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Cleveland Summer Youth Employment Programs

B-163922

Department of Labor

**BY THE COMPTROLLER GENERAL
OF THE UNITED STATES**

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FEB. 25, 1974



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

B-163922

The Honorable Louis B. Stokes
House of Representatives

Dear Mr. Stokes:

As requested in your August 9, 1973, telegram, we reviewed selected aspects of the 1973 summer employment programs for youths in Cleveland. As agreed with your office, we reviewed participant eligibility, the adequacy and timeliness of payrolls, the meaningfulness of work by youths, procedures for handling payroll complaints, availability of funds for supportive services, and the investment of Federal funds in short-term government securities before the funds are needed for programs.

We discussed the matters in this report with officials of the city of Cleveland, the Cleveland board of education, and the Department of Labor and considered their views.

We do not plan to distribute this report further unless you agree or publicly announce its contents.

Sincerely yours,

A handwritten signature in cursive script that reads "Thomas B. Staats".

Comptroller General
of the United States

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ABBREVIATIONS

EEA	Emergency Employment Act of 1971
GAO	General Accounting Office
SNYC	Neighborhood Youth Corps summer program

D I G E S T

WHY THE REVIEW WAS MADE

Congressman Louis B. Stokes, after receiving complaints about the way the programs were handled, asked GAO to review Cleveland's summer youth employment programs.

The city--the prime sponsor--and the local board of education--the sub-sponsor--operated the programs. The Department of Labor under the Economic Opportunity Act of 1964, as amended, and the Emergency Employment Act of 1971 funded the programs.

The Department allocated \$4.37 million to employ 11,000 youths. Cleveland subcontracted \$1.45 million of this amount to the board of education.

FINDINGS AND CONCLUSIONS

Administratively, Cleveland was not prepared to handle the 1973 summer youth employment programs.

- Ineligible youths were employed.
- Many youths were not paid on time or in correct amounts.
- Youths who did not work were paid.
- Adequate supervision was not available at all worksites.

The board of education also had difficulties; many youths were not paid correct amounts, and programs which included classroom sessions did not have Department of Labor approval.

Congressman Stoke's questions and related GAO findings follow.

Were ineligible youths enrolled in the program?

GAO's samples showed that the board of education had not enrolled ineligible youths but that the city had enrolled about 850 youths who were either too young or from families whose incomes exceeded poverty levels. Ineligible youths were hired apparently because some personnel were not familiar with the eligibility criteria. (See p. 8.)

Were the payroll systems adequate?

The city's system for reporting time worked and computing payrolls was adequate. However, the system was not implemented properly. As a result, some youths were not paid; others were paid incorrectly or late. Problems occurred because supervisors were inexperienced, timesheets were lost, and some payments were estimated. (See p. 13.)

Cleveland issued checks to some youths who worked for and were paid by the board of education. These youths had applied for both Cleveland's and the board's programs but the board had hired them. (See p. 16.)

Cleveland also let many student aides work more than the maximum number of hours allowed by program guidelines because it believed that Department of Labor approval to permit team leaders and monitors to

work beyond this maximum also applied to student aides. A Department official said, however, that the approval did not include student aides. (See p. 16.)

The board also had payroll problems; youths, although paid on time, often were paid incorrect amounts. The board's problems would not have occurred had additional verification controls been implemented. The board relied on field supervisors and coordinators to provide accurate data. (See p. 18.)

The board let some youths work more than the maximum number of hours. Board officials explained that coordinators maintained control over the number of hours worked, but the control was lost when youths transferred between different worksites and coordinators were changed. (See p. 19.)

Were job assignments meaningful?

Providing meaningful work experience for youths in programs of this type has been a continuing problem. The problem for summer programs is especially acute because of the need to establish many work stations for a relatively short period. (See p. 21.)

Cleveland was able to provide youths with useful work experience when adequate supervision was available. However, Cleveland, inexperienced in running a program of this size, did not develop the full range of worksites necessary to give each youth a meaningful job assignment with adequate supervision. (See p. 21.)

The board was experienced in operating summer youth programs, and youths employed by the board generally received useful work experience and adequate supervision. (See p. 25.)

Many youths received classroom training, contrary to the terms of the agreement with the Department. By providing classroom training, the board created inequities because some youths were paid to attend classes and earned credits toward graduation although others were paid only for work outside the classroom. (See p. 25.)

Did Cleveland invest program funds and earn an income?

Cleveland did not have Emergency Employment Act funds to invest because the money was provided as needed. Neighborhood Youth Corps funds, however, were received in total and the city could have invested funds in excess of daily needs in local, State, or Federal securities. (See p. 29.)

Cleveland prorates investment income annually to the various fund accounts on the basis of monthly balances from July through June. Since funds lose their identity when deposited in the treasurer's account, the exact amount of interest earned by a specific fund cannot be determined. Investment income will not be prorated until after June 30, 1974. (See p. 29.)

Were funds available for youth transportation costs?

The EEA grants did not provide specific funds to pay enrollee transportation costs although some grant funds could have been used for this purpose. The Neighborhood Youth Corps program included funds for youth transportation. (See p. 29.)

Cleveland chartered buses to transport youths from central pickup points to distant worksites but did not reimburse them or give them bus

tickets for travel from their residences to pickup points or worksites and return. (See p. 30.)

The board of education also furnished transportation from central pickup points to distant worksites. In addition, the board usually gave youths bus tickets until they received their first paycheck--generally 4 weeks. (See p. 30.)

Why did Cleveland's payroll complaint form require census tract data?

Each youth who did not receive his paycheck or who believed he was paid incorrectly had to file a payroll complaint form. A monitor compared the address on the form with census tracts and scanned the form to determine whether the complainant lived in an eligible area and had worked in the program long enough to support his claim. The complaint form was revised near the end of the summer and census data was eliminated. (See p. 14.)

AGENCY ACTIONS

GAO discussed the above matters with officials of the city of Cleveland and the Cleveland school district. City officials said that a good system for checking eligibility was in effect but that it was never fully implemented because of the late fund-

ing, which meant that applications had to be processed overnight.

City officials did not disagree with our payroll findings but did acknowledge that payroll problems had existed. School board officials attributed payroll overpayments caused by enrollees' exceeding their maximum allowed hours to a misunderstanding on the part of some coordinators. Board officials told GAO that there should have been a better review of the computation of time-sheets and that audits would be made in future programs.

In regard to meaningfulness of jobs, city officials told GAO that it would be helpful if the programs had some form of incentives to youths who worked hard. School board officials said that multiple job opportunities were offered by the board--although some are not as good as others--but that job upgrading was attempted every year.

City officials did not consider it inconvenient for youths to report to the schools they attended during the school year and then be transported to distant worksites by the city.

A Department of Labor official told GAO that the Department's financial audit of the grant usually picked up payroll overpayments and that the Department could take exceptions to the overpayments and make recommendations to disallow the costs.

CHAPTER 1

INTRODUCTION

Cleveland operated a summer youth employment program in 1973 with Department of Labor funds under the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2740), and sections 5 and 6 of the Emergency Employment Act (EEA) of 1971 (42 U.S.C. 4871).

The Department authorized the city to use these funds to operate summer employment programs. The Department authorized Cleveland to spend funds from two existing EEA grants and awarded it additional funds under the Economic Opportunity Act for the Neighborhood Youth Corps summer program (SNYC).

Included in the funds were funds that were subcontracted to the Cleveland board of education and to Lake and Geauga Counties. We did not examine the subcontracts with these counties. The following table shows the funds received by Cleveland and the board of education.

	<u>EEA</u>			
	<u>Section 5</u>	<u>Section 6</u>	<u>SNYC</u>	<u>Total</u>
City of				
Cleveland	\$415,994	\$1,142,300	\$1,357,700	\$2,915,994
Board of				
education	<u>-</u>	<u>700,000</u>	<u>750,000</u>	<u>1,450,000</u>
Total	<u>\$415,994</u>	<u>\$1,842,300</u>	<u>\$2,107,700</u>	<u>\$4,365,994</u>

The funds allocated to the city and the board were to finance enrollment opportunities for 10,799 youths.

The Neighborhood Youth Corps is to provide useful skill training and work experience to help disadvantaged high-school-aged youth from low-income families to continue or to resume their education or to prepare them to obtain and hold regular competitive employment. The in-school program is to encourage youth to stay in school, and the summer program is to encourage youth to return to school in the fall.

An EEA summer program was established in 1973 that allowed public employers to provide short-term employment mainly for disadvantaged youths and Vietnam-era veterans.

PROGRAM ADMINISTRATION

Since inception of the Neighborhood Youth Corps program in 1965, Cleveland has had a federally supported program, administered by the board of education, to employ youths during the summer months when schools are in recess. In that year the board employed 794 youths; they were paid with Economic Opportunity Act funds. The board continued to sponsor summer programs through 1971, and each year the number of youths employed increased. In 1971 about 10,000 youths were employed. In 1972 the Department of Labor awarded the contract for the summer program to Cleveland. The city subcontracted all program operations to the board.

In 1973 Cleveland again was awarded the funds to operate a summer program for youths. However, instead of subcontracting the entire program to the board, Cleveland subcontracted only about a third of the program and instituted its own program for the remainder.

Cleveland had never operated a program which required that thousands of youths be employed and placed on jobsites within a relatively short period and, as a result, it encountered many difficulties. A number of youths and their parents complained to Congressman Stokes that the youths had worked on the 1973 summer program from its inception and had not been paid or had been paid incorrect amounts.

At the Congressman's request, we reviewed Cleveland's summer youth employment programs and examined

- participant eligibility,
- adequacy and timeliness of payments to participants,
- meaningfulness of work done by participants,
- the investment of Federal funds in short-term government securities before the funds were needed for programs,

--availability of funds for supportive services,
and

--city procedures for handling payroll complaints.

We reviewed appropriate legislation and policies established by the Department of Labor for operating youth summer employment programs under the Economic Opportunity Act and EEA. We examined program regulations, reports, correspondence, and other records of the city and the board.

We visited 44 worksites and obtained completed questionnaires from 833 youths and spoke to site supervisors. In determining eligibility and the adequacy of the pay received by participants, we made a random statistical sample of both, as explained in appendix I.

We discussed the matters in this report with officials of the city, the board of education, and the Department of Labor.

CHAPTER 2

YOUTH ELIGIBILITY

Cleveland enrolled many youths who were ineligible for the summer programs. Most of these were employed under SNYC and were ineligible because they were too young or were from families whose incomes exceeded poverty levels. Our review at the board did not disclose ineligible enrollments.

ELIGIBILITY CRITERIA

Eligibility criteria for participation in these programs are similar, yet youths eligible for one program may not be eligible for the other programs.

<u>Criteria</u>	<u>EEA (section 5)</u>	<u>EEA (section 6)</u>	<u>SNYC</u>
Age	14 through 22 years of age, Vietnam- era and dis- abled veterans 29 years of age or under	14 through 22 years of age, Vietnam- era and dis- abled veterans 29 years of age or under	14 through 21 years of age
Residence	Cleveland	High unemploy- ment census tracts in Cleveland	Cuyahoga County
Other	Unemployed or underemployed 1.9 percent Spanish- American de- scent, 38.3 percent other minority groups, 100 Vietnam-era veterans	Unemployed or underemployed 1.9 percent Spanish- American de- scent, 38.3 percent other minority groups, 100 Vietnam-era veterans	Disadvantaged Attended school in June or planned to re- turn in Septem- ber. June high school graduate

The two EEA programs also have hiring priorities: (1) disadvantaged youths, (2) Vietnam-era and disabled veterans, and (3) students on vacation from school who are not disadvantaged. The Department of Labor considers a youth disadvantaged if he is a member of a family whose income is below the poverty level, does not have suitable employment, and is (1) a school dropout, (2) member of a minority group, (3) under 22 years of age, (4) 45 years of age or older, or (5) handicapped.

CLEVELAND

On June 18, 1973, Cleveland started accepting applications from youths to participate in the program. A total of 10,972 applications were processed representing about 9,700 youths; about 1,250 applications were duplicates.

All applicants were to apply for jobs at the Cleveland Convention Center in downtown Cleveland. However, because of the many youths that converged on the center and because civic organization leaders and councilmen complained, additional application-processing centers were opened. Program personnel helped the youths complete their applications.

Completed applications were sent to the data processing center where the information on the forms was put into the computer. The computer was programed to determine whether the youths were eligible under EEA section 6 criteria and to rank the youths on the basis of hiring priorities.

Youths who met the EEA eligibility criteria were notified, by mail, to report, in the order of their hiring priority, to the center for certification. They were required to furnish evidence to support their birth dates, residences, and family incomes.

Members from the Cleveland Department of Human Resources and Economic Development examined the evidence. If the youths were determined to be eligible, their applications were certified and they were assigned to worksites.

Youths who did not meet EEA section 6 eligibility criteria or who were in excess of program quotas were notified, by a form letter, that their names were being placed on waiting lists for other programs.

On July 16, 1973, when SNYC funds became available, applications of youths on the waiting lists were screened by the Department of Human Resources and Economic Development for eligibility under SNYC criteria.

Eligible youths were notified to report to the center to have their applications certified and to be assigned work-sites. City officials told us that, since all disadvantaged youths who had applied for the summer program were employed, eligible youths who were not disadvantaged were hired.

Since there was no control over completed applications returned to the city, we could not determine whether all disadvantaged youths were hired. The possibility exists that applications had been lost. The coordinator said that, in one instance, about 200 completed applications had been misplaced and duplicate applications had to be prepared.

To review participant eligibility, we randomly selected 216 youths enrolled as student aides. When we made our selection, 9 of these youths were employed under EEA section 5, 33 under EEA section 6, and 174 under SNYC. The majority of youths in our sample were shown as employed under SYNC because we took our sample near the end of the program after the city had transferred 2,997 youths between programs to spend SNYC funds and save EEA funds.

We examined applications and supporting documents when necessary to verify eligibility. The city could not find applications of 20 youths in our sample. In these cases, we used computer printout data regarding age, income, and family size.

We found only one ineligible youth--under age--in the EEA segments of the program. However, 22, or 13 percent, of the youths employed under SNYC were ineligible for the program--20 because, according to the records, they were not disadvantaged and 2 because they were too young.

In addition, the applications of one EEA youth and seven SNYC youths in our sample either were not certified as eligible or did not show school attendance data.

From our results, we estimated that about 850 youths were ineligible for the program; the eligibility of about 295 had not been certified.

In discussing our findings with city officials, we learned that they did not know what items to include in, or exclude from, reportable income. These officials were excluding such income as social security benefits and veterans benefits because they considered such income similar to public assistance--a nonreportable item.

City program officials could not explain how 13-year-olds had been enrolled and agreed that they should not have been enrolled.

Conclusion

Cleveland was not administratively prepared to process the large number of applicants for the 1973 summer program. It lost some completed application forms, did not certify some applications, and enrolled ineligible youths.

BOARD OF EDUCATION

The board's program started a week later than the city's program. The board employed coordinators, usually teachers and school administrators, to supervise activities in school districts.

Youths seeking jobs under the program got applications from their local schools and returned the completed applications, signed by their parents or guardians, to those schools. The youths were required to furnish proof of family incomes but were not required to substantiate their ages and residences. This information was in school files.

The coordinators reviewed the applications and determined eligibility. If the applications were approved, the youths were assigned to worksites. The coordinators kept statistics on the number of applications approved, not on the number reviewed.

During the summer the board employed 4,166 youths-- 2,231 under EEA and 1,935 under SNYC. Cleveland directed that the board, for the last 2 weeks of the program, transfer 1,812 youths from EEA to SNYC to use SNYC funds and to save EEA funds.

At the board, we randomly selected the records for 111 youths for review but did not find any ineligibilities. We did find that information obtained on four applications the previous September was not reverified for the summer programs.

The project supervisor said the information on previous applications was not reverified because the coordinators knew the youths and their particular situations and therefore believed reverification was not necessary.

Conclusion

The board of education's application procedures and eligibility reviews were well organized and efficient. However, the board should have required that all information be verified, particularly regarding income, rather than relied on coordinators' personal knowledge about certain youths.

CHAPTER 3

ADEQUACY OF PAYROLL SYSTEMS

CLEVELAND

Cleveland's system for processing payrolls accurately and timely is adequate. However, it was not adequate for the summer youth employment programs because the data coming into the system was inaccurate and/or late.

The data processing center made an eligibility tape from data on applications. After the youths were employed, the center added starting dates, work locations, and fund sources to make the master payroll tape. Youths could not be paid unless their names were on the master tape. The computer printed timecards for all youths on the master tape. The timecards were used as input data for the next pay period.

For the first pay period, the timecards were sent to worksites and team leaders were to mark-sense the cards to show the number of hours worked by each youth in their group. This procedure proved unworkable and triggered Cleveland's payroll problems; cards were incorrectly marked, mutilated, or lost. Monitors, who had been hired to supervise activities and time recording at worksites, were used instead to resolve payroll complaints.

For subsequent pay periods, Cleveland modified its payroll system. Team leaders manually recorded the youths' names and the number of hours they worked. Some timesheets contained 15 to 20 names. A timesheet was prepared for each week of the 2-week pay period, and a third timesheet summarized total hours worked during the period. The youths were not required to sign the sheets. At the end of the payroll period, timesheets were sent to the center.

On the first and second workdays of the next period, monitors transferred the data from the timesheets to the timecards; on the third day, they sent the timecards to the data processing center where the payrolls were computed and the checks were printed. The checks were mailed on the fourth day.

This procedure would have operated efficiently if team leaders had prepared timesheets accurately and turned them

in promptly. However, they did not always do so. Monitors again were used to resolve pay discrepancies, so they could not perform their assigned duties and some supervision was lost.

Although the situation eventually improved, some youths received their checks 4 to 6 weeks late. Because hours they worked were not recorded accurately and payroll data was not processed promptly, simple payroll transactions became problems.

Each youth who did not receive his paycheck or who believed he was paid incorrectly had to file a payroll complaint form showing the date he started to work, his home address, and job location. A city official told us that a monitor entered census tract data based on the address shown on the form and scanned the form to establish whether the complainant lived in an eligible area and had worked in the program long enough to support his claim. For a valid complaint, the monitor reviewed prior timesheets and payrolls and, if necessary, contacted team leaders or other monitors to verify entitlements. An adjustment check was issued on a supplemental payroll.

The complaint form was revised in August to provide more space for check data and to include an affidavit which was intended to discourage false claims. The new form eliminated census tract data. About 800 to 1,000 valid payroll complaints were adjusted, an official said, and numerous others were found to be invalid. When we completed our fieldwork, the complaint cards were not available in a form to permit us to verify the number of complaints received or the disposition of the complaints.

To test the timeliness of payments and the accuracy of amounts paid by the city, we reviewed the records for 192 randomly selected youths.

Because of the condition of the timesheets and the lack of controls, we asked the city to resolve the many discrepancies we found. We found:

--Timesheets were not kept in a central location nor systematically filed.

--The names and numerical entries on the timesheets were difficult to read because entries were lined out when the hours were transcribed from timesheets to timecards.

The following tabulation shows the results of our review of hours reported and payments made for the 192 youths in our sample after the city's efforts to resolve discrepancies.

<u>Findings</u>	<u>Number of Payments Made in Pay Period</u>						<u>Total</u>	<u>Per- cent</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>		
Reported time and pay agreed	27	17	41	64	54	67	270	39
Reported time and pay did not agree	3	26	65	48	57	11	210	30
Time reported but no payment made	5	12	7	10	15	1	50	7
Timesheets not located but payment was made	<u>3</u>	<u>39</u>	<u>64</u>	<u>28</u>	<u>12</u>	<u>19</u>	<u>165</u>	<u>24</u>
Total transactions	38	94	177	150	138	98	695	<u>100</u>
No hours reported and no payment made	<u>154</u>	<u>98</u>	<u>15</u>	<u>42</u>	<u>54</u>	<u>94</u>	<u>457</u>	
Total	<u>192</u>	<u>192</u>	<u>192</u>	<u>192</u>	<u>192</u>	<u>192</u>	<u>1,152</u>	

In those payments which were made or which should have been made, 39 percent were accurate and 37 percent were inaccurate. We could not verify the remaining 24 percent because we could not locate timesheets. For 182 of the 192 youths in our sample, the total reported hours and the total hours paid differed.

City officials recognized there had been payroll problems which they attributed to

--inexperienced supervisors,

--lost timesheets, and

--payments based on estimated hours worked.

Cleveland also had problems in paying youths on time because not all timesheets were turned in on time. So that youths could get their pay as early as possible, the data processing center ran additional payrolls as it received batches of late timesheets. This policy meant additional work for the center and also increased the possibility of errors. For some pay periods during the program, the center ran as many as six payrolls.

Of the 192 youths in our sample, 23 did not receive their first paychecks on time--16 waited 2 weeks, 6 waited 4 weeks, and 1 waited 8 weeks. Some youths received pay for subsequent periods before they were paid for their first period.

Some youths received paychecks from both the city and the board. These youths submitted applications to both employers, but the board hired them. Cleveland was aware of this problem and cited it as one of the reasons youths were not paid promptly while the problem was being resolved. The city permitted some student aides to work more than the 234 hours allowed in the program period, because controls broke down in the data processing center and because payments from two payroll runs in one pay period were not included in the individual year-to-date totals. City officials were not aware of this problem until we told them that the total of individual payments made to many of the youths in our sample did not agree with the year-to-date totals shown on master payroll records.

Cleveland had gotten Department of Labor approval to exceed the 234-hour limitation for team leaders and monitors. When we brought to the city's attention the fact that student aides had worked more than the maximum allowable hours, city officials said they believed that the Department's approval would also pertain to student aides. However, a Department official told us that the approval was limited to team leaders and monitors. When we completed our fieldwork, the question had not been resolved. The city determined that 1,765 student aides had been paid \$110,866 for work in excess of the maximum hours allowed under the program. This matter will be decided when the Department makes its final audit.

Conclusion

The city's payroll system would have been adequate for the summer program if the personnel responsible for keeping and reporting time had done so accurately and promptly. The large number of errors, however, created a climate for even more errors, and the city was not equipped to handle the problem.

BOARD OF EDUCATION

The board of education also had payroll problems--youths, although paid on time, often were paid incorrect amounts. These errors would not have occurred had the board used additional verification controls. The board relied on field supervisors and coordinators to provide accurate data.

Most of the errors occurred because coordinators did not correctly compute the hours worked each day, deduct time for lunch periods, and properly record counseling time. These errors could have been detected and corrected if the payroll department had verified hours worked each day and reviewed timesheet entries for consistency.

Under the board's system, a biweekly timesheet was prepared for each youth. The coordinator prepared the first timesheet after the youth was determined eligible. Subsequent timesheets were printed when the computer calculated the payrolls.

Job supervisors were responsible for maintaining timesheets which showed the hours youths spent at work. The youths were required to sign the sheets daily. Coordinators were responsible for the accuracy of computation of the hours worked each day and for certifying the number of hours of counseling (job orientation and training).

The timesheets were returned to the payroll department on the third working day after the end of a pay period. The payroll department was responsible for verifying that hours for the pay period were totaled correctly and that necessary approval signatures were obtained. The youths received their paychecks on the 10th working day after the end of a pay period.

For our review of the timeliness of payments and amounts paid by the board, we reviewed the records of 188 randomly selected youths for 5 payroll periods. The board had good controls over timesheets and other payroll records and we were able to examine and evaluate the board's payroll transactions in greater depth than the city's transactions.

<u>Finding</u>	Number of payments made in <u>pay period</u>					<u>Total</u>	<u>Percent</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>		
Reported time and pay agreed	79	100	117	132	56	484	79
Reported time and pay did not agree	19	14	42	38	16	129	21
Time reported but no payment made	-	-	-	-	-	-	-
Timesheets not located but payment was made	<u>-</u>	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>2</u>	<u>-</u>
Total transactions	98	115	159	171	72	615	<u>100</u>
No hours reported and no payment made	<u>90</u>	<u>73</u>	<u>29</u>	<u>17</u>	<u>116</u>	<u>325</u>	
Total	<u>188</u>	<u>188</u>	<u>188</u>	<u>188</u>	<u>188</u>	<u>940</u>	

The board had payroll problems similar to those of the city but not as widespread. Excluding those instances where no hours were reported and no payments were made, the board's payroll was 79-percent accurate. However, almost half of our sample cases had one or more discrepancies.

The board permitted about 4 percent of the youths to work more than the 234 hours allowed in the program period because there were no central controls and because coordinators were solely responsible for determining the number of hours youths could work. This was not satisfactory because youths were transferred between EEA and SNYC, which resulted in job and coordinator changes. The board had not computed the total amount of the overpayment when we finished our fieldwork. This matter will be decided when the Department makes its final audit.

The board did not have formal payroll complaint procedures. Board officials told us that, if a youth was dissatisfied with his pay, he discussed the problem with his coordinator. The coordinator verified the time worked and the amounts paid; if the complaint was valid, an adjusting entry was made on the current timesheet or a revised timesheet was submitted to payroll. The payroll department processed the corrected timesheet or entry during the current pay period. The board's payroll supervisor said the volume of corrections the payroll department processed was

relatively low, but she could not estimate the total. We could not reasonably ascertain the total without examining each payroll record.

Conclusion

The board of education had payroll problems--youths, although paid on time, often were paid incorrect amounts. These payments were incorrect because the board relied on field supervisors and coordinators to provide accurate data and had not implemented additional verification controls. In addition, some youths were permitted to work more than the maximum number of hours because there were no central controls over the total number of hours worked.

CHAPTER 4

ADEQUACY OF WORK EXPERIENCE PROVIDED TO YOUTHS

Providing meaningful work experience for youths in programs of this type has been a continuing problem over the years. The problem for summer programs is especially acute because of the need to establish many work stations to be used for a relatively short period. The Department has, since 1970, made special efforts to improve the quality of work for summer youth employment programs.

We looked into the meaningfulness of job assignments in Cleveland's summer youth employment programs because some youths complained they were placed in jobs which were demeaning and which did not provide useful work experience.

We directed this phase of our review toward determining whether the jobs provided by the city and the board met the objectives of the EEA and SNYC programs set forth in the agreements between the city and the Department.

We visited a number of worksites to observe the (1) types of jobs provided by the city and the board, (2) youths at work, and (3) quality of supervision. Because we made our visits in the last 2 weeks of the program, our findings may not typify the program at its peak.

PROGRAM OBJECTIVES

The objectives of the summer programs were expressed in the Cleveland comprehensive summer youth employment program plan which was incorporated in the EEA grants. The objectives of the program were to give youths the opportunity to earn money and enhance their personal skills by working with other people in a job environment.

The SNYC contract provided for a student work experience program to give youths a chance to earn money to return to school and to gain valuable work experience.

CLEVELAND

Cleveland was able to give youths useful work experience when adequate supervision was available. However, the city,

inexperienced in running a program of this size, did not develop the full range of worksites necessary to give each youth a meaningful job assignment with adequate supervision.

The city's grant application stated that the program was designed to:

- Provide meaningful summer employment for at least 12,000 disadvantaged Cleveland youths.
- Provide job training according to individual interests.
- Encourage and develop sound work habits and attitudes.
- Offer a meaningful alternative to idleness and lack of individual ambition.
- Counsel and encourage youths to return to school in the fall.
- Provide individual and group interaction and problem solving in job-related situations.
- Afford disadvantaged youths an opportunity to earn an income.
- Promote civic pride and social awareness among all participants.

Cleveland carried out its programs by assigning youths to beautify their environment, aid in recreational services, do various clerical jobs, and assist in human service projects under the auspices of various city departments and community agencies.

Program operations

We visited 38 worksites, observed the work in process, discussed the program with supervisors, and interviewed 483 youths. These youths completed questionnaires describing their duties and what they liked and disliked about the program. Using their responses, we classified the work as follows.

<u>Major duty</u>	<u>Percent assigned</u>
Outdoor cleanup	39
Supervisors	15
Indoor cleanup	12
Care of children or elderly	11
Office work	10
Vocational work	5
Other	<u>2</u>
	94
No response	<u>6</u>
Total	<u>100</u>

Of the youths who responded, 32 percent said they liked their work, 20 percent indicated they did not, and 48 percent said they considered their assignment as "merely a job" but did not express favorable or adverse reactions. We did not get responses from 2 percent. Youths assigned to outdoor and indoor cleanup types of work expressed the most disappointment.

In our visits to agencies or organizations where only a few youths were assigned and they were integrated and supervised by regular employees, we usually found them productively engaged--typing, filing, answering phones, sorting mail, or performing clerical tasks.

Cleveland Civil Service Office--Two youths were working; one was checking information on job applications; and the other was filing. The supervisor indicated the office would have a substantial backlog of work if the youths had not been hired.

Public library--Four youths were assigned to the book repair department. They replaced book covers, mended torn pages, labeled and covered new books, and assisted shipping personnel. The supervisor said these students were the best he had ever had.

Nationalities Service Center--Four youths spent the summer updating and expanding a directory. They made numerous phone contacts updating and verifying information and

typed a draft of a new directory. The supervisor said this job could not have been done without the youths.

The youths acquired meaningful skills and good work habits when competent supervision was available as described below.

Kinsman Opportunity Center--Over 350 youths were assigned to this neighborhood center. They worked at different jobsites in the area. About 100 youths worked on ecology or cleanup programs. We saw youths developing film, sewing, and making art objects. The projects were closely supervised; youths were taught to operate machines and use equipment. The supervisor said products made at the center were distributed to needy families or sold at cost and the proceeds used to buy new material.

At some locations youths lacked guidance because an adequate number of supervisors were not assigned or the assigned supervisors did not perform their duties. As a result, little meaningful work was done and youths were not exposed to sound work habits--punctuality, reliability, positive attitudes, and diligence.

King-Kennedy Housing Project--Twenty-five youths were assigned to cleanup, playground, maintenance, and office-type work. The housing authority supervisor said many of the youths took advantage of the situation and neglected their duties because they lacked supervision. He cited as an example a group of youths who had been instructed to clean the grounds but who had been found playing football. He attributed this problem to lack of supervision.

Edgewater Park--Two groups of youths were assigned to clean the park area, one group was under the control of the park foreman and the other was supervised by team leaders. During our visit, the park foreman did not supervise or stay with his group. We saw youths walking through litter but making no effort to pick it up, others carrying empty trash bags, one youth playing with his trash pickup stick, and a group sitting in a bus. Youths complained about the late starting time and the wait for equipment.

Conclusion

The city program generally complied with the objectives contemplated by the EEA and SNYC agreements by providing useful work experience which benefited some youths and the community. The meaningfulness of the program, however, was reduced because adequate supervision was lacking at some worksites. When supervisors were diverted from worksites to resolve payroll complaints, supervision problems became more numerous and complicated.

BOARD OF EDUCATION

The board of education generally gave youths useful work experience and adequate supervision. However, certain phases of the program offered by the board were not in accordance with the agreement between the city and the Department of Labor because youths were paid to attend classroom training which was not included in the program approved by the Department. In addition, the board's program created certain inequities. Some youths were paid to attend classes and earned high school credit while others were paid only for work outside the classroom.

Cleveland's board of education said it designed its summer youth programs to give youths work experience and additional development and training and reinforce the need for continued education. The stated objectives of the program were to

- give summer employment for all participants,
- encourage youths to return to school in the fall,
- help youths develop sound work habits,
- give youths vocational training related to the job,
- provide individual and group orientation as an introduction to the "world of work,"
- attack individual academic weaknesses through tutorial services, and

--give eligible youths the opportunity to earn college credit.

The board carried out its programs by assigning a large number of youths to participate in classroom instruction in vocational, environmental, and college subjects with related work experience. Other youths were assigned jobs at nonprofit or Federal agencies.

Since the city sponsored the summer programs, the board committed itself to follow the city's programs when it agreed to be a subsponsor; portions of the board's programs, however, were, in our opinion, at variance with the city's programs.

Program operations

To evaluate the actual use of the youths at worksites and the adequacy of supervision, we visited 6 of the 16 high school districts responsible for controlling assignments. We observed work in process, discussed the program with coordinators and instructors, and interviewed 350 youths. These youths completed questionnaires describing their duties and what they liked and disliked about the program. Using their responses we classified their work as follows.

<u>Major duty</u>	<u>Percent assigned</u>
Vocational work	59
Indoor cleanup	11
Office work	11
Outdoor cleanup	6
Care of children or elderly	6
Tutorial aides and supervisors	2
Other	<u>1</u>
	96
No response	<u>4</u>
Total	<u>100</u>

Of the youths who responded, 56 percent said they liked their jobs, whereas 2 percent expressed dislike and 42 percent considered it merely a job. We did not get responses from 1 percent of the youths.

We visited vocational and environmental training projects and found youths learning or improving skills. Board officials responsible for the program said they

- gave daily classroom instruction;
- pretested youths and gave midterm and final examinations;
- evaluated test results and attendance records and, as warranted, awarded credits toward graduation; and
- obtained funds for the special support services (instructors, materials, etc.), 85 percent from the State and 15 percent from the board.

Youths were paid for classroom time and working time.

Lincoln-West Productive Woodshop--Youths were instructed how to use machines, tools, and equipment. We saw 14 youths in attendance on the day of our visit. The instructor said the jobs included (1) covering 1,400 maps and graphs with clear plastic and mounting them on masonite boards, (2) constructing wooden file boxes, (3) cutting and decorating wooden pennants, (4) repairing and refinishing desks and chairs, and (5) salvaging boards and machinery from schools being demolished. The youths were taught skills, and the applications of these skills benefited the school system and the community. The instructor estimated the work done by this class would have cost \$32,000 if obtained from commercial sources.

West Tech Horticulture--Youths were taught to transplant flowers and shrubs, groom lawns, trim and prune trees and hedges, and to landscape. The instructor told us that the group had worked at 19 different schools and, in addition, had performed general cleanup duties.

Lula Diehi Environment--The instructor said conservation classes on ecology were held each morning for 2 hours and that, for the balance of the day, youths worked on related projects, such as surveying the neighborhood for dangerous toys, distributing lead-poisoning literature, and cleaning the schoolyard. The youths were given the opportunity to gain useful knowledge and to help the community by improving the environment.

We also contacted 93 youths working at cleanup jobs at the schools or assigned to nonprofit or Federal agencies. Regular school board or agency employees supervised the youths. We were told they accomplished many needed jobs--cleaning halls, gymnasiums, and classrooms; moving desks, chairs, and files; maintaining schoolyards; and doing various types of office work. The SNYC coordinator said many of these services would have been neglected because of the limited size of the regular custodial staff which is reduced during vacations.

Conclusion

Even though the training program offered by the board of education varied from the one approved by the Department and was inequitable to some participants, youths generally were given useful work experience and were adequately supervised.

CHAPTER 5

OTHER MATTERS

Congressman Stokes asked us to determine what the city did with program funds before they were used for programs and whether funds were available for support services, particularly travel reimbursement.

FUNDING

The Department used two different methods to provide the city with funds for the summer programs. Initially, Cleveland operated the programs with EEA funds under a letter-of-credit arrangement. This method is designed to prevent premature advances and to preclude unnecessary Federal borrowings and related interest costs. The Department arranged with the Federal Reserve Bank of Cleveland to make funds available to the city when needed. The city also operated under this concept with the board of education--as funds were spent additional funds were made available.

The Department gave the city a check dated August 3, 1973, for the entire amount of the SNYC grant. Several days later the city distributed partial payments of the sub-contracted amounts to Lake and Geauga Counties and to the board of education. The city kept the undistributed funds until subcontractors made additional requests or until the funds were spent.

USE OF FUNDS FOR OTHER THAN GRANT PROGRAMS

Funds received by the city were deposited in several banks to the account of the city treasurer. The Uniform Depository Act of Ohio prohibits the city from depositing funds in savings accounts. However, the city is permitted to use funds that exceed daily needs to purchase local, State, or Federal securities. These investments fluctuate in volume depending on the city's need for cash.

City officials said income earned from such investments is prorated annually to the various fund accounts on the basis of monthly balances from July through June in these accounts. Since funds lose their identity when deposited in the treasurer's account, the officials said, the exact amount

of interest earned by a specific fund cannot be determined. The earned income will not be prorated until after June 30, 1974.

AVAILABILITY OF FUNDS FOR TRANSPORTATION

The EEA grants did not provide specific funds to pay enrollees' transportation costs, although some grant funds could have been used for this purpose. The SNYC grant included \$37,280 for enrollee transportation--\$25,120 for the city and \$12,160 for the board of education. The amount of total transportation expenses the city and board incurred was not available when we completed our fieldwork.

At October 25, 1973, the city's records showed it had used about \$29,000 for chartering buses for enrollee transportation. At October 30, 1973, the board's records showed it had used about \$15,000 for transportation. These amounts are subject to the Department's final audit.

Cleveland's fiscal officer said the city chartered buses to transport youths from central pickup points to distant worksites. It did not reimburse youths or give them bus tickets for personal travel from their residences to pickup points or worksites and return.

The director of the board's program told us that the board provided transportation to youths from central pickup points to distant worksites and also gave youths bus tickets for personal travel. He said the board's policy was to provide tickets until the youths received their first paychecks, generally 4 weeks after enrollment, but that some received tickets for longer periods, at the discretion of the coordinators.

EXPLANATION OF SAMPLE

To review eligibility and the adequacy of the payroll system at the city, we selected a random sample, after considering the following facts.

Universe as of September 4, 1973	8,988
Expected error rates:	
Eligibility	10%
Payroll	50%

For our city eligibility sample, with an expected error rate of 10 percent plus or minus 4 percent and with a confidence level of 95 percent, we selected a sample size of 215. For our city payroll sample, with an expected error rate of 50 percent plus or minus 7 percent and with a confidence level of 95 percent, we selected a sample size of 192.

To review eligibility and the adequacy of the payroll system at the school board, we selected a random sample, after considering the following facts.

Universe as of October 10, 1973	4,173
Expected error rates:	
Eligibility	5%
Payroll	5%

For our initial board eligibility and payroll sample, with an expected error rate of 5 percent plus or minus 4 percent and with a confidence level of 95 percent, we initially selected a sample size of 111 for both eligibility and payroll.

Because we began finding an error rate of 50 percent in our audit of the board's payroll, we selected a sample size of 188 (based on an expected error rate of 50 percent plus or minus 7 percent and with a confidence level of 95 percent).