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UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D C 20548

MANPOWER AND WELFARE
DIVISION

September 14, 1973

Mr Fred G Clark
Assistant Secretary for
Administration and Management
Department of Labor

Dear Mr Clark

We have made a [survey of Operation Mainstream] a work experience program authorized by the Economic Opportunity Act of 1964, as amended (42 U S C 2737 et seq), and administered by the Manpower Administration of the Department of Labor Our survey was limited to work at the Administration's headquarters offices primarily because of the fairly recent comprehensive evaluation of the program made by Kirschner Associates, Inc , under a contract with the Department Following are observations that we would like to bring to your attention, particularly in view of the Department's plans to include the program under Manpower Revenue Sharing.

BACKGROUND INFORMATION ON PROGRAM
AND TARGET POPULATION

Operation Mainstream is a program designed to employ as enrollees chronically unemployed poor adults, focusing on elderly workers, with program concentration in rural areas Operation Mainstream consists of a variety of programs, some of which are contracted and administered on a nation-wide basis (such as Green Thumb-Green Light and Senior Aides), while others are contracted and administered by the Department's regional offices and operated by local nonprofit agencies

The total population of potential enrollees in Operation Mainstream is large. Despite recent sizable increases in income security payments, the income needs of persons 55 years and older remain substantial Some 9 6 percent of the persons 55 to 59 in 1971 were poor, as were 13 5 percent of those 60 to 64, and 21 6 percent of those 65 and over Altogether these three groups comprised 6 4 million poor persons. Residents of nonmetropolitan areas (23 percent) were more likely to be poor than were residents of central cities (15 percent) or of other parts of metropolitan areas (11 percent) Although poverty among the elderly (those 65 and over) has declined, it is estimated that 3 1 million aged persons remain poor in 1973

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Social Security and/or public assistance payments are usually available to those 65 and over who are poor and to younger persons who are disabled. But there is little direct income support for the able-bodied person 55 to 64 years old, and, except for Operation Mainstream, little attention to this group is provided by Federal work and training programs. Middle-aged and older persons constituted only 4.2 percent of new enrollees in manpower and training programs in fiscal year 1972. In Mainstream itself, they constituted only 44 percent for the same year.

EVALUATION REPORT RECOMMENDATIONS NOT
ACTED UPON NOR RESULTS DISSEMINATED

In December 1971, Kirschner Associates, Inc., issued the final in a series of five reports on a comprehensive evaluation of Operation Mainstream. In the final report, a number of specific problems relating to program goals and design, outcomes, and planning and management, particularly in the regionally-administered programs, were summarized. Also, a series of recommendations were formulated to improve program effectiveness.

During January 1972, a Manpower Administration task force examined Kirschner Associates' findings and proposed various changes to Operation Mainstream generally in line with the Kirschner proposals. According to a Manpower Administration official, both the Kirschner evaluation and the departmental task force suggestions have not been implemented because the Department does not want to take any action which would increase its involvement in the program pending a determination of the form of Manpower Revenue Sharing to be implemented, including the degree of Federal supervision that will be required.

Our survey also showed that Kirschner Associates' overall evaluation of Operation Mainstream has not been fully disseminated to project sponsors so that suggested changes for improvement in structure, outcomes and management at the local level could be considered. According to a Manpower Administration official, the Kirschner report was distributed primarily to Manpower Administration officials, with a limited number of copies to departmental regional offices. The official further stated that general distribution of the report to project sponsors was not made because of the limited availability of copies and the cost to reproduce additional copies would be prohibitive.

The section of the Kirschner report summarizing the findings, conclusions and recommendations for improvement in Operation Mainstream is only 23 pages long. Appropriate parts of this section could have been reproduced at minimal additional cost and widely distributed to project sponsors for consideration and local adoption, where applicable, of the suggested program improvements.

For example, one Kirschner recommendation was that all key local project officials be assigned full-time to Mainstream and be paid with program funds. The Department's task force agreed, indicating that the lack of full-time personnel led to certain services for enrollees, such as remedial education, job development, and personal counseling being overlooked because many project directors were sharing their time between Mainstream and other programs. While we have not made a full evaluation of Kirschner's recommendations and the task force's suggestions, it appears that implementing recommendations of this type could have enhanced project effectiveness in the year and a half since the Kirschner evaluation was completed and could offer benefits in the future.

As a minimum, it seems that appropriate recommendations made by the Department's task force could have been acted upon in a timely manner and the results of policy decisions disseminated to program sponsors. In view of the current plans to implement Manpower Revenue Sharing, it would seem appropriate for the Department, in the development of guidelines to be provided to States and localities, to give consideration to Kirschner's findings. This would maximize benefits from the Department's original quarter-of-a-million dollar expenditure for the evaluation.

ADMINISTRATIVE PROBLEMS IN PROGRAM IMPLEMENTATION

The Kirschner evaluation cited a conflict between congressional intent concerning the design features of Operation Mainstream and the design of many regionally-administered projects, largely due to departmental guidelines relating to the achievement of program goals.

The Congress intended Operation Mainstream projects to aid chronically unemployed poor adults, principally older workers, by providing jobs which will enable enrollees to participate in providing community beautification or betterment services generally to small towns and rural areas where local governments cannot afford them, and to enhance the employability of enrollees. However, the Department's guidelines advocated a policy of obtaining unsubsidized job placement for program enrollees, so that the consequent measure of project effectiveness was the placement rate. According to the report, this has led to the widespread use of a time limitation on project participant enrollment and the selection of enrollees, generally younger workers, who are most employable and who after completing the enrollment period would most likely be hired from the program.

The Kirschner report recommended that specific time limitations on enrollee eligibility be removed. The task force generally agreed that this should be done, particularly for enrollees 55 years of age and older, because short-term enrollment is of no real value to the participant. Further, the task force pointed out that even the two-year maximum limitation works a hardship on enrollees in depressed areas where no other jobs are available and is particularly distressing for enrollees over 55 years old whose chances of employment are diminished at best.

While the information available concerning implementation of Manpower Revenue Sharing is not firm, there are indications that States and localities will have the option of using some shared revenue for projects similar to Operation Mainstream. Based on the Kirschner evaluation, it appears that adoption of design concepts similar to those of many regionally-administered Mainstream projects having enrollment period limitations and an emphasis on job training and placement could result in projects that (1) did not reach the older chronically unemployed poor who are not now served by other manpower programs, or (2) did not provide the types of program benefits, particularly community beautification and betterment services, needed in areas where they cannot otherwise be achieved. We believe that the Department should encourage State and local sponsors to adopt Mainstream-type projects which, to the greatest extent possible, fit the design envisioned by the Congress.

In a related matter, the Chairman, Select Subcommittee on Labor, House of Representatives, in a letter to the Secretary of Labor on February 5, 1973, raised a number of questions about the implementation of proposed Manpower Revenue Sharing, which is to include several of the categorical manpower programs in addition to Operation Mainstream. One question concerned whether the administrative adoption of Manpower Revenue Sharing intended to follow strictly an earlier revenue sharing proposal, which the Congress did not pass, that required no prior approval of State or local plans before grant funds would be provided and did not include supervisory responsibility of the Secretary of Labor for insuring proper administration of manpower programs.

The Department's reply on February 23, 1973, stated that the extent to which prior approval of detailed operating plans is required by existing law was being examined and that the Secretary would exercise responsibility for assuring appropriate accountability for manpower program project sponsors. In that context, it appears to us that the Department should ensure that any Mainstream-type projects to be funded under revenue sharing adhere to the design concept contemplated by the Congress with guidelines based upon appropriate consideration of the recommendations in the Kirschner evaluation and suggestions by the Department's task force.

NATIONAL MAINSTREAM PROGRAMS CONSIDERED
SUPERIOR TO LOCAL PROJECTS

The Kirschner evaluation concluded that generally Operation Mainstream projects having national contract administration and management were more effective in serving the chronically unemployed poor than those administered regionally by the Department and operated by local agencies. However, it is our understanding that under Manpower Revenue Sharing the nationally-contracted programs will be phased down. To ensure that the target population, particularly in rural areas, will receive at least some service which may not otherwise be provided in the future, we believe the Department should consider continuation of those nationally-contracted programs which have achieved the goals contemplated by the Congress, particularly where it seems likely that local projects will not be continued by States and localities under Manpower Revenue Sharing.

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We would appreciate your views on the matters discussed, as well as any action taken or contemplated as a result of this report. We wish also to acknowledge the cooperation given to our representatives during this survey.

Sincerely yours,



George D. Peck
Assistant Director

cc Secretary of Labor
Assistant Secretary
for Manpower
Associate Assistant Secretary
for Administration and Management
Mr Edgar Dye
Mr Wayland Coe
Mr Gerald Peterson