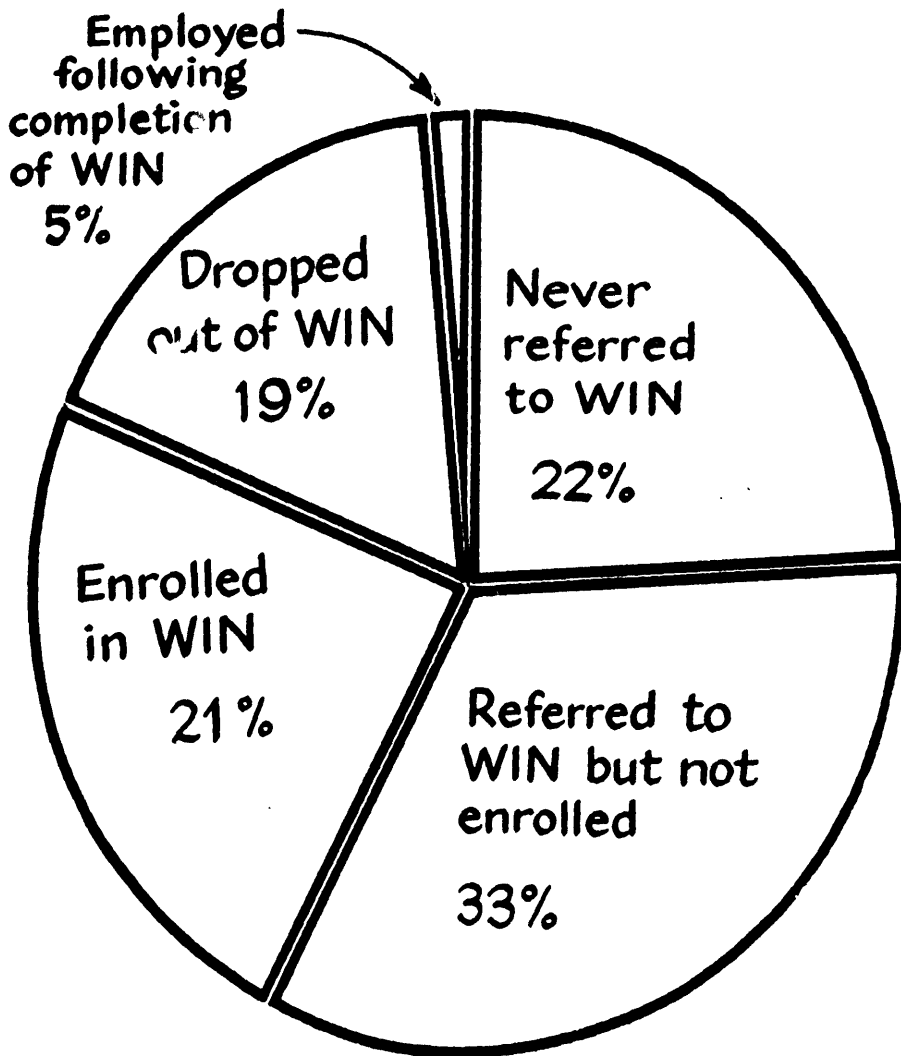
**Chart 2****What Happened to 511,000 AFDC Recipients Found Appropriate for Referral to WIN**

Under the Social Security Act, it is the responsibility of State welfare agencies to assess welfare recipients to determine whether they are appropriate for referral to work or training under the work incentive program. If an individual is found to be appropriate, he or she is then referred to the Department of Labor for enrollment in WIN.

However, as the chart opposite illustrates, nearly one-fourth of the 511,000 AFDC recipients found appropriate for referral in the first 2½ years of program were in fact never referred to WIN. One-third of those appropriate for referral were referred by welfare agencies but were never enrolled in the program by the Department of Labor. About 20 percent of those found appropriate were still enrolled in WIN on December 31, 1970, while another 19 percent had been enrolled in WIN but had dropped out with or without good cause. Only 5 percent of those found appropriate had fully completed their employability plans under the WIN program and were in jobs. Surveys indicate that after 180 days, one out of five of these individuals placed in jobs were no longer employed.

# What Happened to 511,000 AFDC Recipients Found Appropriate for Referral to WIN

(Status as of December 31, 1970)





## Chart 3

## WIN Dropouts

The chart gives a breakdown of dropouts from the work incentive program as of December 31, 1970.

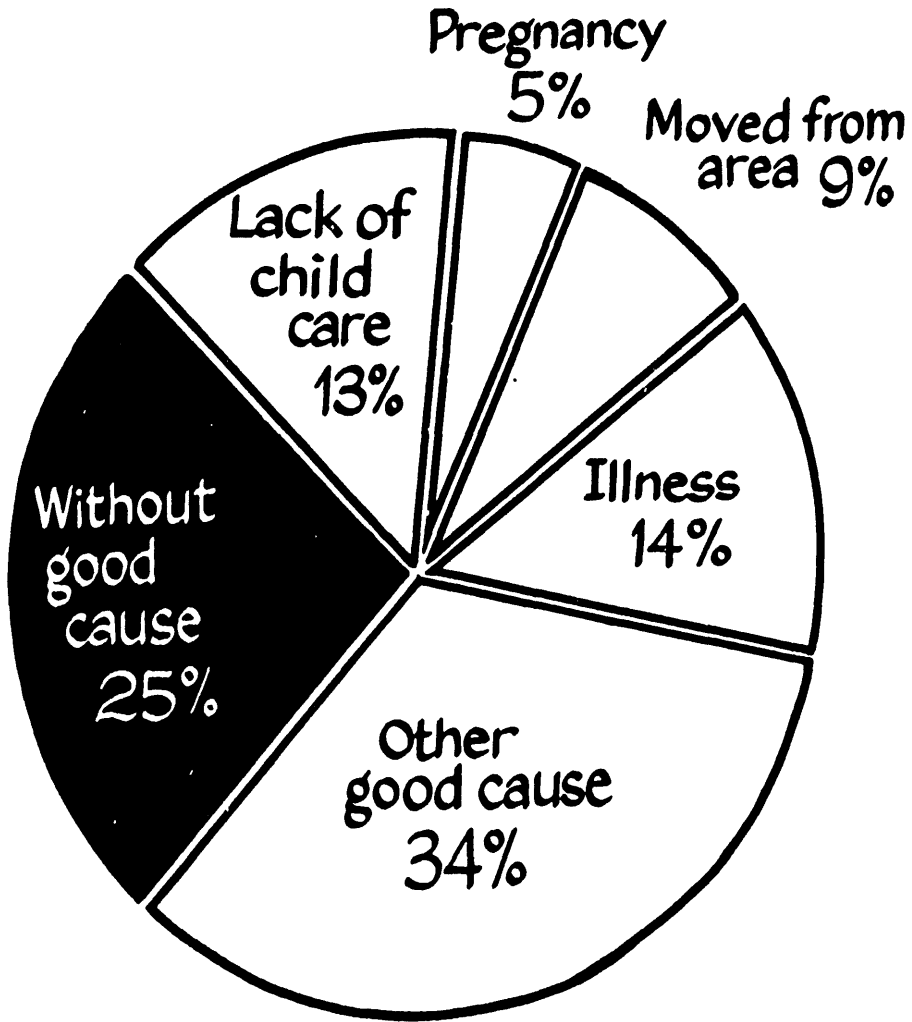
Of the 120,000 individuals who have terminated from the WIN program, 95,900 are dropouts. Of these dropouts, 24,500 were terminated without good cause, either refusing to continue in the program, being separated by administrative decision for misconduct, or else they could not be located.

The remaining 71,400 dropouts are categorized as leaving the program with good cause, and are broken down in the following manner:

Illness or pregnancy-----	18,000
Moved from area-----	8,400
Child care not available-----	12,000
Other good causes-----	33,000

# WIN Dropouts

(as of December 31, 1970)



**Chart 4****Status of WIN Enrollees**

This chart shows the status of the 106,200 enrollees in the work incentive program as of April 30, 1971. Of these individuals, 15,100 were awaiting their assignment to their next training component, while 5,200 were awaiting their first assignment. Another 7,400 individuals had completed their training but had not been placed in jobs. Together, these groups constituted 28 percent of the enrollees, constituting what the Labor Department terms the "holding" category. Persons in this category were not actually receiving any training.

By far the largest group of those enrolled in WIN were engaged in institutional training, which is composed of basic education (22,700 persons) and institutional skill training (25,900 persons). They received general upgrading of their education; often this training was not related to skills leading to employment. Another 8,700 were in orientation and assessment. Together these groups constituted 56 percent of the enrollees.

On-the-job training constituted about 1½ percent of the April enrollment, with 1,400 individuals so placed.

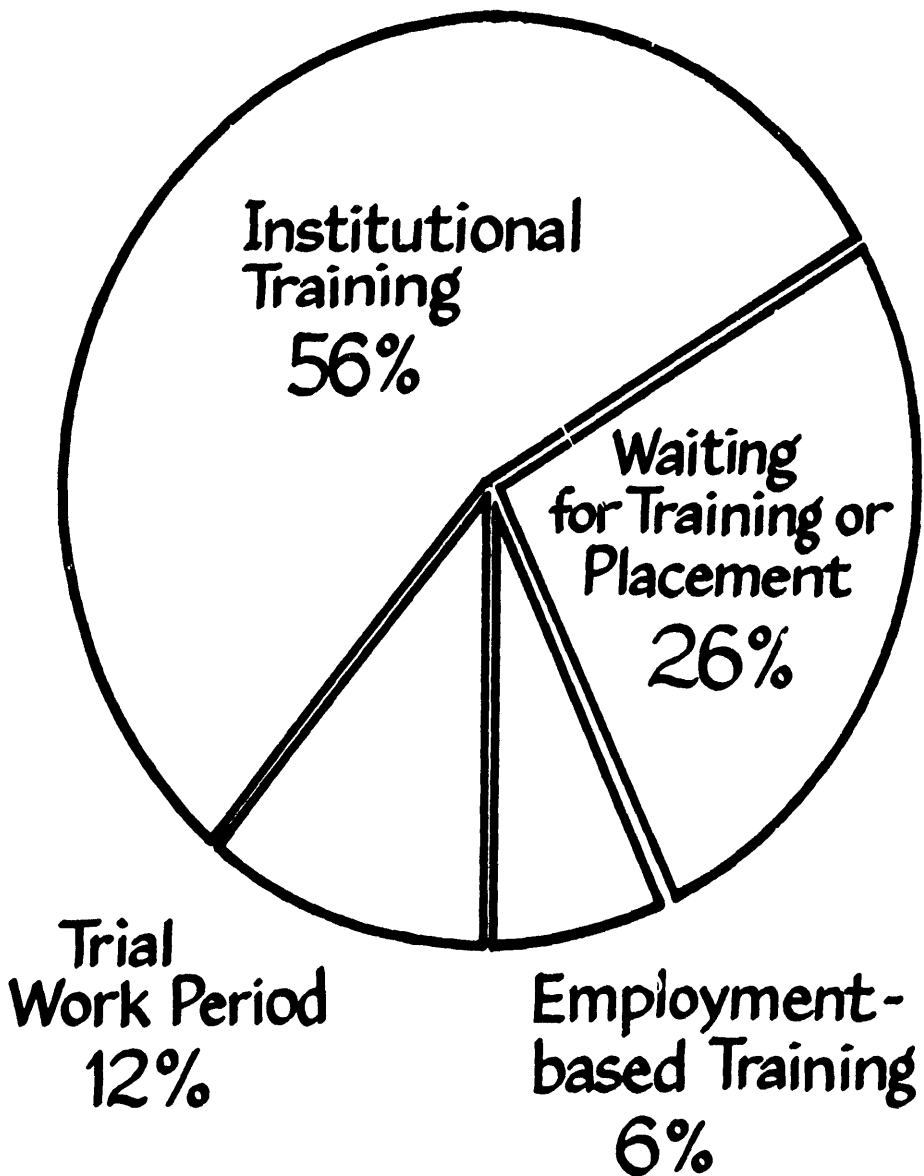
Special work projects (public service employment) constituted about 1 percent of the enrollment, with 1,100 participants.

Finally, in a trial work or followup status there were 12,900 participants. These individuals were actually on jobs but continued to be under the supervision of the WIN program for a 90- to 180-day period.

# Status of WIN Enrollees

(As of April 30, 1971)

106,000 Enrollees

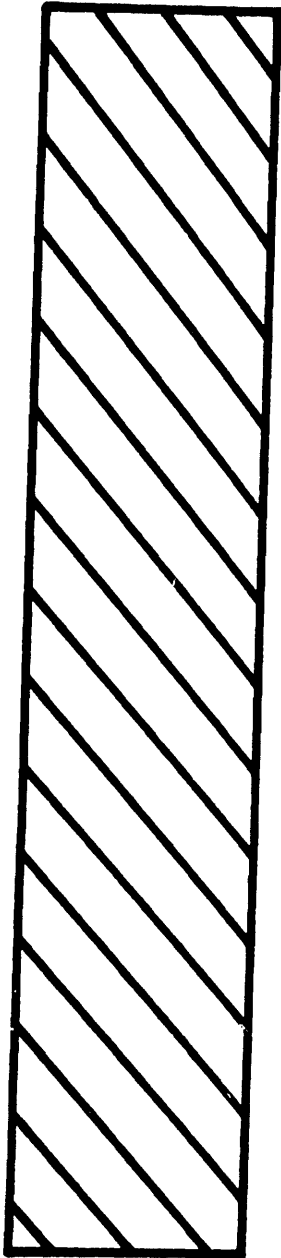


**Chart 5****Few WIN Enrollees Participate in Other Labor Department Manpower Programs**

Although the Labor Department has repeatedly stated that it has a vast array of manpower programs that are open to WIN participants, only a small proportion of WIN enrollees have actually participated in other manpower programs. As of December 31, 1970, out of a total WIN enrollment of 109,000, only 6,400 participants were enrolled in other manpower programs.

In testimony before the Finance Committee last year, Labor Department officials stated that much greater emphasis was to be given to getting WIN participants in the National Association of Businessmen's JOBS program. However, currently there are about 700 JOBS slots being used by WIN participants and this number has not increased appreciably within the last 6 months.

# Few WIN Enrollees Participate in other Labor Department Manpower Programs



WIN enrollment:  
109,000 as of  
Dec. 31, 1970

WIN participants  
in other Labor  
Department  
programs: 6,400

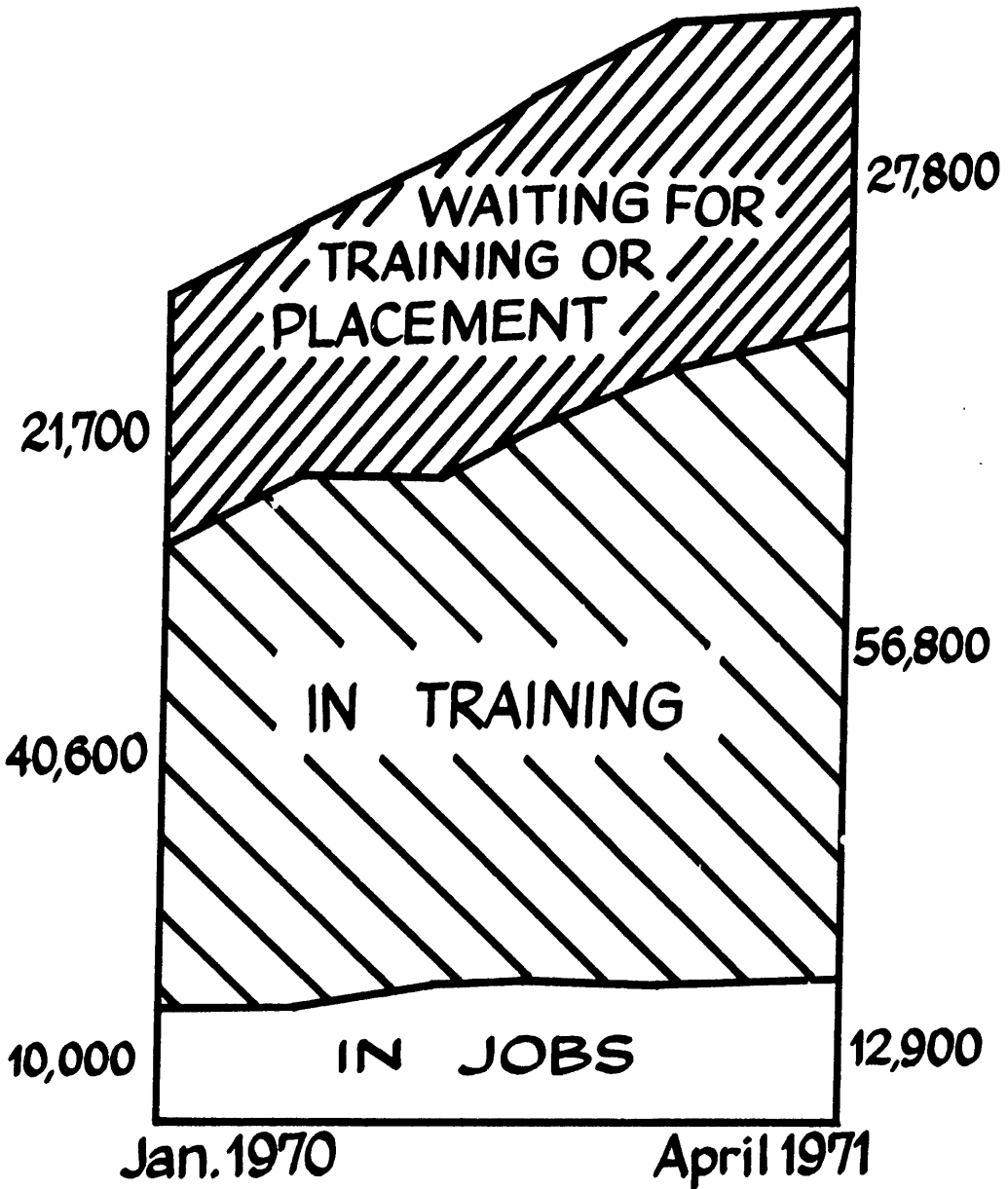


**Chart 6****Waiting Continues To Be a Major Activity of WIN Enrollees**

Waiting for training or placement, known as the "holding" category under the WIN program, continues to be a major component of the program. About 27,800 participants were in this category at the end of April 1971, including 5,200 individuals who were awaiting initial training; 7,300 individuals who were waiting between training components; 7,800 individuals who were waiting because of such problems as health or day care; and finally, 7,500 individuals who had finished their training course but who had not been placed on jobs.

The nature of those in the "holding" category has changed since January 1970 in that fewer persons are now waiting for initial training than 18 months ago; however, more participants are awaiting placement following completion of training.

# Waiting Continues to be a Major Activity of WIN Enrollees



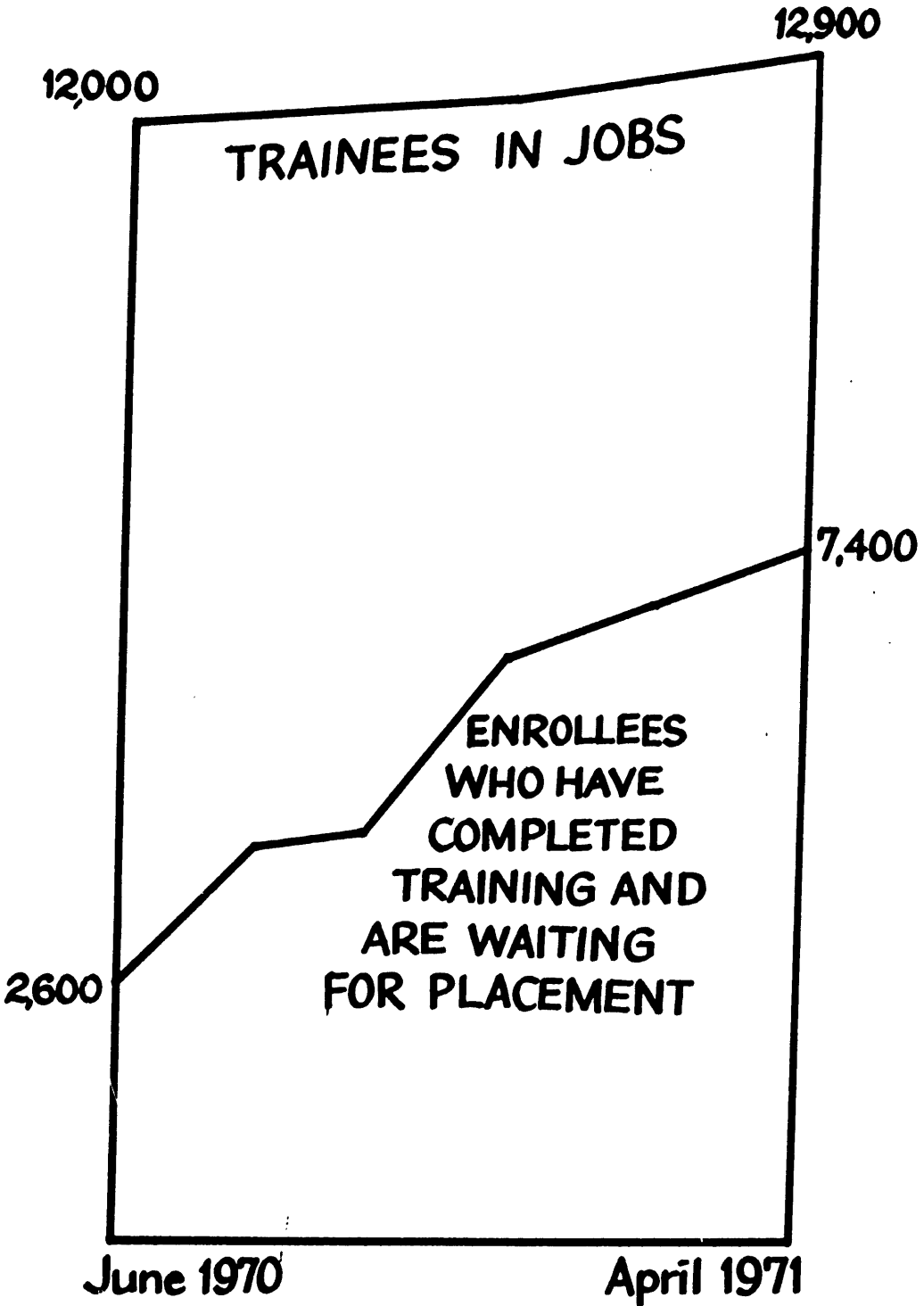


**Chart 7****An Increasing Number of WIN Trainees Cannot Find Jobs**

Although there have been an increasing number of participants in the work incentive program who have completed training, the number of trainees in jobs has remained almost constant since June 1970. As a result, the number of WIN enrollees who completed training and were awaiting placement grew almost threefold between June 1970 and April 1971.

Detailed figures are shown in the appendix on table 7 (p. 53).

# An Increasing Number of WIN Trainees Cannot Find Jobs



## Chart 8

### Registration and Work Requirements

Under present law, all "appropriate" welfare recipients must be referred by the welfare agency to the Labor Department for participation in the work incentive program. The following categories of persons are statutorily considered inappropriate: (1) Children who are under age 16 or attending school; (2) persons who are ill, incapacitated, or of advanced age; (3) persons so remote from a WIN project that their effective participation is precluded; and (4) persons whose presence in the home is required because of illness or incapacity of another member of the household. Persons may volunteer to participate in the work incentive program even if the State welfare agency finds them inappropriate for mandatory referral.

Under H.R. 1 recipients who are found available for work would be required to register with the Labor Department under the OFF program as a condition of eligibility for welfare. They would be found available for work unless they fit within category 1, 2, or 4 above or within one of these additional categories added by the bill: (1) A mother or other relative of a child under the age of 6 who is caring for the child (beginning July 1, 1974, mothers with children under age 3); and (2) the mother in a family in which the father registers. As under present law, an individual not required to register may do so voluntarily.

Last year's Senate bill, like H.R. 1, would have required registration of employable welfare recipients with the Labor Department as a condition of welfare eligibility; the Senate bill would in effect have required that at least 15 percent of the registrants in each State actually participate in the work incentive program. No such requirement appears in H.R. 1.

The 1970 Senate bill would also have established clear statutory direction in determining which individuals would receive employment or training by generally requiring the Secretary of Labor to accord priority in the following order, taking into account employability potential: (1) Unemployed fathers; (2) dependent children and relatives age 16 or over who are not in school, working, or in training; (3) mothers who volunteer for participation; (4) individuals working full time who wish to participate; and (5) all other persons.

Thus under the Finance Committee amendment no mother would have been required to participate until every person who volunteered was first placed. H.R. 1, on the other hand, would give the Secretary of Labor complete discretion in determining which categories of recipients would be given employment and training under the program, with the one exception that priority be given to mothers and pregnant women under 19 years of age.

The penalty for refusal to participate in work or training is generally the same under both bills. The Senate bill, like existing law, would require a cutoff of welfare benefits after Labor Department notification of refusal to participate without good cause. Under H.R. 1, the Labor Department alone would be able to cut off the payments of an individual who refused to participate.

# Registration and Work Requirements

## 1970 Senate Bill

- Registration required unless person is
  - child under 16 (or under 21 attending school)
  - ill, disabled, aged
  - too remote from training project
  - caring for ill member of household
  - mother of child under 6
- Registrants must be placed in work or training following these priorities:
  - 1)unemployed fathers
  - 2)dependent children and relatives 16 or over who are not in school, working or in training
  - 3)mothers who volunteer to participate
  - 4)all other persons
- Payment stopped for refusal to participate

## H. R. 1

- Registration required unless person is
  - child under 16 (or under 22 attending school)
  - ill, disabled, aged
  - mother in family where father registers
  - caring for ill member of household
  - mother of child under 3 (under 6 until 1974)
- Priority must be given to mothers and pregnant women under 19 years old; otherwise, Secretary determines who he will train and in what order of priority
- Same

**Chart 9****Work and Training Provisions—1**

A major criticism of the Work Incentive Program as administered by the Labor Department has been the lack of development of on-the-job training and public service employment, and the frequent lack of relationship between WIN training programs and local labor market needs.

The 1970 Senate bill would have required that 40 percent of the funds spent for the Work Incentive Program be for on-the-job training and public service employment. Under H.R. 1 the Secretary of Labor would decide what kind of training would be emphasized under the program and how training funds would be allocated. The Senate bill would have provided that training funds be allocated among the States on the basis of the number of registrants for work and training. The bill would also have required the Secretary of Labor to establish local labor market advisory councils whose function was to identify present and future local labor market needs; the findings of these councils would have served as the basis for local WIN programs. H.R. 1 provides for local advisory committees to report on the "effectiveness of the training and employment programs."

The 1970 Senate bill would have encouraged the expansion of public service employment by providing 100-percent Federal funding for the first year and 90-percent Federal funding of costs in subsequent years. If the public service employment project was in effect less than 3 years, Federal sharing for the first year would have been cut back to 90 percent.

H.R. 1 provides for a public service employment program which contemplates job opportunities for 200,000 people a year. During the first year of the program, fiscal 1973, an authorization of not more than \$800 million would be provided; the amounts for later years are not stated. Federal participation in the cost of an individual's participation in a public service employment program would be 100 percent for the first year of his employment, 75 percent for the second, and 50 percent for the third.

As an incentive for employers in the private sector to hire individuals placed in employment through the Work Incentive Program, the 1970 Senate bill would have provided a tax credit equal to 20 percent of the wages paid to these individuals, during their first 12 months of employment, to be at least partially recaptured if the employer terminated employment of an individual during the first 24 months of his employment. This recapture provision would not apply if the employee became disabled or left work voluntarily. No such tax incentive provision is provided in H.R. 1.

# Work and Training Provisions --1

## 1970 Senate Bill

- 40% of funds to be spent on employment-based training (OJT, public service employment); training funds allocated based on number of registrants for work and training
- For public service employment, 100% Federal funding for first year and 90% in subsequent years; matching for first year reduced to 90% if project in effect less than 3 years
- Tax credit for employer equal to 20% of first year's wages of WIN participant in OJT or regular employment if employment continues at least two years

## H. R. 1

- Secretary of Labor decides what kind of training to provide and how training funds will be allocated
- For public service employment, 100% Federal funding for individual's first year of employment, 75% for second year, 50% for third year; no Federal funding thereafter
- No provision

## Chart 10

## Work and Training Provisions—2

H.R. 1 would centralize responsibility for the provision of supportive services (those services necessary for an individual to participate in work or training) in the Department of Labor, and would provide that they be federally financed and administered. On the other hand, the 1970 Senate bill had approached the problem by various mechanisms which would coordinate Labor and HEW activities at the local and national level, and by increasing the Federal matching share for training and supportive services to 90 percent. The Senate bill would have required that a joint HEW-Labor committee be set up to assure that WIN forms, reports, and other matters were handled consistently between the two Federal departments; that local welfare agencies set up units with the responsibility for arranging supportive services for WIN participants; and that local welfare and manpower agencies set up joint operational plans specifying the kinds of training to be provided and the kinds of job development to be undertaken. In addition, the Senate bill would have required local welfare and manpower agencies to jointly develop employability plans for individuals to assure that individuals received the necessary supportive services and preparation for employment without unnecessary waiting.

Last year's Senate bill would not have changed the provision of present law involving the administrative responsibility for the manpower portions of the work incentive program. Though the Secretary of Labor has this statutory responsibility, the program is actually administered by State employment service offices. In the House report on H.R. 1, the Ways and Means Committee had this comment:

Such authority and responsibility under the new program is clearly lodged with the Secretary of Labor, not in an office of a State or local government. The Secretary could never be limited in carrying out his responsibilities by decisions made at those levels. While the WIN program has helped some recipients to become independent, it was a mistake to rely solely on State agencies in the administration of the program. For under those circumstances it is not possible to hold the Secretary of Labor entirely responsible for the results. Under the bill, however, this responsibility could not be avoided.

Your committee would give the Secretary of Labor the authority to administer the program in whatever manner will achieve the greatest results in reducing dependency. If he believes a particular State's employment service is the most effective instrument, he is authorized to use it. But first he must satisfy himself that that agency or any other non-Federal agency can do the job and achieve the necessary results. If no agency is available that meets his standards of performance the Secretary should administer the program directly.

The Senate bill would have continued the WIN training allowance under existing law of up to \$30 monthly. Under H.R. 1, this amount could be higher if his allowances under the Manpower Development and Training Act would be more than \$30 higher than his Federal OFF payment plus any State or local supplementary payment. It appears that in about half the States, this provision would result in a monthly training allowance of more than \$30.

## Work and Training Provisions -- 2

### 1970 Senate Bill

- Federal matching for training raised from 80% to 90%; matching for supportive services raised from 75% to 90%
- Supportive services provided by separate unit in welfare agency, in coordination with manpower agency
- Training allowance of up to \$30 a month
- Secretary of Labor statutorily responsible for WIN program; program actually administered by State employment service offices

### H. R. 1

- 100% Federal funding of training and supportive services
- Supportive services provided by Secretary of Labor
- Training allowance of at least \$30 a month
- House report states that if Secretary finds State employment service is not meeting his standards of performance, there will be direct Federal administration or administration by another non-Federal agency



**Chart 11****Labor Department Plans for OFF Registrants**

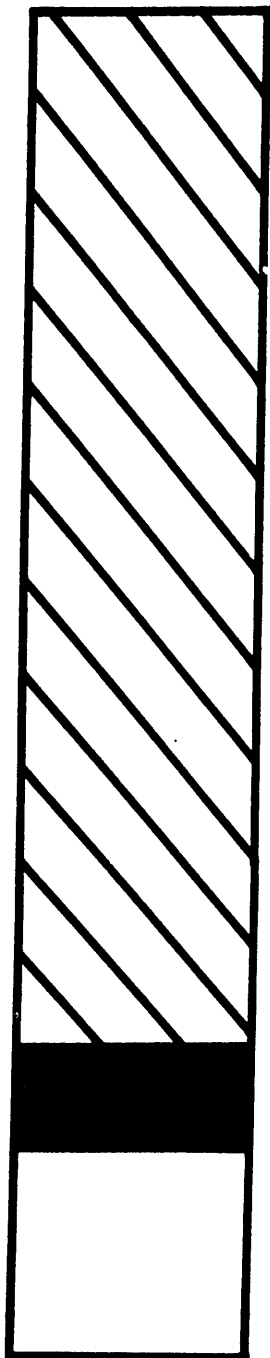
The administration has estimated that in fiscal 1973 there will be approximately 2.6 million families in which at least one of the members is deemed available for employment and registered with the Labor Department for work and training. Thus there will be at least 2.6 million registrants; of course, a number of these families will have two or more members who will have to register under the OFF program.

The Labor Department contemplates providing 200,000 public service employment jobs and training opportunities for slightly over 400,000 individuals in fiscal year 1973. This leaves about 2 million registrants under the program for whom no particular plans have been made. Quite a large number of them presumably will continue in their present jobs with income supplementation under H.R. 1; 75,000 training slots have been allowed for the job upgrading of the working poor.

The Labor Department stresses that other training opportunities will be made available under other manpower legislation. If the experience with the WIN program indicates the course of the new program, this may not be a substantial number since only about 6 percent of WIN enrollees are participating in other manpower programs.

**BEST COPY AVAILABLE**

# Labor Department Plans for OFF Registrants



Total: 2.6 million registrants

2.0 million: no particular plans

0.2 million: public service employment

0.4 million: training programs

Fiscal year 1973

Chart 12

**H.R.1: What Each Dollar Earned Will Cost a Family of 4 in Wilmington, Delaware  
(Mother with 3 children)**

	RANGE OF EARNINGS			
	0-\$1,000	\$1,000-\$2,000	\$2,000-\$3,000	\$3,000-\$4,000
Welfare reduction	\$ .19	\$ .67	\$ .67	\$ .67
Social security tax	.06	.06	.06	.06
State, Federal income tax	--	--	.01	.02
Medicaid deductible increase	.09	.33	.33	.33
Subtotal	.34	1.06	1.07	1.08
Increase in public housing rent	.15	.06	.06	.06
<b>TOTAL cost to family for each dollar earned</b>	<b>.49</b>	<b>1.12</b>	<b>1.13</b>	<b>1.14</b>

## H.R. 1: What Each Dollar Earned Will Cost a Family of Four in Wilmington, Delaware

Under H.R. 1, a family's assistance payment would be reduced by two-thirds of any earnings in excess of \$720 per year. Looked at in isolation, this appears to permit families to keep, as an incentive for increasing their earnings, the first \$720 per year of such earnings plus 33 cents out of every dollar above \$720. In practice, however, increased earnings would result in many other costs to the family in addition to the partial reduction in their assistance payments. This chart shows some of these costs as they would affect a family in Wilmington, Del., composed of a mother and three children. The four columns show for various earnings levels how much each additional dollar will cost the family in reduced assistance benefits, increased payments for social security and income taxes, an increase in the medicaid deductible under the provisions of H.R. 1, and the increased rent a family would have to pay for public housing under the administration's proposed housing legislation.

In the \$0 to \$1,000 range of earnings, the reductions are rather modest because the first \$720 of annual earnings is not taken into account in determining either the assistance payment or the medicaid deductible. Each additional \$1,000 of earnings, however, results in costs to the family which average more than \$1 in added cost for each \$1 of

added earnings. For example, a family increasing its annual earnings from \$2,000 to \$3,000 would have to pay out \$1.07 for every dollar of additional earnings. If the family lived in public housing, the total added cost for each dollar of earnings would be \$1.13. In other words, it would cost the family \$1,130 to increase its earnings from \$2,000 to \$3,000. This would be a net loss to the family of \$130.

The data in this chart with respect to the reduction in assistance, income taxes, and public housing rent are based on computations by the Department of Health, Education, and Welfare which assume that Delaware will supplement the basic Federal assistance payment of \$2,400 per year by \$216 which would maintain Delaware's existing payment level with an increase to compensate for the fact that food stamps or surplus commodities would no longer be available. The medicaid deductible would affect families to the extent that they have medical expenses. It is computed on the assumption that Delaware will set the medical assistance standard at the \$2,616 payment level although H.R. 1 would permit it to set that standard somewhat higher or lower. Social security tax costs are based on the employee taxes provided for in present law for 1973 and later years. The chart also assumes that the administration's public housing proposals will be enacted.

Chart 13

## H.R.1: What Each Dollar Earned Will Cost a Family of 4 in Chicago (Mother with 3 children)

	RANGE OF EARNINGS:					
	0- \$1,000	\$1,000- \$2,000	\$2,000- \$3,000	\$3,000- \$4,000	\$4,000- \$5,000	\$5,000- \$6,000
Welfare reduction	\$.19	\$.67	\$.67	\$.67	\$.67	\$.67
Social security tax	.06	.06	.06	.06	.06	.06
State, Fed'l income tax	---	---	---	---	.16	.19
Medicaid deductible increase	---	<u>.21</u>	<u>.33</u>	<u>.33</u>	<u>.33</u>	<u>.33</u>
Subtotal	.25	.94	1.06	1.06	1.22	1.25
Increase in public housing rent	<u>.15</u>	<u>.06</u>	<u>.06</u>	<u>.06</u>	<u>.06</u>	<u>.06</u>
TOTAL cost to family for each dollar earned	.40	1.00	1.12	1.12	1.28	1.31

### **H.R. 1: What Each Dollar Earned Will Cost a Family of Four in Chicago, Illinois**

This chart is similar to chart No. 12, but it shows the cost of each additional dollar of earnings at various earnings levels for a family composed of a mother and three children in Chicago, Illinois rather than in Wilmington, Del. The effects in both cities are comparable except that in Chicago the medicaid deductible would not be as large at earnings levels under \$2,000 on the assumption that Illinois continues its present practice of setting a medical assistance standard somewhat above its payment level for cash assistance. Also, because of the assumption that Illinois will supplement the basic Federal assistance payment, the family would continue to receive assistance until its earnings exceeded \$6,000. As a result, income taxes could be a significant cost factor for some families getting assistance. As in the Wilmington chart, this chart shows that families in Chicago who live in public housing and get assistance would find their earnings profitable only in the \$0 to \$1,000 range. Each \$1,000 of earnings above that level would cost the family \$1,000 or more in lost benefits, taxes, and increased fees and deductibles. Families not in public housing would be able to keep as a net gain 6 cents on the dollar from earnings in the \$1,000 to \$2,000 range. Above that, the costs incurred as a result

of increased earnings would exceed the amount of the earnings.

The data in this chart with respect to the reduction in assistance, income taxes, and public housing are based on computations by the Department of Health, Education, and Welfare which assume that Illinois will maintain its cash assistance levels with an increase to offset the loss of food stamps. The figures also assume that the administration's public housing proposals will be enacted. Social security tax costs are based on the employee taxes provided for in present law for 1973 and later years.

The medicaid deductible would affect families to the extent that they have medical expenses. It is computed on the assumption that Illinois will set a medical assistance standard higher than the cash assistance payment level in the same ratio as its current medical assistance standard bears to its payment level. The chart also assumes that, in reducing the State supplemental assistance, Illinois will follow the Federal practice of reducing benefits by only 67 percent of earnings above \$720. H.R. 1 would, however, permit the State to increase the reduction rate to as much as 100 percent in earnings ranges above \$4,320.

Chart 14

**H.R.1: What Each Dollar Earned Will Cost a Family of 4 in New York City  
(Mother with 3 children)**

	<i>RANGE OF EARNINGS:</i>	0- \$1,000	\$1,000- \$2,000	\$2,000- \$3,000	\$3,000- \$4,000	\$4,000- \$5,000	\$5,000- \$6,000	\$6,000- \$7,000
Welfare reduction		\$.19	\$.67	\$.67	\$.67	\$.67	\$.67	\$.67
Social security tax		.06	.06	.06	.06	.06	.06	.06
State, Federal income tax		---	---	.01	.03	.17	.20	.21
Medicaid deductible increase		---	---	---	---	---	.32	.33
<b>Subtotal</b>		<u>.25</u>	<u>.73</u>	<u>.74</u>	<u>.76</u>	<u>.90</u>	<u>1.25</u>	<u>1.27</u>
Increase in public housing rent		<u>.15</u>	<u>.06</u>	<u>.06</u>	<u>.06</u>	<u>.06</u>	<u>.06</u>	<u>.06</u>
<b>TOTAL cost to family for each dollar earned</b>		<b>.40</b>	<b>.79</b>	<b>.80</b>	<b>.82</b>	<b>.96</b>	<b>1.31</b>	<b>1.33</b>

### H.R. 1: What Each Dollar Earned Will Cost a Family of Four in New York City, N.Y.

This chart is similar to chart No. 12, but it shows the cost of each additional dollar of earnings at various earnings levels for a family composed of a mother and three children in New York City rather than in Wilmington, Del. The effects in both cities are comparable except that in New York there would be no medicaid deductible at earnings levels under \$5,000 on the assumption that New York continues its present practice of setting a medical assistance standard 33 percent above its payment level for cash assistance. Also, because of the assumption that New York will supplement the basic Federal assistance payment, the family would continue to receive assistance until its earnings exceeded \$7,000. As a result, income taxes could be a significant cost factor for some families getting assistance. Families in New York which get assistance are shown by this chart to have a net gain from their earnings at all earnings ranges below \$5,000. For families who do not live in public housing, the amount of this gain ranges from 75 cents on the dollar for earnings below \$1,000 to 10 cents on the dollar for earnings in the \$4,000 to \$5,000 range. Similarly, families in public housing have a net gain of 60 cents on the dollar for earnings below \$1,000 decreasing to 4 cents on the dollar for earnings between \$4,000 and \$5,000. Above \$5,000 for families

(whether or not in public housing) the added costs attributable to earnings exceed the amount of the increase in earnings.

The data in this chart with respect to the reduction in assistance, income taxes, and public housing are based on computations by the Department of Health, Education, and Welfare which assume that New York will maintain its January 1971 cash assistance levels with an increase to offset the loss of food stamps. The estimates also assume that the administration's public housing proposals will be enacted. Social security tax costs are based on the employee taxes provided for in present law for 1973 and later years.

The medicaid deductible would affect families to the extent that they have medical expenses. It is computed on the assumption that New York will set a medical assistance standard higher than the cash assistance payment level in the same ratio as its current medical assistance standard bears to its payment level. The chart also assumes that, in reducing the State supplemental assistance, New York will follow the Federal practice of reducing benefits by only 67 percent of earnings above \$720. H.R. 1 would, however, permit the State to increase the reduction rate to as much as 100 percent in earnings ranges above \$4,320.



**THIS PAGE INTENTIONALLY LEFT BLANK**

---

---

**THE WORK INCENTIVE PROGRAM AND  
RELATED PROVISIONS OF H.R. 1**

---

---

**THIS PAGE INTENTIONALLY LEFT BLANK**

## THE WORK INCENTIVE PROGRAM AND RELATED PROVISIONS OF H.R. 1

### Present law

The work incentive program was created by the Congress as part of the Social Security Amendments of 1967. It represents an attempt to cope with the problem of rapidly growing dependency on welfare by dealing with the three major barriers which prevented many of the women who headed families on welfare from becoming financially independent by working:

1. Many recipients lacked the skills necessary to find employment in today's labor market;
2. Day care was largely unavailable for the children of mothers on welfare who wished to work; and
3. Welfare reductions which generally equalled net wages provided little incentive to work.

The 1967 Social Security Amendments dealt with each of these barriers, establishing the new work incentive program for families receiving welfare payments administered partly by State welfare agencies and partly by the Department of Labor.

*Referral for work and training.*—The State welfare agencies were to determine which welfare recipients were appropriate for referral for work and training, but they could not require participation from persons in the following categories:

1. Children under age 16 or going to school;
2. Persons with illness, incapacity, advanced age, or such remoteness from a project that they would be precluded from effective participation in work or training; or
3. Persons whose substantially continuous presence in the home is required because of the illness or incapacity of another member of the household.

For all those referred, the welfare agency is required to assure necessary child care arrangements for the children involved. An individual who desires to participate in work or training is to be considered for assignment and, unless specifically disapproved, is to be referred to the program.

*Work and training program.*—Under the law the Secretary of Labor establishes an employability plan for each person referred. Persons referred by the State welfare agency to the Department of Labor must be handled according to three priorities. Under the first priority the Secretary of Labor places as many persons as possible without further preparation in employment or on-the-job training.

Under the second priority, all persons found suitable receive training appropriate to their needs and up to \$30 a month as a training incentive payment. After training as many persons as possible are placed in regular employment.

Under the third priority, the employment office is required to make arrangements for special work projects (public service employment)

to employ those who are found to be unsuitable for the training and those for whom no jobs in the regular economy can be found at the time. These special projects are to be set up by agreement between the employment office and public agencies or nonprofit private agencies organized for a public service purpose. It is required that workers receive at least the minimum wage (but not necessarily the prevailing wage) if the work they perform is covered under a minimum wage statute. In addition, the work performed under special projects may not result in the displacement of regularly employed workers.

A central idea of the public service employment program is that in most instances the recipient would no longer receive a check from the welfare agency. Instead, he would receive a payment from an employer for services performed. The entire check would be subject to income, social security, and unemployment compensation taxes, thus assuring that the individual would be accruing rights and responsibility just as other working people do. In those cases where an employee receives wages which are insufficient to raise his income to a level equal to (1) his welfare check plus (2) 20 percent of his wages, a welfare check equal to the difference would also be paid. In these instances the supplemental check would be issued by the welfare agency and sent to the worker.

*Penalty for refusal to participate.*—A refusal to accept work or undertake training without good cause by a person who has been referred must be reported back to the State agency by the Labor Department; and, unless such person returns to the program within 60 days (during which he would receive counseling), his welfare payment is required to be terminated. Protective and vendor payments are to be continued, however, for the dependent children to protect them from the faults of others. Very little information is available as to how many people have lost payments under this provision (although it would appear that very few recipients have) and the extent to which protective or vendor payments have been used.

*Non-Federal share.*—The States have to meet 20 percent, in cash or in kind, of the total cost of the manpower training program (excluding the special arrangements related to public service employment).

*Earned income disregard.*—Under the 1967 amendments the earned income of each child recipient who is a full-time student, or is a part-time student not working full time, is excluded in determining need for assistance. In the case of any adult or child who is not a student, the first \$30 of earned income plus one-third of the remainder of such income for the month is disregarded.

### **Impact of the Work Incentive Program During Its First Two and One-Half Years**

Funds were first appropriated for the work incentive program in July 1968. Operations under the program since that time have been disappointing, and it has had almost no impact on soaring welfare rolls. According to administration figures 511,000 welfare recipients were found appropriate for referral to the work incentive program through December 1970. However, 22 percent of those found appropriate were never actually referred to the work incentive program; and another 33 percent were referred but not enrolled. Of the 229,000

actually enrolled in the work incentive program between July 1968 and January 1970, about 96,000 enrollees (42 percent of the total) had dropped out of the program; 24,000 were employed following the completion of their training; and 109,000 were still in training or in "holding" status (that is, waiting for training or placement). During this same period, the number of families on welfare increased by 1,169,000.

*Auerbach report*

In 1969 the Department of Labor contracted with the Auerbach Corp. to study the operations of the work incentive program. The Auerbach Corp. conducted onsite evaluations in 23 cities and published a detailed report on each, as well as an overall appraisal of the work incentive program. The overall report has been reproduced by the committee in a committee print. The Auerbach report details the problems in implementing the work incentive program, and concludes: "The basic idea of WIN is workable—though some aspects of the legislation require modification" (p. 212 of the committee print). The Auerbach report points to the following as some of the reasons for the slow development of the work incentive program and its lack of impact on the welfare rolls:

1. On-the-job training, highly desirable because of its virtual guarantee of employment upon successful completion of training, has been largely ignored under the work incentive program.

2. Special work projects (public service employment) also provide actual employment for welfare recipients; although required by law to be established in all States, only one State has implemented this provision in a substantial way.

3. Lack of day care has had a great inhibiting effect on welfare mother participation in the program.

4. Lack of coordination between welfare and employment agencies has inhibited progress. In some cases, lack of referral of trainable people by some State welfare agencies has been a problem. Also, bureaucratic rivalry of long standing between welfare and employment agencies has been carried over to WIN in some States. This situation on the local level is compounded by some lack of coordination on the Federal level between the Department of Labor and the Department of Health, Education, and Welfare.

5. Lack of adequate transportation has been a serious problem for many WIN projects, affecting the enrollees' ability both to participate in the program and to secure employment.

6. Lack of medical supportive services (physical examinations and ability to remedy minor health problems) has been cited as a major problem.

7. Commenting on the need for job development, the Auerbach Corp. stated:

Although the WIN concept is built around jobs for welfare recipients, there has been little investigation of the labor market to determine exactly where and how jobs can be obtained, and how many jobs are actually available or likely to become available for WIN enrollees. Now that the program is underway, there is a growing feeling among local WIN staff that many participants, women in particular, will not obtain jobs in the already tightly restricted market existing in many communities.

### Comparison of 1970 Senate Bill and H.R. 1

*Referral for work and training.*—Under present law, all “appropriate” welfare recipients must be referred by the welfare agency to the Labor Department for participation in the work incentive program. The following categories of persons are statutorily considered inappropriate:

1. Children who are under age 16 or attending school;
2. Persons who are ill, incapacitated, or of advanced age;
3. Persons so remote from a WIN project that their effective participation is precluded; and
4. Persons whose presence in the home is required because of illness or incapacity of another member of the household.

Persons may volunteer to participate in the work incentive program even if the State welfare agency finds them inappropriate for mandatory referral.

Under H.R. 1 recipients who are found available for work would be required to register with the Labor Department under the OFF program as a condition of eligibility for welfare. They would be found available for work unless they fit within these categories:

1. Children who are under age 16 or attending school;
2. Persons who are ill, incapacitated, or of advanced age;
3. Persons whose presence in the home is required because of illness or incapacity of another member of the household.
4. A mother or other relative of a child under the age of 6 who is caring for the child (beginning July 1, 1974, mothers with children under age 3); and
5. The mother in a family in which the father registers.

The families with no employable member would be enrolled in the family assistance plan administered by the Department of Health, Education, and Welfare. As under present law, an individual not required to register may do so voluntarily.

Last year's Senate bill, like H.R. 1, required registration of employable welfare recipients with the Labor Department as a condition of welfare eligibility. The Talmadge amendment from which the Senate bill derived would also have exempted from mandatory registration individuals already working full time on the grounds that there was no need to require a full-time employee to leave work in order to undergo training so that he may be employed. The Senate bill would have required that at least 15 percent of the registrants in each State actually participate in the work incentive program. No such requirement appears in H.R. 1.

The Senate bill would also have established a clear statutory direction in determining which individuals would receive employment or training by generally requiring the Secretary of Labor to accord priority in the following order, taking into account employability potential:

1. Unemployed fathers;
2. Dependent children and relatives age 16 or over who are not in school, working, or in training;
3. Mothers who volunteer for participation; and
4. All other persons.

Thus, under the Senate bill no mother would be required to participate until every person who volunteered was first placed. H.R. 1, on the other hand, gives the Secretary of Labor complete discretion in determining which categories of recipients will be given employment and training under the program with the one exception that a priority is given to mothers and pregnant women under 19 years of age.

The refusal to work or train requirements are virtually the same under both bills. The Senate bill, as existing law, requires Health, Education, and Welfare to cut off benefits after Labor Department notification of refusal without good cause. Under H.R. 1, presumably, the Labor Department alone will be able to cut off the payments of an individual who refuses to participate.

*Public service employment and on-the-job training.*—A major criticism contained in the Auerbach report cited the lack of development of on-the-job training and public service employment under the work incentive program and the frequent lack of leadership between WIN training programs and local labor market needs.

H.R. 1 provides a public service employment program which contemplates job opportunities for 200,000 people a year. During the first year of the program (fiscal 1973) an authorization of up to \$800 million would be provided. The amounts for later years are unstated. Public service projects would be related to the fields of health, social service, environmental protection, education, urban and rural development and redevelopment, welfare, recreation, public facility, and similar activities.

Under both bills the Secretary of Labor would establish the programs through grants or contracts with public or nonprofit agencies and would provide safeguards for workers on such jobs. Under H.R. 1 wages could not be less than the higher of the prevailing or applicable minimum wage or the Federal minimum wage, whether or not the Federal minimum wage is applicable to the specific job. Under the Senate bill, as under existing law, for special work projects, no wages could be lower than the applicable minimum wage for the particular work concerned.

Federal participation in the costs of an individual's participation in a public service employment program under H.R. 1 would be 100 percent for the first year of his employment, 75 percent for the second year, and 50 percent for the third year.

The 1970 Senate bill would have required that 40 percent of the funds spent for the work incentive program be for on-the-job training and public service employment. The Senate bill would also have required the Secretary of Labor to establish local labor market advisory councils whose function would be to identify present and future local labor market needs. (H.R. 1 provides for local advisory committees to report on the "effectiveness of the training and employment programs" and related provisions.) The findings of this council, under the Senate bill, would have to serve as the basis for local training plans under the work incentive program to assure that training was related to actual labor market demands.

The Senate bill would also have encouraged the expansion of public service employment programs by providing 100-percent Federal funding for the first year and 90-percent Federal sharing of the costs in



subsequent years (if the project was in effect less than 3 years, Federal sharing for the first year would be cut back to 90 percent).

As an incentive for employers in the private sector to hire individuals placed in employment through the work incentive program, the Senate bill would have provided a tax credit equal to 20 percent of the wages paid these individuals, during their first 12 months of employment; the credit would be recaptured if the employer terminated employment of an individual before the end of 24 months. This recapture provision would not apply if the employee became disabled or left work voluntarily. No such tax incentive provision is provided in H.R. 1.

*Federal Administration of the WIN program.*—The problem of program coordination between the Department of Labor and the Department of Health, Education, and Welfare, at both the Federal and local level, has plagued the WIN program since its inception. Problems have arisen in coordinating the referral of recipients to the program, and in the provision of supportive services. Moreover, some questions have been raised as to the quality of administration of local manpower and welfare agencies. H.R. 1 would deal with this problem by placing authority and responsibility for the work and training program exclusively in the Secretary of Labor.

The House report on H.R. 1 states under the heading "Federalizing WIN":

Such authority and responsibility under the new program is clearly lodged with the Secretary of Labor, not in an office of a State or local government. The Secretary could never be limited in carrying out his responsibilities by decisions made at those levels. While the WIN program has helped some recipients to become independent, it was a mistake to rely solely on State agencies in the administration of the program. For under those circumstances it is not possible to hold the Secretary of Labor entirely responsible for the results. Under the bill, however, this responsibility could not be avoided.

Your committee would give the Secretary of Labor the authority to administer the program in whatever manner will achieve the greatest results in reducing dependency. If he believes a particular State's employment service is the most effective instrument, he is authorized to use. But first he must satisfy himself that that agency or any other non-Federal agency can do the job and achieve the necessary results. If no agency is available that meets his standards of performance the Secretary should administer the program directly.

H.R. 1 also centralizes responsibility for the provision of day care and other supportive services in the Department of Labor and provides that they be federally financed and administered. On the other hand, the Senate bill approached the problem by various mechanisms which would coordinate Labor and HEW activities at the local and national level, and by increasing the Federal matching share for training and supportive services to 90 percent. The Senate bill would have required that a joint Health, Education, and Welfare-Labor committee be set up to assure that WIN forms, reports, and other matters were handled consistently between the two Federal departments, that local welfare agencies set up units with the responsibility for arranging supportive services for WIN participants, and that local welfare and manpower

agencies set up joint operational plans which would specify the kinds of training to be provided and the kinds of job development to be undertaken. In addition, the Senate bill would have required local welfare and manpower agencies to jointly develop employability plans for individuals to assure that individuals receive the necessary supportive services and preparation for employment without unnecessary waiting.

*Earned income disregard.*—Under present law States are required, in determining need for AFDC, to disregard the first \$30 monthly earned by an adult, plus one-third of additional earnings. Costs related to work (such as transportation costs) are also deducted from earnings in calculating the amount of the welfare benefit.

Two problems have been raised concerning the earned-income disregard under present law. First, Federal law neither defines nor limits what may be considered a work-related expense, and under the very broad definition in Health, Education, and Welfare regulations this has led to a great variation among States, and to some cases of abuse. A woman in California was apparently able to successfully deduct \$300 per month, the cost of sending her son to a private school, as a necessary work expense. Secondly, some States have complained that the lack of an upper limit on the earned-income disregard has the effect of keeping people on welfare even after they are working full time at wages well above the poverty line. In New Jersey, for example, a mother with three children will ordinarily be able to remain eligible for welfare until her earnings are above \$7,000.

The Senate bill last year provided an earned-income disregard which offered a higher incentive for full time employment. It provided a disregard of \$30 per month plus one-third of additional earnings up to \$300, and one-fifth of amounts above \$300 for persons working part time. For individuals working full time, the disregard was \$60 plus one-third up to \$300 per month and one-fifth of amounts above \$300.

Under the provisions of H.R. 1, there would be a disregard, for Federal welfare payment purposes, of \$60 of monthly earnings plus one-third of earnings above \$60. The bill also provides that the State supplementary program could not undermine the Federal work incentive by providing that no reduction for earnings can be made in the State payment until the Federal breakeven point was reached. At that point, a reduction in benefits would be allowed, but not in excess of \$1 for each dollar earned.

H.R. 1 also provides a limit for the combined total earned-income exclusion for a family with respect to three items—student earnings, irregular earnings, and child care costs—of \$2,000 for a family of up to four members, with an increase of \$200 for each additional family member up to an absolute limit of \$3,000.

**THIS PAGE INTENTIONALLY LEFT BLANK**

---

---

## TABLES

*Table*

**THIS PAGE INTENTIONALLY LEFT BLANK**

TABLE 1.—*Work Incentive Program: Enrollment, Dropouts, and Placements*

	1970 actual	As of Dec. 31, 1970	1971 estimate	Percent change over 1970	1972 estimate	Percent change over 1971
<b>Training and incentives:</b>						
Cumulative number of welfare recipients found appropriate for referral.....	395, 215	534, 824	669, 000	+69. 3	989, 000	+47. 8
Cumulative enrollments to date.....	173, 300	228, 802	297, 800	+71. 8	484, 800	+62. 8
New enrollments.....	92, 400	55, 502	124, 500	+34. 7	187, 000	+50. 2
End-of-period enrollment.....	94, 500	109, 142	<sup>1</sup> 127, 000	+34. 4	191, 500	+50. 8
Average enrollment.....	80, 000		<sup>2</sup> 111, 500	+39. 4	160, 000	+43. 5
<b>Terminations:</b>						
Cumulative.....	78, 800	119, 660	170, 800	+116. 8	293, 300	+71. 7
During year.....	64, 000	40, 915	92, 000	+43. 7	122, 500	+33. 1
<b>Cumulative placements</b>						
Cumulative terminations to jobs.....	(15, 000)	(23, 691)	(37, 000)	(+146. 6)	(65, 000)	(+75. 7)
Currently in follow-up status.....	(12, 000)	(17, 304)	(13, 000)	(+8. 3)	(25, 000)	(+92. 3)
Average earnings.....	\$4, 000	\$4, 000	\$4, 000	0	\$4, 000	0

<sup>1</sup> Staff note: As of May 31, 1971, enrollment totaled 113,630.

<sup>2</sup> Staff note: Actual average enrollment for the first 11 months of the fiscal year was 107,302.

Source: Department of Labor, table furnished to House Appropriations Committee reprinted in hearings on 1972 budget held in May 1971.

TABLE 2.—*Work incentive program: Budget plan*

Activity	1971			1972		
	Average Enrollment	Unit cost	Total cost	Average enrollment	Unit cost	Total cost
On-the-job training.....	1, 200	\$1, 300	\$1, 560, 000	8, 000	\$1, 300	\$10, 536, 000
Institutional training.....	50, 800	1, 800	91, 480, 000	70, 000	1, 900	127, 190, 000
Work experience and orientation.....	7, 400	1, 600	11, 840, 000	19, 000	1, 600	30, 033, 000
Special work projects.....	6, 000	400	2, 400, 000	8, 000	400	3, 336, 600
Employability planning, job development and follow-up <sup>1</sup> .....	46, 100	250	11, 523, 000	55, 000	400	19, 845, 000
Program direction and evaluation.....			7, 480, 000			8, 136, 400
Subtotal, training and incentives.....	111, 500		126, 283, 000	160, 000		199, 077, 000
Preschool child care.....	69, 126	1 395	27, 304, 000	144, 000	1 430	61, 900, 000
School age child care.....	48, 036	1 277	13, 285, 000	56, 000	1 283	16, 100, 000
Subtotal, child care.....	117, 162		40, 589, 000	200, 000		78, 000, 000
Total, program costs.....			166, 872, 000			277, 077, 000

44

<sup>1</sup> Based on States' estimates.

<sup>2</sup> Staff note: On April 30, 1971, there were 1,149 enrollees in special work projects (see table 5).

<sup>3</sup> Staff note: Includes persons waiting for training or placement.

Source: Department of Labor, table furnished to House Appropriations Committee, reprinted in hearings on 1972 budget held in May 1971.

TABLE 3.—*Status of WIN enrollees*

[Comparative data on enrollments in WIN for April 1970 and April 1971, with percent of change]

	April 1970	April 1971	Percent change
End of month enrollment.....	89, 445	112, 336	+25. 6
Participating in other manpower programs.....	4, 523	6, 122	+35. 4
Orientation and assessment.....	6, 517	8, 697	+33. 5
Other institutional training.....	42, 337	50, 746	+19. 9
Basic education.....	19, 450	(22, 714)	+16. 8
Vocational training.....	18, 901	(25, 860)	+36. 8
Other training.....	3, 986	(2, 172)	-45. 5
Employment-based training.....	NA	6, 063	-----
On-the-job training.....	661	1, 416	+114. 2
Special work projects.....	976	1, 149	+17. 7
Other types of work experience.....	NA	3, 498	-----
Waiting ("Holding").....	22, 149	27, 824	+25. 6
Initial waiting, before any training.....	7, 096	5, 240	-16. 6
Waiting in between training or waiting for placement in jobs after training.....	15, 053	22, 584	+50. 0
Trainees in jobs.....	25, 029	44, 119	+76. 3
In jobs (still in follow-up period).....	12, 282	12, 879	+4. 9
In jobs (after 6-month follow-up period).....	12, 747	31, 240	+145. 1



TABLE 4.—Work incentive program: Cumulative enrollees, terminations and end-of-month enrollment by State, actual June 30, 1970 and Dec. 31, 1970, and estimated June 30, 1971 and 1972

State or possession	As of June 30, 1970			As of Dec. 31, 1970			As of June 30, 1971			As of June 30, 1972		
	Cumulative		End of month enrollment	Cumulative		End of month enrollment	Cumulative		End of month enrollment	Cumulative		End of month enrollment
	Enrollees	Terminations		Enrollees	Terminations		Enrollees	Terminations		Enrollees	Terminations	
Alabama.....	1,544	782	792	1,968	1,122	896	2,600	1,700	900	4,200	2,800	1,400
Alaska.....	620	319	301	782	449	303	900	500	400	1,500	900	600
Arizona.....	2,118	1,096	1,062	2,646	1,585	1,061	3,400	2,200	1,200	5,500	3,700	1,800
Arkansas.....	764	228	636	1,203	486	745	1,600	799	900	2,600	1,200	1,400
California.....	30,372	22,931	16,441	45,141	29,982	18,189	62,600	41,700	20,900	101,900	70,500	31,400
Colorado.....	3,600	1,363	2,227	5,066	2,486	2,578	6,600	3,700	2,900	10,700	6,300	4,400
Connecticut.....	3,086	1,766	1,369	3,889	2,434	1,489	6,089	3,449	1,689	8,169	4,769	2,449
Delaware.....	357	72	285	451	117	334	600	200	400	1,000	400	600
District of Columbia.....	2,111	964	1,127	2,508	1,566	942	3,300	2,100	1,200	5,400	3,600	1,800
Florida.....	2,453	710	1,743	3,833	1,359	2,474	5,200	2,100	3,100	8,500	3,800	4,700
Georgia.....	1,360	190	1,190	1,866	601	1,265	2,500	1,200	1,300	4,100	2,100	2,000
Hawaii.....	555	310	245	796	450	345	1,000	600	400	1,600	1,000	600
Idaho.....	937	439	498	1,220	744	476	1,600	1,000	600	2,600	1,700	900
Illinois.....	4,136	1,772	2,366	7,471	2,786	4,686	10,860	3,800	7,000	17,600	7,000	10,600
Indiana.....	111	1	110	735	101	634	1,300	500	800	2,100	900	1,200
Iowa.....	1,391	626	766	1,761	866	885	2,300	1,300	1,000	3,700	2,200	1,600
Kansas.....	1,326	734	592	1,773	1,060	713	2,300	1,500	800	3,700	2,500	1,200
Kentucky.....	3,027	1,183	1,844	3,666	1,975	1,691	4,400	2,600	1,800	7,200	4,500	2,700
Louisiana.....	1,667	621	1,046	2,164	865	1,279	2,900	1,600	1,300	4,700	2,700	2,000
Maine.....	593	246	347	890	404	486	1,200	600	600	2,000	1,100	900
Maryland.....	3,535	1,064	2,471	4,425	1,854	2,571	5,500	2,800	2,700	8,900	4,800	4,100
Massachusetts.....	6,473	3,528	2,945	9,394	5,262	4,042	12,100	7,100	5,000	19,700	12,200	7,500
Michigan.....	6,451	3,425	3,026	11,019	5,816	5,708	14,100	7,700	6,400	23,000	13,300	9,700
Minnesota.....	1,573	456	1,118	2,397	862	1,445	3,000	1,800	1,200	4,900	2,800	2,000
Mississippi.....	697	305	286	680	345	335	900	400	500	1,800	700	800

Missouri.....	2,837	1,128	1,212	2,982	1,808	1,366	3,700	2,200	1,500	6,000	3,700	2,300
Montana.....	792	442	350	1,017	643	374	1,400	900	500	2,800	1,500	800
Nebraska.....				498	188	843	700	300	400	1,100	500	600
Nevada.....	20		20	99	14	88	180	80	100	400	200	200
New Hampshire.....							180	80	100	400	200	200
New Jersey.....	5,650	3,082	2,588	6,913	4,164	2,749	8,700	5,800	2,900	14,200	9,800	4,400
New Mexico.....	514	190	424	823	389	434	1,000	500	500	1,800	800	800
New York.....	16,737	4,498	12,242	24,370	9,749	14,821	31,700	14,800	16,900	51,600	26,100	25,500
North Carolina.....	538	78	480	828	228	808	1,100	400	700	1,800	700	1,100
North Dakota.....	890	308	282	741	484	277	900	600	300	1,500	1,000	500
Ohio.....	6,701	2,919	3,782	8,880	4,637	4,023	11,300	6,900	4,400	18,400	11,800	6,600
Oklahoma.....	431	98	333	618	276	342	800	400	400	1,300	700	600
Oregon.....	2,897	639	2,068	3,624	1,891	1,733	4,700	2,700	2,000	7,600	4,000	2,600
Pennsylvania.....	10,612	4,398	6,216	14,079	6,906	7,174	18,400	10,400	8,000	29,900	17,800	12,100
Rhode Island.....	1,533	917	616	2,041	1,321	720	2,600	1,700	900	4,200	2,800	1,400
South Carolina.....	136	34	104	248	134	114	400	200	200	600	300	300
South Dakota.....	694	284	440	982	482	320	1,300	700	600	2,100	1,200	900
Tennessee.....	2,483	910	1,643	2,744	1,609	1,136	3,500	2,200	1,300	5,700	3,700	2,000
Texas.....	721	192	829	1,773	551	1,222	2,700	1,300	1,400	4,400	2,300	2,100
Utah.....	3,164	1,361	1,773	3,788	2,096	1,682	4,800	2,900	1,900	7,800	5,200	2,600
Vermont.....	601	320	261	894	460	404	1,200	600	600	2,000	1,100	900
Virginia.....	1,428	378	1,059	1,989	642	1,318	2,600	1,000	1,800	4,200	1,800	2,400
Washington.....	5,577	2,861	2,718	7,466	4,113	3,842	9,800	5,900	3,800	15,900	10,100	6,800
West Virginia.....	8,618	4,337	3,278	10,150	6,894	3,286	12,200	8,500	3,700	19,000	14,300	8,800
Wisconsin.....	2,986	1,169	1,777	3,863	1,821	2,042	5,100	2,700	2,400	8,300	4,700	3,800
Wyoming.....	276	100	118	371	221	140	500	300	200	800	500	300
Guam.....	189	69	107	239	107	122	300	150	150	500	200	300
Puerto Rico.....	5,277	1,941	3,236	6,619	2,966	3,664	8,240	4,240	4,000	13,300	7,200	6,100
Virgin Islands.....	79	41	38	126	86	40	180	110	80	300	200	100
<b>Total.....</b>	<b>173,000</b>	<b>78,800</b>	<b>94,400</b>	<b>228,802</b>	<b>119,660</b>	<b>108,162</b>	<b>297,800</b>	<b>170,800</b>	<b>127,000</b>	<b>484,800</b>	<b>298,300</b>	<b>102,800</b>

<sup>1</sup> June data not available: Illinois—May and June not available.

<sup>2</sup> November and December figures not available.

<sup>3</sup> Staff note: As of May 31, 1971, enrollment totaled 113,630.

TABLE 5.—Number of work incentive program enrollees in on-the-job training or in special work projects (public service employment), by State, April 1971

	Enrollees in on-the-job training	Enrollees in special work projects
Total United States.....	1,416	1,149
Alabama.....	5	0
Alaska.....	0	0
Arizona.....	57	0
Arkansas.....	27	0
California.....	510	7
Colorado.....	5	0
Connecticut.....	8	0
Delaware.....	0	0
District of Columbia.....	0	0
Florida.....	7	0
Georgia.....	36	0
Hawaii.....	8	0
Idaho.....	2	0
Illinois.....	18	0
Indiana.....	5	0
Iowa.....	0	0
Kansas.....	2	0
Kentucky.....	3	0
Louisiana.....	9	0
Maine.....	20	0
Maryland.....	8	0
Massachusetts.....	14	0
Michigan.....	33	4
Minnesota.....	5	0
Mississippi.....	19	0
Missouri.....	1	0
Montana.....	2	0
Nebraska.....	5	0
Nevada.....	1	0
New Hampshire.....	0	0
New Jersey.....	6	0
New Mexico.....	25	0
New York.....	59	0
North Carolina.....	5	0

TABLE 5.—*Number of work incentive program enrollees in on-the-job training or in special work projects (public service employment), by State, April 1971—Continued*

	Enrollees in on-the-job training	Enrollees in special work projects
North Dakota.....	0	0
Ohio.....	12	0
Oklahoma.....	28	0
Oregon.....	111	4
Pennsylvania.....	32	0
Rhode Island.....	1	0
South Carolina.....	5	0
South Dakota.....	9	0
Tennessee.....	11	0
Texas.....	13	0
Utah.....	6	1
Vermont.....	13	0
Virginia.....	1	0
Washington.....	9	75
West Virginia.....	158	901
Wisconsin.....	19	0
Wyoming.....	0	0
Puerto Rico.....	20	157
Virgin Islands.....	0	0
Guam.....	43	0

TABLE 6.—Persons leaving the WIN program, by State, as of April 30, 1971

State	Total Terminations	In jobs		Dropped out without good cause		Other dropouts	
		Number	Percent	Number	Percent	Number	Percent
Alabama.....	1,350	266	19.7	399	29.5	685	50.7
Alaska.....	508	74	14.5	113	22.2	321	63.1
Arizona.....	2,791	452	15.1	600	21.4	1,739	62.3
Arkansas.....	670	109	16.2	149	22.2	412	61.4
California.....	36,090	6,666	18.4	7,677	21.2	21,747	60.2
Colorado.....	3,899	785	20.1	721	18.4	2,393	61.3
Connecticut.....	3,067	686	22.3	161	5.2	2,220	72.3
Delaware.....	193	44	22.7	20	10.3	129	66.8
District of Columbia.....	1,743	726	41.6	378	21.6	639	36.6
Florida.....	2,026	280	13.8	693	34.2	1,053	51.9
Georgia.....	935	183	19.5	262	28.0	490	52.4
Hawaii.....	559	119	21.2	103	18.4	337	60.2
Idaho.....	924	110	11.9	240	25.9	574	62.1
Illinois.....	4,243	893	21.0	1,458	34.3	1,892	44.5
Indiana.....	265	16	6.0	56	21.1	193	72.8
Iowa.....	1,208	378	31.2	244	20.1	386	48.5
Kansas.....	1,288	280	21.7	299	23.2	709	55.0
Kentucky.....	2,461	292	11.8	562	22.8	1,607	65.2
Louisiana.....	1,203	393	32.6	141	11.7	669	55.6
Maine.....	543	105	19.3	132	24.3	306	56.3

Maryland.....	2, 193	702	32. 0	308	14. 0	1, 183	53. 9
Massachusetts.....	6, 953	886	12. 7	1, 528	21. 9	4, 539	65. 2
Michigan.....	6, 672	1, 359	20. 3	701	10. 5	4, 612	69. 1
Minnesota.....	1, 176	317	26. 9	176	14. 9	683	58. 0
Mississippi.....	635	143	22. 5	142	22. 3	350	55. 1
Missouri.....	1, 916	511	26. 6	674	35. 1	731	38. 1
Montana.....	798	183	22. 9	158	19. 7	457	57. 2
Nebraska.....	213	23	10. 7	62	29. 3	128	60. 0
Nevada.....	49	5	10. 2	7	14. 2	37	75. 5
New Hampshire.....							
New Jersey.....	4, 748	970	20. 4	1, 227	25. 8	2, 551	53. 7
New Mexico.....	558	69	12. 3	155	27. 7	334	59. 8
New York.....	13, 237	2, 058	15. 5	2, 908	21. 9	8, 271	62. 4
North Carolina.....	404	115	28. 4	19	4. 7	270	66. 8
North Dakota.....	698	173	24. 7	91	13. 0	434	62. 1
Ohio.....	5, 793	1, 661	28. 6	1, 489	25. 7	2, 643	45. 6
Oklahoma.....	386	72	18. 6	70	18. 1	244	63. 2
Oregon.....	2, 523	533	21. 1	294	11. 6	1, 696	67. 2
Pennsylvania.....	8, 911	2, 268	25. 4	1, 872	21. 0	4, 771	53. 5
Rhode Island.....	1, 618	345	21. 3	356	22. 0	917	56. 6
South Carolina.....	193	12	6. 2	35	18. 1	146	75. 6
South Dakota.....	583	103	17. 6	151	25. 9	329	56. 4
Tennessee.....	1, 947	422	21. 6	190	9. 7	1, 335	68. 5
Texas.....	897	56	6. 2	374	41. 6	467	52. 0
Utah.....	2, 753	540	19. 6	794	28. 8	1, 919	51. 5

TABLE 6.—Persons leaving the WIN program, by State, as of April 30, 1971—Continued

State	Total Termina- tions	In jobs		Dropped out without good cause		Other dropouts	
		Number	Percent	Number	Percent	Number	Percent
Vermont.....	630	142	22.5	65	10.3	423	67.1
Virginia.....	920	141	15.3	44	4.7	735	79.8
Washington.....	6,480	1,034	15.9	1,838	28.3	3,608	55.6
West Virginia.....	7,888	2,308	29.2	850	10.7	4,730	59.9
Wisconsin.....	2,315	695	30.0	440	19.0	1,180	50.9
Wyoming.....	287	89	31.0	19	6.6	179	62.3

TABLE 7.—*WIN enrollees ready for jobs, in jobs, and waiting for jobs*

Month and year	Current WIN partici- pants ready for jobs, total	Current participants actually in jobs and receiving follow-up services		Current participants in "holding" because job cannot be found	
		Number	Percent of total	Number	Percent of total
1970:					
June.....	14, 576	12, 016	82. 4	2, 560	17. 6
August.....	16, 551	12, 261	74. 1	4, 290	25. 9
October.....	17, 296	12, 881	74. 5	4, 415	25. 5
December.....	18, 662	12, 304	65. 9	6, 358	34. 1
1971:					
February.....	18, 494	11, 586	62. 7	6, 908	37. 3
April.....	20, 324	12, 879	63. 4	7, 445	36. 6



TABLE 8.—*Work incentive program: holding categories as a percent of end of month enrollment (E.O.M.), by month, May 1970–Apr. 1971*

Month and year	End of month enrollment	Non-program related holding	Nonprogram related holding as percent of end-of-month enrollment	Program related holding	Program related holding as percent of end-of-month enrollment	Job entry holding	Job entry holding as percent of end-of-month enrollment	Intake phase	Intake phase as percent of end-of-month enrollment
<b>1970:</b>									
May.....	92,075	2,247	2.4	13,648	14.8	1,648	1.8	7,288	7.9
June.....	94,555	5,657	6.0	11,138	11.8	2,560	2.7	7,203	7.6
July.....	97,181	5,948	6.1	11,717	12.1	3,720	3.8	7,094	7.3
August.....	100,189	6,463	6.5	13,792	13.8	4,290	4.3	7,136	7.1
September.....	102,834	6,008	5.8	12,141	11.8	4,413	4.3	6,728	6.5
October.....	104,451	5,860	5.6	10,800	10.3	4,415	4.2	6,043	5.7
November.....	106,563	5,616	5.3	10,711	10.1	4,731	4.4	6,028	5.7
December.....	109,142	7,790	7.1	9,263	8.5	6,358	5.8	6,930	6.3
<b>1971:</b>									
January.....	110,059	7,968	7.2	8,450	7.7	6,677	6.1	6,428	5.8
February.....	111,751	8,478	7.6	7,830	7.0	6,908	6.2	5,921	5.3
March.....	112,191	8,247	7.4	7,520	6.7	7,177	6.4	5,725	5.1
April.....	112,336	7,821	7.0	7,318	6.5	7,445	6.6	5,240	4.7

TABLE 9.—Amount received by a family of 4 with 1 member in training\*

State	Federal welfare payment under H.R. 1 plus State supple- mental plus \$30	Current MDTA
Alabama.....	\$230	\$233. 98
Alaska.....	405	294. 64
Arizona.....	230	264. 31
Arkansas.....	230	233. 98
California.....	251	303. 31
Colorado.....	265	316. 31
Connecticut.....	360	324. 98
Delaware.....	230	281. 65
District of Columbia.....	268	298. 98
Florida.....	230	220. 98
Georgia.....	230	246. 98
Hawaii.....	293	311. 98
Idaho.....	272	272. 98
Illinois.....	312	290. 31
Indiana.....	230	242. 65
Iowa.....	273	294. 64
Kansas.....	274	285. 98
Kentucky.....	230	255. 65
Louisiana.....	230	259. 98
Maine.....	230	246. 98
Maryland.....	230	281. 65
Massachusetts.....	344	277. 31
Michigan.....	293	307. 64
Minnesota.....	329	281. 65
Mississippi.....	230	220. 98
Missouri.....	230	277. 31
Montana.....	258	229. 65
Nebraska.....	230	255. 65
Nevada.....	230	272. 98
New Hampshire.....	324	264. 31
New Jersey.....	377	316. 31
New Mexico.....	230	251. 31
New York.....	366	294. 64
North Carolina.....	230	225. 32
North Dakota.....	291	264. 31
Ohio.....	230	281. 65
Oklahoma.....	230	216. 65

See footnotes at end of table.

TABLE 9.—Amount received by a family of 4 with 1 member in training\*—Continued

State	Federal welfare payment under H.R. 1 plus State supplemental plus \$30	Current MDTA
Oregon.....	\$255	\$259. 98
Pennsylvania.....	343	285. 98
Rhode Island.....	293	281. 65
South Carolina.....	230	233. 98
South Dakota.....	330	229. 65
Tennessee.....	230	233. 98
Texas.....	230	242. 65
Utah.....	242	255. 65
Vermont.....	334	277. 31
Virginia.....	291	242. 65
Washington.....	333	277. 31
West Virginia.....	230	212. 32
Wisconsin.....	247	303. 31
Wyoming.....	257	259. 98

\*Under H.R. 1, a family with one member in training would get the higher of the two amounts shown.

TABLE 10.—*Selected characteristics of WIN enrollees by year*

Characteristics	Fiscal year 1969	Fiscal year 1970	Fiscal year 1971 <sup>1</sup>
Total.....	100	100	100
Sex:			
Male.....	40	29	36
Female.....	60	71	64
Race:			
White.....	56	52	56
Negro.....	40	43	39
Other.....	4	5	5
Education:			
8th grade or less.....	31	24	19
9th through 11th.....	41	44	42
12th and over.....	28	32	39
Age:			
Under 22.....	16	22	27
22 to 44.....	74	71	68
45 and over.....	10	6	5
Head of household.....	91	85	85
Spanish surname.....	18	20	16

<sup>1</sup> To Mar. 31, 1971.

TABLE 11.—*Number of WIN enrollees and graduates at work*

	April 1970 <sup>c</sup>	April 1971
On-the-job training.....	661	1, 416
Special work projects.....	976	1, 149
Other work experience.....	NA	3, 503
At work and receiving follow-up services..	12, 282	12, 879
At work* after 90 or 180 day follow-up...	12, 747	31, 240
Subtotal.....		44, 119
Total.....	26, 666	50, 187

\*Staff note: Surveys of this group show that 80 percent are in jobs after 6 months.

TABLE 12.—*Work incentive program: New entrants, terminations, and month-end enrollments by month, May 1970 to Apr. 1971*

Month and year	New entrants	Terminations—			Dropouts without good cause	Other dropouts	End of month enrollment
		Total terminations	Completions				
1970:							
May.....	8,905	6,285	1,172	1,314	3,799	92,075	
June.....	8,909	6,429	1,152	1,488	3,789	94,555	
July.....	9,257	7,138	1,299	1,448	4,391	97,181	
August.....	9,377	6,369	1,320	1,341	3,708	100,189	
September.....	9,295	6,650	1,329	1,569	3,752	102,834	
October.....	8,068	6,445	1,378	1,388	3,679	104,457	
November.....	8,266	6,160	1,312	1,363	3,485	106,563	
December.....	10,732	8,153	1,982	1,716	4,455	109,142	
1971:							
January.....	10,856	9,152	1,975	2,039	5,138	110,059	
February.....	10,464	8,964	1,845	1,939	5,180	111,751	
March.....	9,099	8,659	2,032	1,846	4,781	112,191	
April.....	7,471	7,921	1,697	1,749	4,475	112,336	
Total <sup>1</sup> .....	266,649	154,313	31,240	32,052	91,021	-----	
				123,073			

<sup>1</sup> Cumulative totals.

TABLE 13.—Average hourly wages and average hours worked per week of WIN employed graduates, by major occupational category, fiscal years 1971<sup>1</sup> and 1970<sup>2</sup>

Major occupational category	Reports for employed graduates				Average hourly wage		Average hours per week	
	Fiscal year 1971		Fiscal year 1970		1971	1970	1971	1970
	Number	Percent of total	Number	Percent of total				
United States total.....	6,904	100	6,021	100	2.28	2.31	38.7	39.7
1. Professional, technical, managerial.....	824	12	410	7	2.58	2.59	38.4	39.1
2. Clerical and sales.....	2,043	30	1,362	23	2.17	2.15	38.6	39.2
3. Service.....	1,705	25	1,200	20	1.91	1.94	38.0	39.2
4. Farming, fishery, forestry.....	106	2	103	2	2.38	1.98	40.2	41.7
5. Processing.....	217	3	301	5	2.48	2.48	39.4	39.8
6. Machine trades.....	311	4	325	5	2.55	2.48	40.0	40.4
7. Bench work.....	364	5	414	7	2.11	2.15	39.7	39.6
8. Structural work.....	504	7	778	13	2.92	2.75	38.9	40.3
9. Miscellaneous.....	632	9	809	13	2.56	2.52	39.7	40.3
Occupation not reported.....	198	3	319	5	2.30	2.25	39.3	40.1

<sup>1</sup> Based on MA-104 reports received from July 1, 1970 through Mar. 31, 1971.

<sup>2</sup> Based on MA-104 reports received from Jan. 1, 1969 through May 31, 1970.

TABLE 14.—Average hourly wages and average hours worked per week of WIN employed graduates by major occupational category, July 1, 1970–Mar. 31, 1971<sup>1</sup>

Major occupational category <sup>2</sup> and principal occupational groups within categories	Number of employed WIN graduates	Average hourly wage	Average hours per week
United States total.....	6, 904	\$2. 28	38. 7
1. Professional, technical, managerial <sup>3</sup> .....	824	2. 58	38. 4
Nursing.....	30	3. 65	38. 1
Medicine and health <sup>4</sup> .....	281	2. 55	39. 1
Primary school and kindergarten education.....	38	2. 75	36. 1
Education <sup>4</sup> .....	39	2. 15	33. 8
Social and welfare work.....	236	2. 42	38. 0
2. Clerical and sales.....	2, 043	2. 17	38. 6
Secretarial work.....	134	2. 31	38. 4
Stenography.....	53	2. 16	38. 5
Typing.....	63	2. 37	37. 3
Filing.....	44	1. 93	38. 9
Stenography, typing, and related <sup>4</sup> .....	616	2. 16	38. 9
Bookkeeping.....	52	2. 20	38. 9
Cashiering.....	34	1. 96	39. 5
Teller service.....	25	2. 12	38. 4
Automatic data processing.....	132	2. 17	39. 3
Computing and account recording <sup>4</sup> .....	297	2. 11	38. 5
Stock checking and related.....	53	2. 15	38. 7
Mail sorting, stamping, recording and related.....	29	2. 35	39. 7
Telephone work.....	67	2. 13	39. 1
Reception and information dispensing.....	46	2. 03	37. 7
Miscellaneous clerical work <sup>4</sup> .....	41	2. 15	39. 4
Saleswork, commodities <sup>4</sup> .....	34	1. 90	36. 9
Sales clerking.....	41	1. 89	38. 1
Miscellaneous merchandising work <sup>4</sup> .....	49	2. 24	36. 4
3. Service.....	1, 705	1. 91	38. 0
Housework, domestic.....	66	1. 83	38. 0
Food serving.....	124	1. 48	36. 1
Cooking, large hotels and restaurants.....	35	1. 81	38. 8
Kitchen work <sup>4</sup> .....	61	1. 81	38. 1
3. Maid and related services, hotels.....	65	1. 68	38. 4
Barbering and related services.....	37	1. 96	40. 9
Beautician services.....	185	1. 72	36. 0
Masseur and related services.....	38	2. 47	37. 4
Attendant work, hospitals, and related health services.....	547	1. 88	39. 3
Miscellaneous personal services <sup>4</sup> .....	91	2. 09	35. 6
Guard and related services.....	28	2. 18	39. 9
Cleaning and related services.....	144	2. 25	37. 9
Janitorial service.....	67	2. 20	39. 9
4. Farming, fishery, forestry.....	106	2. 38	40. 2
Gardening and groundskeeping.....	48	2. 63	40. 0
5. Processing.....	217	2. 48	39. 4
Metal processing <sup>4</sup> .....	35	2. 68	40. 0
Ore refining and foundry work <sup>4</sup> .....	25	2. 83	40. 3
6. Machine trades.....	311	2. 55	40. 0
Metal machining <sup>4</sup> .....	30	2. 58	40. 0
Motorized vehicle and eng. equipment repairing.....	97	2. 62	40. 1

See footnotes at end of table.

TABLE 14.—Average hourly wages and average hours worked per week of WIN employed graduates by major occupational category, July 1, 1970–Mar. 31, 1971<sup>1</sup>—Continued

Major occupational category <sup>2</sup> and principal occupational groups within categories	Number of employed WIN graduates	Average hourly wage	Average hours per week
7. Bench work.....	364	\$2. 11	39. 7
Metal unit assembling and adjusting..	43	2. 19	40. 0
Assembly and repair of electronic components.....	43	2. 13	40. 0
Machine sewing, garment.....	30	1. 58	39. 5
Machine sewing, nongarment.....	50	1. 77	39. 4
8. Structural work.....	504	2. 92	38. 9
Transportation equipment assembling..	26	3. 05	40. 0
Combination arc and gas welding.....	30	3. 09	40. 0
Excavating and grading.....	27	2. 67	41. 1
Carpentry and related work.....	55	3. 01	39. 8
Miscellaneous construction work <sup>4</sup> .....	52	3. 00	39. 9
Miscellaneous structural work <sup>4</sup> .....	48	2. 52	40. 1
9. Miscellaneous.....	632	2. 56	39. 7
Heavy truck driving.....	61	2. 89	39. 5
Light truck driving.....	46	2. 50	40. 2
Passenger transportation <sup>4</sup> .....	32	2. 42	36. 7
Parking lot and related service work...	59	2. 11	41. 3
Packaging.....	98	2. 09	29. 7
Materials moving and storing <sup>4</sup> .....	78	2. 50	39. 4
Packaging and materials handling <sup>4</sup> .....	106	2. 51	39. 7
Extraction of minerals <sup>4</sup> .....	28	3. 73	40. 3
Occupations not reported.....	198	2. 30	39. 3

<sup>1</sup> Based on termination reports received July 1, 1970, through Mar. 31, 1971.

<sup>2</sup> Listed occupational groups are confined to occupations with 25 or more employed terminees and do not add to summary totals for major occupational categories.

<sup>3</sup> Includes categories which follow.

<sup>4</sup> N.s.c.—Nowhere else classified.



TABLE 15.—*Cumulative Federal dollar amounts obligated (for the period July 1, 1968, through Apr. 30, 1971) and authorized slot levels by State as of Apr. 30, 1971*

State or possession	Amount (in dollars)	Authorized slot levels
Total.....	<sup>1</sup> 268, 930, 704	127, 584
Total to States.....	218, 295, 580	
Alabama.....	2, 292, 547	1, 200
Alaska.....	1, 017, 460	360
Arizona.....	3, 772, 096	1, 680
Arkansas.....	1, 222, 299	950
California.....	41, 756, 948	16, 800
Colorado.....	4, 605, 880	2, 600
Connecticut.....	2, 663, 867	1, 600
Delaware.....	665, 991	350
District of Columbia.....	5, 090, 736	1, 440
Florida.....	4, 158, 580	3, 120
Georgia.....	1, 954, 053	1, 500
Guam.....	176, 264	120
Hawaii.....	644, 083	360
Idaho.....	815, 324	480
Illinois.....	6, 258, 032	5, 800
Indiana.....	947, 535	1, 000
Iowa.....	2, 219, 019	1, 260
Kansas.....	1, 845, 037	1, 060
Kentucky.....	5, 261, 270	2, 400
Louisiana.....	2, 170, 392	1, 500
Maine.....	910, 919	675
Maryland.....	4, 827, 372	3, 000
Massachusetts.....	5, 789, 567	5, 050
Michigan.....	9, 019, 724	6, 500
Minnesota.....	2, 645, 831	2, 075
Mississippi.....	783, 531	400
Missouri.....	4, 423, 992	1, 650
Montana.....	1, 021, 500	410
Nebraska.....	677, 253	480
Nevada.....	91, 000	100
New Hampshire.....	200, 000	200
New Jersey.....	7, 178, 137	3, 000
New Mexico.....	882, 550	450
New York.....	24, 981, 100	16, 800
North Carolina.....	1, 147, 926	800

See footnotes at end of table.

TABLE 15.—Cumulative Federal dollar amounts obligated (for the period July 1, 1968, through Apr. 30, 1971) and authorized slot levels by State as of Apr. 30, 1971—Continued

State or possession	Amount (in dollars)	Authorized slot levels
North Dakota.....	701, 591	300
Ohio.....	6, 880, 087	4, 600
Oklahoma.....	844, 237	450
Oregon.....	3, 125, 857	1, 800
Pennsylvania.....	8, 302, 421	8, 000
Puerto Rico.....	6, 117, 255	4, 300
Rhode Island.....	1, 686, 495	750
South Carolina.....	373, 949	250
South Dakota.....	1, 145, 082	650
Tennessee.....	3, 631, 538	2, 400
Texas.....	2, 599, 786	1, 600
Utah.....	4, 379, 514	2, 050
Vermont.....	604, 318	630
Virginia.....	2, 933, 179	1, 800
Virgin Islands.....	156, 692	50
Washington.....	6, 554, 855	3, 000
West Virginia.....	9, 922, 776	5, 000
Wisconsin.....	3, 944, 241	2, 840
Wyoming.....	273, 892	135
Workmen's compensation.....	2, 750, 770	-----
Research.....	2, 955, 044	-----
Evaluation.....	2, 520, 193	-----
Federal salaries and expenses (for Manpower activities).....	<sup>2</sup> 8, 706, 962	-----

<sup>1</sup> Approximately 35,000,000 remained in the 4th quarter which was to be obligated by June 30, 1971.

<sup>2</sup> Authorized Federal positions as of Apr. 30, 1971: 227.

**THIS PAGE INTENTIONALLY LEFT BLANK**

---

---

## **EXCERPT FROM 1971 AUERBACH REPORT**

[Note: In addition to the 1970 Auerbach study of the WIN program (described in an earlier section of this pamphlet), the Auerbach Corp., on April 30, 1971, submitted a second report on the WIN program. The following excerpt (pages 65-77 of the second report) deals with major deficiencies of the WIN organizational structure.]

**THIS PAGE INTENTIONALLY LEFT BLANK**

## Excerpt From 1971 Auerbach Report

### MAJOR DEFICIENCIES OF THE WIN ORGANIZATIONAL STRUCTURE

The preceding Section describes the current organizational structure and staffing for WIN at all governmental levels within both agencies administering the program. This Section presents an analysis of that structure.

A major observation about the viability and effectiveness of WIN is that projects often operate successfully despite, rather than because of the organizational structure of the program. Because in most of the states visited for this study, the administrative system has negative and not positive effects upon WIN, this Section concentrates upon describing the major deficiencies of the organizational structure and relating them to program operations.

The three major weaknesses of the organization and staffing of the WIN program are:

- Organization of the program along administrative rather than programmatic lines, and the placement of the WIN administrative functions into the existing DoL and DHEW structures.
- No clear definition of roles and responsibilities of each level of government within each agency, and across agency lines.
- Inadequate staffing of the program throughout the system, with the exception of the staffing of the ES WIN teams.

#### *Administrative Organization Within the Existing Bureaucracy*

In creating any new program, two major organizational decisions must be made at the outset: (1) the relationship of the new program to existing agencies, and (2) the designation of a decision-making structure.

In the case of WIN, the decision was made to have the Department of Labor and the Department of Health, Education, and Welfare administer the program jointly, and to utilize the existing administrative management systems within these agencies to as great an extent as possible. Thus, in the majority of cases, responsibility for the various WIN program functions is divided according to the various administrative divisions of the national, regional, state and (to a lesser extent) the local DoL and DHEW agencies. Although WIN program units have, in most cases, been set up at all levels, these program units do not have authority over all WIN-related tasks. Consequently, the frequency with which decisions can be made primarily for programmatic considerations has been sharply curtailed.

Theoretically, there are many advantages to the type of overall program structuring by administrative function. This approach can make the most efficient use of the existing administrative divisions, and can aid in the process of closely coordinating a new program with the already existing functions of an agency. The cost of duplicating staff and equipment is eliminated for areas such as payments, budget, reporting, etc. Structuring the WIN program along administrative lines within the existing national, regional, state and local agency systems, however, has had negative results for three reasons.

First of all, *WIN is not like other programs run by DoL and DHEW.* The operating features of WIN are innovative and, in many respects, distinctly different from the operating features of other programs or

activities run by DoL or DHEW. The major difference is the inter-agency nature of the program. With the exception of the Title V and MDTA programs, the vast majority of DoL and DHEW programs are run exclusively by one agency or the other.

The special technical requirements of WIN program operation is the second feature which both distinguishes and isolates WIN from the majority of DoL and DHEW programs and makes the existing administrative structure inappropriate. Because WIN is a special inter-agency program dealing with a specific clientele, its procedures for budgeting, reporting, payments and provision of services to the client are not consistent with the procedures used in the majority of other programs. As a result, to fulfill WIN requirements, administrative division staff must perform special work which they may neither understand nor want to do.

Given these two major differences between WIN and other programs run by DoL and DHEW, the rationale for selecting a decision-making structure which utilizes line administrative units is not appropriate for this program.

The consequences of the failure to distinguish WIN functions from others carried on within the line agencies and their administrative divisions are numerous and seriously detrimental to program operations. Because at the national, regional, and state levels of government, line administrative personnel who perform such tasks as budgeting, monitoring, reporting, etc., cannot integrate WIN tasks into their work for other programs, they often ignore the unique requirements of WIN and fail either to produce the required documents, analyses and other outputs, or to produce accurate versions of their required work. In turn, the staff persons directly responsible for program planning and development cannot function effectively. At the local level, program personnel simply do not receive the support they need.

Or, in other cases, the misgivings of the existing bureaucracy about certain features of the WIN program make the line people reluctant to put forth their best effort in performing their WIN-related tasks. This tendency is particularly evident at the state level, where staff frequently confide that they ignore demands placed upon them because they do not consider the program to be worthwhile.

Still another consequence of the decision to place WIN within existing functional divisions is the total lack of coordination that exists even when a Coordinator, as at the state level, has overall programmatic responsibility. Regardless of where administrative tasks are performed, typically, no one person or unit has the formal responsibility or the necessary information to do planning, budgeting, monitoring and evaluation. Because this lack of coordination exists at all levels of government within each agency, one program unit can offer minimal assistance to another. Had WIN been structured so that management decision-making was based on programmatic considerations, this situation might never have come about.

The second key reason why the placement of WIN into the line agency bureaucracy was inappropriate is that *national and regional DoL and HEW have both been in the process of structural reorganization ever since the WIN program was initiated*. When WIN first began, the power and authority over program operations was lodged at the national office. During the course of the three year history of

the program, however, DoL and DHEW have been in the process of decentralizing this control to the regional level and of orienting the management structure of all regions to emphasize administrative rather than programmatic decision-making. As a result of this decentralization process, roles and responsibilities have shifted dramatically. This shifting has resulted in a great deal of confusion and misinterpretation of policies and procedures for the supervision of WIN operations in both agencies.

For example, although the reorganization of DoL increases regional responsibility for WIN, the DoL regions have not adjusted to their new role. Structurally, the Area Operations Offices, headed by Associate Regional Manpower Administrators, have most of the regional responsibility for WIN. At the present time, however, the Area Operations Offices are suffering from a lack of experience in WIN, from the shift from specialists to generalists and from the confusion caused by the recent reinstatement of a staff WIN specialist.

The effect of the DoL reorganization on state and local operations is very apparent. States are not receiving adequate information, training or technical assistance. The states, in turn, are not providing support to the local WIN offices. Staff from several states has been left to operate their WIN programs without any contact with regional or national personnel for a year at a time; several individuals stated that they do not even know the name of the persons at the regional offices with whom they should be working. It is not difficult to understand why these state personnel often express distress and dissatisfaction with Federal agencies in general and with this program in particular. Lacking national and/or regional direction, some states are violating numerous policies and procedures without even recognizing their mistakes.

The third reason why WIN is suffering from its submersion into the existing bureaucracy of DoL and DHEW is that *WIN is living in the shadow of a program not yet in existence*. The Administration's proposed Family Assistance Plan (FAP) has stolen the manpower-welfare limelight, not only in the public eye but to a large degree within the government as well. Although WIN is a little-known program with no public identity or "image", FAP has been subjected to very wide-ranging discussion in the media and is frequently regarded as a uniquely innovative approach to the welfare dilemma. (That WIN is, in some important respects, a "dry run" of FAP is almost entirely disregarded in the media.) The imminence of FAP's passage has had a demoralizing effect on agency staff. The feeling is widespread that WIN will soon be replaced by FAP, and that long-range planning for WIN, or efforts to improve WIN, are not warranted. The DHEW group charged with the pre-planning of FAP is much larger than the total of the agency's WIN-related apparatus; although the situation on the DoL side is not so striking, the WIN group has diminished in size and has lost some former members to the FAP Task Force. There is much more interest in FAP, up and down the government chain of command, than in WIN.

There is a clear sense in which some resolution of FAP's status is necessary to any serious discussion of how to improve WIN. If FAP does pass, will it put WIN out of business? If not, on what basis will WIN continue? If so, what will become of the present WIN machinery?



In the absence of any assurance that the program has a future, the task of whipping up interest—let alone enthusiasm—is nearly hopeless. And it scarcely makes sense to amend legislation, re-work guidelines, train staff, merge welfare and ES efforts, and undertake many of the other recommendations contained in this report and elsewhere, if the program is about to disappear.

It might be argued that this consideration is beyond the scope of an examination of the "WIN system," but it is painfully clear that the system is strongly affected by the anticipation of FAP. And until the future of FAP, and the relationship (if any) between FAP and the present WIN system is known, improving the WIN program is going to be an uphill struggle.

#### *Lack of Clear Definition of Roles and Responsibilities*

The second major deficiency of the WIN organizational structure is largely independent of the decision to place the program into the existing DoL and DHEW bureaucracy. In structuring the WIN program administration, both DoL and DHEW failed to clearly define and revise: (1) the definition of the functions which should be carried out by each agency level (national, regional, state, and local); and (2) what staff unit was responsible for each function. Irrespective of the type of management any decision structure selected (either an administrative structure as was chosen, or a programmatic orientation), the lack of a clear role definition for each component of the organization is a major deficiency causing numerous administrative problems. Given the administrative system selected, the efforts of this deficiency are magnified, since management function demands a very high level of coordination among the activities taking place within separate administrative divisions. Furthermore, the basis for this coordination lies in strict adherence to prescribed roles and interrelationships.

Within the national offices of both DoL and DHEW, there are a great number of divisions and bureaus which are theoretically contributing to the operation of WIN. Only a handful of these offices are actually staffed to accomplish their tasks, and as described earlier, several of these staff units have overlapping responsibilities for the program. As a result, certain tasks are not being performed because of lack of staff, and other functions are being duplicated or not performed because two or more staff units share responsibility for that function. Furthermore, many tasks which should be accomplished jointly by DoL and DHEW offices are often done separately or not performed at all.

The situation is no better at the regional offices. Restructuring has taken place at regional offices to correspond with the national office. The major responsibility for regional WIN liaison with the states now lies with the state generalists (even though the specialist concept has been revived). Because these generalists, who are not always familiar with WIN, are uncertain of their role, the scope of their WIN-related activity is typically determined by how much they desire to do or what pressures they receive from the national or state WIN staffs on a day-by-day basis.

On the state level the WIN staff in a majority of states admits that they do not have a clear definition of their responsibilities. As a result, the extent to which the state level of each agency contributes to the program varies dramatically. Some ES and welfare agencies funnel

a major portion of the responsibility to the local level; others maintain heavily centralized WIN operations at the state level.

It is only at the local level that one finds a semblance of definition of role and responsibility. The responsibilities of WIN team members have been more clearly differentiated, and these ES teams have, in many cases, pressured local welfare departments to assume certain defined tasks.

From this review of the existing structure at the Federal and state levels, it should be evident that the current organizational structure cannot be relied upon to adequately support the local WIN staff. There is too great an opportunity for staff at either the Federal or state levels to assume that a particular task does not fall within his area of responsibility. The tendency to "pass the buck" is very evident in the performance of numerous substantive support tasks, such as monitoring, evaluation, and budgeting, etc. Each of these tasks will be discussed in the following sections of this report. It is sufficient to note that lack of clear definitions of tasks is one casual factor creating problems in these substantive areas.

### *Insufficient Staffing Throughout the System*

The third area of administrative weakness is the insufficient staffing of the program throughout the system. This weakness includes: (1) the total number of WIN staff; (2) the staffing arrangements; (3) civil service requirements; and (4) staff training.

#### *Number of Staff*

At the national level, both the DoL and DHEW program units have been reduced in size. Although the policy of decentralization in both agencies has emphasized an increase in regional as opposed to national authority, regional offices do not have sufficient staff to assume additional responsibility for WIN. The number of regional people in both agencies who are responsible for WIN is minimal. In the DHEW regional offices, for example, no one person assigned the WIN responsibilities works full-time on the program. In the DoL regional offices, between July and December 1970, no position of WIN Specialist existed.

At the state level, ES and welfare have somewhat different staffing problems. Those state ES offices which have assigned a sufficient number of people to WIN have frequently been plagued by job vacancies and by division of responsibility by administrative rather than programmatic considerations.

In contrast to the ES staffing problems, state welfare agencies definitely have not assigned the necessary numbers of staff to WIN.<sup>1</sup> Staff welfare functions for WIN are generally accomplished on a crisis basis by staff temporarily relieved of their regular duties to work on WIN. Limited by their lack of program knowledge as well as by their relationship with line welfare staff, the state welfare staff for WIN can exert minimal influence on the local welfare offices.

In most cases, the local level staffing parallels the state level. Local ES WIN teams are generally adequately staffed; local welfare offices, however, have allocated far too few personnel. The result is that wel-

<sup>1</sup> Whether they could fill the positions or not is an open question.

fare supportive services are either performed by ES personnel or are not performed at all.

### *Organization of Staff*

Compounding the problem of insufficient number of staff is the tendency, at all levels of administration, to organize staff inefficiently. In both agencies, there has been a general reluctance to take the initiative for WIN to develop workable staffing patterns that can function in spite of obstacles imposed by the governing laws, rules, and regulations.

Reluctance to initiate workable staffing patterns is particularly evident in local welfare offices, where regular AFDC caseworkers perform WIN duties as well. With few exceptions, this organizational pattern has rarely worked to the advantage of the program.<sup>1</sup> When this type of organization is selected over alternative approaches, the AFDC caseworkers are less informed about WIN and spend less time providing supportive services to WIN enrollees than do the WIN caseworkers whose sole responsibility is WIN clients.

### *Civil Service Requirements*

WIN must operate in accordance with the existing civil service requirements, as well as in accordance with the legislation and agency guidelines. In several respects, this requirement has had a negative effect on the program. At the local level, WIN team positions are often filled by young, inexperienced people who are more interested in career advancement than they are in WIN, and who leave the program once they have gained valuable experience. Furthermore, in many states, restrictive civil service requirements have not been waived to permit capable and committed para-professional staff to perform professional duties. Finally, although the civil service system prides itself on offering a fair opportunity for advancement to all interested persons, the lengthy process of testing and selection frequently has a detrimental effect on WIN. Both the oral examination portion and other aspects of the selection process have delayed actual hiring for as much as six to eight months. When WIN positions have been left vacant, such delays have had a definite negative impact on the quality of program operations.

### *Staff Training*

The fourth and final aspect of WIN's weakness in staffing is the insufficient training provided by both DoL and DHEW. Given that the number of staff assigned to WIN is, in many instances, appreciably below the level of need, and that staffing patterns and civil service requirements are frequently detrimental to smooth program operation, it is necessary that all staff receive comprehensive and frequent program training.

Staff training is deficient at all levels of government in both agencies. Although at the inception of WIN, the national level Inter-Agency Task Force provided extensive training all over the country, at the present time, the national program people in both DoL and DHEW

<sup>1</sup>The exception to this generalization is agencies where AFDC caseloads are small enough to allow workers to deal both with clients who require special services as well as with all other clients.

are not offering any training at the state level. The emphasis on decentralization which exists in both DoL and DHEW has meant that the responsibility for training of state personnel has been delegated to the regional offices.

Although regional offices are designated the responsibility for training state level personnel, at the present time both the frequency and comprehensiveness of any training which is offered vary widely by region. Some regional personnel take it upon themselves to develop and offer a very sophisticated training package. Topics covered may include: preparation of the annual State Comprehensive Plan and Budget; joint ES-welfare operations; reporting and funding. Other regional offices offer minimal training or no training at all. Because the training offered by the regional offices is, in many instances, infrequent and incomplete, many state WIN personnel lack a clear understanding of the purpose and operation of the program.

The amount of staff training which is performed at the state level in order to inform local personnel varies by state. Although the BWTP guidelines outline specific topics to be covered in team training (Section 304), the adherence to these suggestions is relegated to the prerogative of each state. Training can be provided by both ES personnel and by local universities. In many states, local team members are permitted and encouraged to take advantage of in-service training opportunities.

The quality of staff training for WIN which is available at each level of government is affected by the larger framework in which that training is offered. The interagency administration of WIN necessitates joint training yet complicates the development of a training program which is appropriate for all parties. The Federal-state nature of the program demands that individual levels communicate program knowledge to each other through intergovernmental training sessions, yet contains a built-in deterrent to a smooth flow of information. Finally, the administrative rather than programmatic division of responsibility for WIN nicely separates the various functions for which staff training might be offered, yet creates a need to train scattered rather than centralized personnel. The weaknesses which characterize staff training, like the weaknesses of number and pattern of staffing, are a function of the WIN system.

#### SYNOPSIS

Three major weaknesses have characterized the organizational structure of WIN at the Federal, state and local levels of government. First of all, the program has been staffed according to administrative, as opposed to programmatic considerations, and has been submerged into the existing structures of both DoL and DHEW. The results have been that: many WIN staff people have not been thoroughly trained in program procedures, the hostility toward WIN of many line agency personnel has had a negative effect on the program; that overall coordination of WIN has been hindered; that WIN has suffered from the labor and welfare agency reorganizations which have been occurring; and that WIN has, more recently competed with the Family Assistance Plan for attention and support.

The second weakness which has characterized the organizational structure of WIN has been the lack of clear definition of roles and responsibilities. At all levels of government in both agencies, the specification of duties has remained unclear. Only at the local level of the Employment Service has there been detailed specification of staff tasks.

The third and final weakness which has characterized the organizational structure of WIN is in staff. The number of people who have been assigned to the program is severely inadequate. Particularly welfare staff, who are not separately budgeted for WIN, have been hard-pressed to accommodate WIN as well as non-WIN participants. Even DoL staff, who are separately itemized in the budget, have suffered from their inability to institute appropriate organizational patterns. Furthermore, inadequate staff training and civil service requirements have further aggravated the staffing problem.

In light of these deficiencies in the existing organizational structure for WIN, an attempt should be made to at least revise the existing structure, or at best to develop a new organizational structure appropriate for both agencies at all levels of government. The revised or innovative approach which is selected should ensure that personnel responsible for WIN are able to perform their duties with minimal interference from the non-WIN personnel in DoL and DHEW; informed of the role which they play in the WIN system and of their relationship to the other personnel in the program at their own and at other levels of government; and are adequately assigned and trained to perform their duties effectively.

---

---

## LABOR DEPARTMENT MEMORANDUM ON STATUS OF IMPLEMENTATION OF 1970 AUERBACH REPORT RECOMMENDATIONS

[NOTE: The Auerbach Corporation transmitted a report to the Labor Department "An Appraisal of the Work Incentive Program" on March 15, 1970. The findings of this report are summarized in the narrative description of WIN on page 35 of this pamphlet. The entire report is printed in the Committee Print "Reports on the Work Incentive Program," pages 195-345, August 2, 1970. The staff requested the Department of Labor to provide a status report on the implementation of the recommendations made by the Auerbach (1970) WIN study. The following memorandum for Jerome M. Rosow, Assistant Secretary of Labor for Policy, Evaluation, and Research was submitted in response to the staff request.]

**THIS PAGE INTENTIONALLY LEFT BLANK**

## Labor Department Memorandum on Status of Implementation of 1970 Auerbach Report Recommendations

U.S. DEPARTMENT OF LABOR,  
OFFICE OF THE ASSISTANT SECRETARY FOR MANPOWER,  
*Washington, D.C., July 20, 1971.*

Memorandum for Jerome M. Rosow, Assistant Secretary for Policy,  
Evaluation and Research.

Subject: Implementation of Auerbach Recommendations.

This is in response to your memorandum of June 30, 1971, regarding a request from Mr. Fred Arner of the Legislative Reference Service for a status report on the implementation of the recommendations made in the Auerbach WIN Evaluation. The first recommendation made in the final report was for the improvement of interagency liaison. During fiscal year 1971, the Department of Labor and the Department of Health, Education, and Welfare made concerted efforts to improve coordination between the two agencies at both national and regional levels. A joint program committee, an outgrowth of the interagency task force established in 1970, met regularly, and joint task force visits were carried out by national office staff. A joint instruction to the ES and Welfare agencies on sources of in-kind contributions to meet the 20 percent State matching requirements is in the final stages of preparation. Another joint issuance will establish a HEW/DOL WIN interagency working group to assure maximum cooperation and coordination at both regional and local levels.

The second major recommendation concerns the strengthening of social supportive services and is the area with which HEW should be most concerned.

The third recommendation calls for more intensive labor market analysis and job development. Several things are being done to strengthen this activity. First, reorganization of the regional offices has been completed making more staff available for monitoring and providing technical assistance to all manpower programs. Increased monitoring activities have enabled regional offices to uncover problem areas, especially in job development, and to deal more effectively with the heavy workload that individual project monitoring demands. In addition, a regional monitoring handbook has been developed and will be distributed to the regional offices during August 1971. This handbook will provide a uniform system and method for monitoring and will improve the gathering of useful information with which to evaluate WIN program performance. As monitoring coverage expands, program problems at the project level should be more quickly identified and solved. To improve job development activity there has been a marked expansion of job banks in fiscal year 1971. They have been increased from 42 in fiscal year 1970 to 88 at the present time. Job development became more difficult in fiscal year 1971 because fewer job opportunities were available. Although 15,791 enrollees were placed in jobs and completed the follow-up period this year and an additional 12,930 have been placed in jobs and are still in follow-up, the number of enrollees in the job entry holding category has doubled since the beginning of fiscal year 1971.

The following comments concern the "other recommendations" starting on page 14 of the report. These recommendations are being divided into three categories.



## I. RECOMMENDATIONS BEING IMPLEMENTED BY THE WIN PROGRAM

Encouragement of Civil Service to adopt procedures and salary levels needed to recruit and retain personnel required to make programs such as WIN succeed and to develop career ladders for all WIN staff, including coaches and clerks.

*Comment.*—National office continued to encourage regional and State offices to work with State civil service commissions to change salary levels and procedures that hinder WIN operations. Progress has been made, particularly in regard to salary levels and career ladders for coaches.

Recruitment and employment of more minority group staff for WIN projects particularly those which serve minority clients.

*Comment.*—Although this is not a problem in all areas, efforts continue to liberalize hiring requirements imposed by State civil service structures. The need for minority group members on WIN teams has been part of the WIN "philosophy" from the beginning and is stressed during training sessions and monitoring visits.

Use of a combination-of-skills approach to employability development, whether through the use of teams or not, and where teams are used full utilization of all specializations in employability planning and development, including participation of coaches.

*Comment.*—Progress continues in the utilization of the combination of skills or team approach to employability development. In the past year, several additional States have either adopted this idea or are in the process of implementing it. A Manpower Administration-Indiana University study is now being completed on the factors relating to success in the employability development team approach in WIN and CEP projects. Different team approaches will also be tried in the five WIN models to be installed in fiscal year 1972.

Institution of experimental education components for enrollees, as alternatives to standardized basic education and GED courses.

*Comment.*—Several additional learning labs have been approved and national office continues to receive favorable reports on the usefulness of these laboratories. Through the monitoring process we are encouraging States to develop innovative training methods.

Regular WIN monitoring of the quality of subcontract components and careful monitoring of work experience components, to ensure that they are really related to employability development, and are not just "busy work."

*Comment.*—These recommendations will be covered by the increased monitoring activities mentioned in the comment on the third major recommendation.

More diversity in vocational training and substantially increased utilization of on-the-job training.

*Comment.*—The availability of diversified training including OJT is, of course, vital to the program; and both have been stressed in the past. A simplified OJT system has been devised for WIN and will be available shortly to the States. Comments received from job development staff in two States who have been trained in the use of the new WIN-OJT system indicate that the new procedures greatly improve staff capability to interest employers in OJT contracts.

Provision of WIN petty cash funds to meet the immediate emergency needs of enrollees, such as transportation and lunch.

*Comment.*—Authorization for States to set up petty cash funds has been issued under program letter No. 2517, dated November 10, 1969.

Provision of additional counselors for WIN, to alleviate the backjam observed in many projects; in projects using teams, this could mean provision of two counselors to a team.

*Comment.*—An enriched staffing pattern has been possible for a year, and there should be no shortage of counselors as a result of inadequate funding for staff.

Issuance of joint, interagency guidelines.

*Comment.*—As mentioned in the comment on the first major recommendation, the HEW/DOL Program Committee has been working jointly on issuance of guidelines.

Reduction of overlapping reporting requirements and other paperwork by the use of standardized forms, acceptable to varying agencies and levels of government.

*Comment.*—HEW and DOL have established separate reporting systems so that a long-range effort would be required to implement this recommendation. There is also a basic difference in the kind of data needed by each Department that would make the effort difficult. Some reduction of reporting has taken place within DOL. The WIN and CEP programs are presently using standardized reporting forms.

Ongoing inservice training for all welfare and manpower staff directly involved in WIN and inservice training in vocational guidance and the labor market for WIN counselors.

*Comment.*—While most staff training is still being conducted by State agencies, eight of the largest WIN States have received considerable training of teams and staff in fiscal year 1971 under a technical assistance contract. We are currently involved in the preparation of a staff development program for employability development teams which will be installed in fiscal year 1972.

Consideration of alternatives to child care, such as development of jobs which coincide with school hours.

*Comment.*—This approach could be stressed but there has been no discussion at the national office level concerning it. Locally, arrangements like this can be, and are, being considered in individual employability plans. Local labor market conditions, specifically shift workers, make implementation of this recommendation unrealistic in many areas.

Preenrollment contact of referred clients, preferably in the form of a personal visit to the client's home by a member of a WIN team.

*Comment.*—This is an excellent idea that serves to reduce the "no show" problem and facilitates the enrollment process where it can be worked out. While this procedure is being followed in some individual projects, a national policy requiring preenrollment contact has not been issued because the coaches in many projects are already overworked, and in some cases, Welfare feels that Labor has no role until after actual enrollment.

Institution of subtle screening procedures to insure that persons with considerable work experience are not assigned to world-of-work classes.

*Comment.*—This component is being increasingly monitored under the reorganization of the regional offices.

Reduction in pressure to bring project enrollments up to "authorized levels" in areas where the problem is lack of adequate services and components.

*Comment.*—This is not a universal problem with WIN, although we are still underenrolled nationally. Where there is good cooperation on the project level, this has been worked out locally through a paper referral process. It should be mentioned here that Welfare is required by law to refer all eligibles.

More careful and flexible use of testing in employability planning.

*Comment.*—Although no national policy has been issued, States do have the authority to contract with other agencies if a wider variety of tests are needed than are available in the Employment Service. WIN is also testing and evaluating the use of work samples as a flexible means of determining trainee potential.

Development of public sector employment options for WIN graduates, where needed, including more imaginative use of special work projects.

*Comment.*—Problems continue to arise in implementing the WIN Special Works Projects component largely because of the complex financial arrangements of the program and the necessity for the State to contribute a large share of the participants' wages. However, an innovative approach to these projects is an important component in a Vermont experimental program.

Improvement of WIN physical facilities where needed, including private counseling offices or booths.

*Comment.*—There should be no program problem preventing the securing of adequate facilities for WIN, as this is negotiable between the States and regional offices as a part of the State plans and budgets. Any State can request permission to obtain facilities for individual projects.

## II. RECOMMENDATIONS THAT ARE THE PRIMARY CONCERN OF HEW

Adoption of equitable income disregards for men as well as women.

Prereferral physical examinations for all clients selected for WIN.

Adoption of uniform screening, assessment and referral criteria.

Consideration of WIN child care needs as part of a national child care needs assessment.

Adherence to regulations requiring welfare department to develop adequate child care plans for mothers referred to WIN.

Provision of in-service training for persons charged with arranging child care.

Institution of national program to provide college courses in child care provision, and to encourage qualified persons to enter this field in greatly increased numbers.

III. RECOMMENDATIONS THAT CANNOT BE IMPLEMENTED THROUGH  
ADMINISTRATIVE ACTIONS UNDER EXISTING LAW

Elimination of the provision for mandatory referral of mothers.

Elimination of the requirement to make referrals to WIN even if no components are available.

Change in legislation which removes youth from their families' welfare grants after the age of 18 if they fail to enroll; since many projects are backlogged at the enrollment point, youths referred but not enrolled should continue to be eligible.

Provision of a national allowance for AFDC recipients in training programs (possibly adjusted for area cost-of-living indexes) for such out-of-pocket expenses as transportation, lunch, etc.

Implementation of a single check payment system to cover grants, child care, special allowances and WIN incentives.

Full government funding for the wages of special work projects participants, at least initially, so that the sponsor bears no additional payroll cost.

MALCOLM R. LOVELL, Jr.,  
*Assistant Secretary for Manpower.*

○

GN