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UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

CIVIL DIVISION

DEC 22 1971

Dear Mr. Zarb:

Our recent report to the Congress on problems in accomplishing the objectives of the Work Incentive Program (WIN) (B-164031(3), September 24, 1971), contained our findings on the results of WIN operations and problems in the designs of WIN and the Aid to Families with Dependent Children (AFDC) program. We noted in the report (see page 6), that we would report our findings on program administration separately to the Department of Labor. This letter contains our findings on program administration.

Your comments on our report to the Congress indicated that needed improvements in WIN's management information system might be deferred if enactment of the Family Assistance Plan/Opportunities for Families Program (FAP/OFP) appeared imminent. We believe, however, that there is considerable merit to perfecting the operations of WIN to the extent practicable because WIN is widely regarded as being the forerunner of FAP/OFP. At this time, the prospects of FAP/OFP being established in the near future appear uncertain. We suggest, therefore, that the Department initiate at this time improvements in the management information system discussed in our report to the Congress as well as the administrative improvements discussed in this report.

As was the case with the report to the Congress, this letter is based on our review of WIN operations at the national headquarters offices of the Department and the Department of Health, Education, and Welfare (HEW) and at local WIN and welfare offices in Denver, Colorado, and Los Angeles, California, for the period from WIN's inception in July 1968 through June 30, 1970.

BETTER COORDINATION POSSIBLE BETWEEN
WELFARE AND WIN AGENCIES

We believe that, if welfare social workers operated as members of the WIN teams, the coordination between welfare services and WIN services would be improved. This approach has been used experimentally in Los Angeles and local officials have reported favorable results.

By having social workers function as WIN team members, additional expertise and a different viewpoint would be available to the other team members, and this could result in improved service to the enrollee. A possible lack of expertise in counseling in personal matters (as opposed to counseling in vocational matters), on the part of regular WIN team members is recognized in the Department WIN Handbook which suggests in subsection 304 that WIN counselors might need instruction in the techniques of personal counseling.

In a March 1970 report on its evaluation of the WIN program under a contract with the Department of Labor, the Auerbach Corporation noted that close coordination between the local welfare agencies and the local offices of the State employment security agencies was essential for program success, but that such coordination was not generally achieved. The report also noted that coordination at the Federal level between Labor and HEW could be improved. The report suggested that local interagency task forces on WIN be established and that welfare caseworkers be available to employment security personnel on an informal basis to assist in planning the activities needed to make each enrollee employable.

Los Angeles

Although there seemed to be frequent contact between program managers in the welfare and employment security agencies in Los Angeles, coordination and communication between social workers and WIN team members could be substantially improved. Officials in Los Angeles agreed that coordination could be improved by locating social workers in the same office space with the WIN teams and assigning them to the cases handled by the respective WIN teams.

At the time of our review, the Los Angeles County welfare agency had conducted a pilot study in which social workers were assigned to work at one of the 10 WIN-LA offices. In October 1970, after about 7 months, we were advised that the stationing of social workers at the WIN offices was considered beneficial to the program, and a recommendation for extending this arrangement to all of the WIN-LA offices was being considered.

An official of the County welfare agency advised us that the benefits experienced during the test included the following:

- The average time between referral and enrollment was substantially reduced.
- The number of referred individuals who failed to report for their pre-enrollment interview was reduced.
- Fewer inappropriate referrals were made.
- Operating level communication between WIN and welfare agency personnel was improved.

We were informed subsequent to the completion of our review that, due to the welfare agency's budgetary restrictions, the arrangement was not adopted.

Denver

Welfare social caseworkers and WIN operating personnel in Denver frequently communicate through telephone conversations, written memorandums, monthly conferences, weekly case review meetings, and other personal day-to-day contacts. Problems with communications continue despite these efforts, however, as noted in WIN-Denver evaluation reports issued by Federal evaluation teams.

Our discussions with Denver WIN team members, Federal regional officials of the Department and HEW, and State and local welfare officials indicated that more effective and efficient communications would result from having welfare social workers located in the same offices with WIN teams. The WIN team members noted specifically that the benefits would include the following:

1. Improved understanding of enrollee problems by Work Incentive Program teams, thus facilitating a more comprehensive evaluation of the individual.
2. Better selection of the enrollee's occupational goal through use of the social caseworker's personal knowledge of the individual.
3. Improved responsiveness to enrollee needs because of faster WIN team-caseworker communications.
4. Reduction or elimination of repetitious and time consuming meetings presently required.

Conclusions and recommendations

If social workers were assigned to function as members of WIN teams, service to enrollees would be improved. Little or no additional cost would be involved after the changeover was accomplished because each social worker's caseload could consist only of enrollees of one WIN team and he could maintain approximately the same size caseload as before the change. As many social workers as necessary to handle the caseload could be assigned to one WIN team.

We recommend that the Department inquire into whether other WIN projects have had welfare social workers function as members of WIN teams, evaluate the results in Los Angeles and any other locations where this arrangement has been used, and consider jointly with HEW adopting a policy of encouraging or possibly requiring the implementation of this arrangement in all WIN projects.

BETTER EMPLOYABILITY PLANNING NEEDED

Better employability planning was needed for both WIN-Los Angeles and WIN-Denver. Action was taken near the completion of our field work on this subject to improve the employability planning of WIN-Los Angeles, but the Department should follow-up on this matter to determine whether more specific Federal requirements are needed to ensure that this important function is effectively carried out.

WIN's authorizing legislation requires that an employability plan be prepared for each person enrolled in WIN and the Department described the plan as the "blueprint" which guides the enrollee's activities through WIN and into a job. The employability plan establishes a type of job as an

employment goal and the steps needed to achieve the goal. The Department's WIN Handbook describes in relatively specific terms what the employability plan and its supporting documentation should usually contain but the minimum requirements are quite general and no form for the plan is prescribed or recommended by the Department.

Los Angeles

Employability plans in the 100 case files which we reviewed for WIN-Los Angeles (50 March 1969 enrollees and 50 February 1970 enrollees) were contained in counseling records and the plans were not well organized. For example, although most (about 85 percent) of the plans contained an occupational goal, the basis for selecting the goal was explained in the files in only 7 percent of these.

In February 1970, the State WIN sponsor issued instructions requiring that the employability plan be an identifiable document. The instructions also described specific factors required to be contained in the plan. In July 1970 the State issued a new form on which the employability plan is to be recorded, to further assist WIN personnel in developing good employability plans.

These new procedures were implemented too late for us to assess their impact, but, if properly implemented, they should result in significant improvements in employability planning for WIN-Los Angeles enrollees.

Denver

Our review of 60 employability plans for WIN-Denver enrollees showed that all 60 were incomplete in some respect. The employability plan in Denver was also a part of the overall counseling record and not a separate document.

About 55 percent of the 60 plans did not indicate that a decision had been made on the enrollee's occupational goal, and, although training steps were stated in 70 percent of the 60 cases, no time estimates were shown for any of the training steps. We believe time estimates would be helpful in evaluating the enrollee's progress and in planning and coordinating the training steps and supportive services. Such estimates would also provide the enrollee and the WIN team with an estimate of when the enrollee might become employed.

Conclusions and recommendations

Employability planning is an important first step toward economic self-sufficiency for AFDC recipients enrolled in WIN, and as such should receive adequate emphasis. California took action during our review to improve employability planning and its action, if properly implemented, should result in significant improvements. Employability planning in Denver needed improvement, however, and in view of the lack of specific

Department requirements on this matter, it is possible that employability planning needs more attention in other WIN projects.

Accordingly, we recommend that the Department inquire as to how other WIN projects handle employability planning. We recommend also that during this inquiry, Department follow-up on the impact of the revised California procedures and, if the impact has been favorable, consider requiring similar procedures nationwide.

IMPROVEMENT POSSIBLE IN EDUCATION
AND WORK EXPERIENCE COMPONENTS

Dropout and attendance rates for basic education and general educational development (preparation for high school equivalency examination) components in WIN-Los Angeles and WIN-Denver have been poorer than for other components, especially vocational training. Also, the work experience component in Los Angeles seemed to be underutilized.

We selected a random sample of 50 terminees from WIN-Denver who had participated in general educational development. The attendance rates for this component for the 47 for whom attendance records were available was 51 percent. Five of the fifty successfully completed the component.

In Los Angeles, we reviewed the attendance rates for the first 3 months of 1970 for 29 basic education and general educational development classes (27 basic education and 2 general educational development) out of a total of 68 such classes. The average attendance of the classes we reviewed ranged from 36 to 87 percent, and 18 of the 29 had attendance rates less than 70 percent. Conversely, only 7 of the 23 vocational training classes experienced attendance rates lower than 70 percent, indicating that an enrollee's enthusiasm is probably higher when the training is more directly related to his employment goal.

A study of basic education classes made for the Los Angeles Unified School District noted that about 30 percent of the WIN enrollees assigned to basic education classes terminated prematurely for various personal and unknown reasons. This figure does not include those that were identified as moving away or quitting to take a job. The study report comments on the small percentage of successful graduates from the education program, and suggested that this program would be more successful if it could be interrelated with the employment goals of the enrollees.

As of June 25, 1970, WIN-LA had 255 enrollees assigned to its work experience component, which had available 1,884 work experience positions or slots. This represents a 14 percent rate of utilization. During fiscal year 1970, WIN-LA had an average monthly utilization rate of 19 percent. We believe that many of the 2,000 enrollees on board each month-end in program holding status--persons having completed a training step but waiting to begin another one--could receive more benefit if assigned to work experience.

Conclusions and Recommendation

The work experience component could be better utilized by placing enrollees in this component as an alternative to placing them in a holding status and by combining participation in basic education and general educational development with work experience. This combination should also mitigate the high dropout and low attendance rates experienced in the education components.

Accordingly, we recommend that the Department adopt a policy of encouraging WIN sponsors to combine education components with work experience or other work-related components.

INCENTIVE AND OTHER PAYMENTS COULD BE THE BASIS FOR ENCOURAGING BETTER ATTENDANCE

In Los Angeles and Denver the State WIN sponsor paid the \$30 per month incentive payment to WIN enrollees semi-monthly and, in accordance with Department instructions, made no reductions in the payments because of poor attendance. Enrollees had to attend training only one day during each semi-monthly period to receive the regular \$15 incentive payment for the period. Expense allowances paid by the local welfare agencies for child care, transportation, and incidentals also were not reduced because of absences from training.

We suggested to the WIN sponsors and local welfare agencies in Denver and Los Angeles the possibility of the WIN sponsors' assuming administrative responsibility for issuing the checks to enrollees for transportation and incidentals. The welfare agency would determine the amounts of the basic payments and provide the funds, but the WIN sponsor would issue the checks, based on enrollees' attendance. Thus the payments could more readily be reduced for poor attendance, and the number of checks would be reduced.

WIN and welfare officials in Los Angeles and Denver generally favored this arrangement because the expense payments could be made more responsive to the enrollees' changing circumstances and better financial control could be achieved.

The current Department policy seems to us to discourage continuous participation in WIN training. Casual participants are given the full \$30 per month incentive payment, the same as more serious participants. Expense allowances are paid whether or not the expenses are actually incurred, which tends to directly discourage participation and its associated expense. This discouragement would also apply to payments for child care in those instances where the allowance is paid to the enrollees and the enrollees pay the expense based on the time that their children are actually cared for.

Conclusions and Recommendations

While the additional expense of keeping daily attendance records for all enrollees and prorating incentive and expense payments based on attendance might exceed the savings achieved through reduced payments in some WIN projects, such a procedure should have the effect, not readily quantifiable, of increasing participation in WIN training. The additional expense should be negligible, however, in projects such as WIN-Los Angeles where (1) attendance records are already maintained for some components, (2) semi-monthly certificates are prepared showing that the enrollee attended training at least one day, and (3) the incentive payment system is automated.

We recommend that the Department explore with HEW the possibility of having WIN sponsors administer payments for WIN-training-related expenses and consider revising its policy so that these payments could be combined with incentive payments and the combined payment could be prorated based on attendance.

SUMMARIZATION OF INDIVIDUAL TERMINATION RECORDS

The Individual Termination Record (Form MA-104), is the basic source document for all information on the results of WIN. It shows the reason for the termination, how the terminnee got his job, his earnings if he was employed, the reduction in the family's AFDC payment if any, and the time that the terminnee spent in each WIN component.

As noted in our report to the Congress, the form needs to be improved, but it is potentially the most valuable source of information about WIN's operations. Only raw data about individual terminnees is shown on the forms. The data would have considerable value for management purposes, if it were summarized.

The Department has made special analyses from time to time in which the data from Individual Termination Records was summarized into useful reports. These analyses were not available at the project or State level for either of the projects which we visited.

Conclusions and Recommendations

We believe that the Individual Termination Record (Form MA-104) should be revised and the data regularly summarized by project, for use by WIN managers.

We believe, therefore, that the Department should revise the Individual Termination Record in line with our recommendation in our September 1971 report to the Congress and we recommend that the information on the revised forms be summarized and made available to program managers, particularly at the project and regional levels.

PERIODIC VALIDATION OF DATA

As noted in our report to the Congress, information on program costs, reasons for termination from WIN, and reductions in AFDC payments to WIN enrollees, was inaccurate and misleading. To ensure reasonable accuracy of the data reported to the Department by WIN sponsors, we believe that the key information compiled for each WIN project should be periodically validated.

The frequency and extent of this validation could be varied based on the size of each project, its history of personnel turnover and reporting accuracy, and other factors. The validation should give particular attention to whether the procedures employed in compiling the data result in accurate, valid information. Individual transactions would be traced only to the extent necessary to verify that the procedures were applied properly and consistently. This type of validation would also reveal instances in which the Department's instructions need to be clarified, forms require revision, or procedures need modification.

Conclusions and recommendations

The significance of the errors we noted in key data on the results of WIN indicates a need for periodic validation of such data to reasonably ensure its reliability.

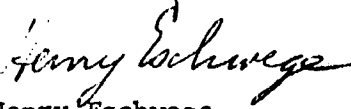
Accordingly, we recommend that the Department consider requiring that the key data on WIN operations and results be validated periodically to determine whether the procedures employed by the projects are adequate to produce reasonably accurate data and whether the procedures are properly and consistently applied.

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We wish to acknowledge the cooperation given to our representatives during the review. We would appreciate receiving your comments on the matters discussed herein and your advice on any actions taken or contemplated on our recommendations.

Copies of this report are being sent to the Secretary of Health, Education, and Welfare, and the Administrator, Social and Rehabilitation Service, and the Assistant Secretary, Comptroller, Department of Health, Education, and Welfare.

Sincerely yours,



Henry Eschwege
Associate Director

The Honorable Frank G. Zarb
Assistant Secretary for Administration
Department of Labor

cc: Secretary of Labor
Assistant Secretary of Labor
for Manpower
Manpower Administrator
Deputy Manpower Administrator
Mr. David Williams, MA
Mr. Edward McVeigh
Mr. Edgar Dye
Mr. Wayland Coe