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*REPORT TO THE SUBCOMMITTEE ON
EMPLOYMENT, POVERTY, AND
MIGRATORY LABOR
COMMITTEE ON LABOR
AND PUBLIC WELFARE
UNITED STATES SENATE*

094841

The Emergency Employment Act:
Placing Participants In
Nonsubsidized Jobs And
Revising Hiring Requirements B-163922

Department of Labor

*BY THE COMPTROLLER GENERAL
OF THE UNITED STATES*

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MARCH 29, 1974



COMPTROLLER GENERAL OF THE UNITED STATES

WASHINGTON, D.C. 20548

B-163922

The Honorable Gaylord Nelson
Chairman, Subcommittee on Employment,
Poverty, and Migratory Labor
Committee on Labor and Public Welfare
United States Senate

Dear Mr. Chairman:

This is the ninth of a series of reports in response to your July 28, 1971, letter requesting the General Accounting Office to review and evaluate Department of Labor programs implementing the Emergency Employment Act of 1971 (85 Stat. 146). This report provides information on placing Emergency Employment Act participants in nonsubsidized jobs and revising hiring requirements by employing agencies.

Although as agreed, we did not submit this report to the Department or to the program agents for formal review or comments, we discussed it with program officials of the Department and representatives of certain program agents and considered their views.

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

We believe this report would interest committees, other Members of Congress, and agency officials. Therefore, as you have agreed, we are distributing this report accordingly.

Sincerely yours,

A handwritten signature in cursive script that reads "James P. Stacks".

Comptroller General
of the United States

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ABBREVIATIONS

EEA	Emergency Employment Act
GAO	General Accounting Office

*COMPTROLLER GENERAL'S REPORT
TO THE SUBCOMMITTEE ON
EMPLOYMENT, POVERTY, AND
MIGRATORY LABOR
COMMITTEE ON LABOR AND
PUBLIC WELFARE
UNITED STATES SENATE*

**THE EMERGENCY EMPLOYMENT ACT:
PLACING PARTICIPANTS IN
NONSUBSIDIZED JOBS AND
REVISING HIRING REQUIREMENTS**
The Department of Labor
B-163922

D I G E S T

WHY THE REVIEW WAS MADE

This GAO report is the ninth in a series on the administration of public employment programs established under the Emergency Employment Act of 1971 (EEA).

The study covers activities of 20 selected program agents--6 States, 5 counties, and 9 cities. Although it mainly concerns the success of program agents in placing EEA participants in nonsubsidized permanent jobs, it deals also with the progress of these agents in instituting revisions to hiring requirements.

FINDINGS AND CONCLUSIONS

The Department of Labor awarded grants totaling about \$2 billion through June 1973 to 657 States, counties, cities, and Indian tribes serving as EEA program agents. Through June 1973 about 418,000 persons had worked in EEA jobs.

A major objective of EEA was that program agents would provide jobs and, when feasible, related training and manpower services enabling program participants to move into jobs or training not supported under the act.

Another objective was that the public employment programs would, to the maximum extent feasible, contribute to the elimination by program agents of artificial barriers to jobs and advancement.

Department guidelines encourage agents to revise inappropriate rules, regulations, practices, and laws governing hiring.

Excluding about 100,000 youths employed in the summer employment program in June 1973, about 318,000 persons held EEA jobs at one time or another. The Department reported that 50,750, or 16 percent, were placed in jobs with employing agencies as of June 1973. Counting other placements in the public and private sectors, placements totaled about 113,680, or 36 percent, of the cumulative regular participants as of June 1973. (See p. 9.)

The Department reported that about 203,000 persons left the programs through June 1973. If placements are compared to terminations, about 25 percent of all the persons who left were placed with the employing agencies and, in total about 56 percent got nonsubsidized jobs, either with the employing agencies, other public agencies, or in the private sector. (See p. 9.)

Under EEA legislation and appropriations, the Department planned to end the programs in June 1974. Its guidance for doing so called for program agents to give persons working in EEA jobs the greatest possible opportunity to be placed in nonsubsidized jobs.

With the passage of the Comprehensive Employment and Training Act of 1973 (Public Law 93-203), the problem of permanent placement may ease for those agents who qualify for additional funds under the new act. For agents who do not qualify for Public Law 93-203 funding, permanent placement may be a difficult task, on the basis of program agents' performance through June 30, 1973.

About 122,000 regular enrollees were on board before the summer youth buildup, in June 1973. During 18 months of full program operation, which ended at that time, about 113,680 enrollees were placed in nonsubsidized jobs.

Although program agents were able to help many participants move into nonsubsidized jobs, the agents and the Department need more intensive efforts over the next several months if this major objective of the act is to be met. (See p. 10.)

Where program agents reported placing a significant number of participants in nonsubsidized jobs, factors which appeared to have contributed to these accomplishments were

- revision of local civil service rules relating to eligibility to take tests,
- adoption of selective certification procedures, and

--high turnover in certain types of jobs. (See p. 11.)

Where agents had experienced problems in permanently placing participants, the causative factor most often cited was the Department's July 1972 freeze on hiring.

Under the freeze, agents could not fill EEA job vacancies. Agents, therefore, were reluctant to move participants into nonsubsidized jobs because to do so would reduce their work force.

Other reasons were:

- low turnover rates among regular personnel,
- lack of vacancies,
- civil service system restrictions, and
- budgetary constraints. (See p. 11.)

Other problems included a lack of jobs in the private sector because of depressed economic conditions, a reluctance of EEA participants to accept permanent jobs which had lower salaries, and in one instance opposition by a State employees' union to placing participants permanently. (See p. 12.)

In addition to reasons cited by the agents as underlying causes for problems in permanently placing participants, the speed with which the program was implemented and the resulting lack of adequate plans and procedures for moving participants into nonsubsidized jobs also affected permanent placement.

Virtually none of the agents, in developing plans for departmental

review and approval before releasing funds to carry out the program, had prepared detailed permanent placement plans.

Once the program was underway, few agents developed more specific plans for this purpose because of emphasis on hiring participants and carrying out day-to-day program activities. (See p. 12.)

The Department's officials told us that their concern at the time was to bring expenditures down to the fiscal year 1972 level because of uncertainties of what the final appropriation would be and that it was necessary to hold replacements of participants down to be able to manage within the constraints of the continuing resolution.

To help the movement of EEA participants into nonsubsidized jobs, agents should give more attention to preparing detailed placement plans. Adequate planning will serve to alert agents to potential problems. (See p. 37.)

Overcoming some problems, such as those imposed by civil service hiring requirements or union opposition, will require concerted efforts by the program agents. Others, such as budgetary constraints and low turnover in regular jobs, are directly or indirectly influenced by economic conditions and are, for the most part, beyond the ability of the agents to resolve. (See p. 36.)

Changing hiring practices

To eliminate artificial barriers to employment and advancement, EEA called for participating States, counties, and cities to analyze job descriptions and reevaluate skill

requirements, including civil service requirements. (See p. 31.)

Many agents and subagents reviewed had or were in the process of revising some hiring requirements. The majority of revisions were intended to change unreasonable educational requirements, waive or eliminate written tests, or modify existing civil service systems to more easily accommodate EEA enrollees' transition to permanent, nonsubsidized jobs.

Some agents who were not revising hiring requirements said that, for the positions in question, requirements were not unrealistic and did not present an artificial barrier to placement. (See p. 32.)

EEA has provided some impetus for agents to initiate changes in these areas and changes which have been made can be regarded as definite accomplishments of the program.

To meet the broad mandates in the Civil Rights Act of 1964 and the Equal Employment Opportunity Act of 1972, efforts to eliminate any unreasonable requirements which serve as job barriers should be continued by agents. (See p. 37.)

RECOMMENDATIONS TO THE SECRETARY OF LABOR

The Department should monitor agents' plans and procedures closely to implement actions called for in the Department's supplemental guidelines. When necessary, the Department should give program agents technical assistance in helping participants find nonsubsidized jobs. With the passage of the Comprehensive Employment and Training Act of 1973 and the

continuation of public employment programs, the Department should emphasize to program agents the importance of developing detailed placement plans in future programs. (See p. 37.)

Department officials agreed with GAO's proposals and told of action being taken in line with them. (See p. 37.)

CHAPTER 1

INTRODUCTION

The Emergency Employment Act of 1971 (EEA), (85 Stat. 146) is to give unemployed and underemployed persons transitional employment in jobs providing needed public services during periods of high unemployment and, when feasible, related training and manpower services to enable such persons to move into employment or training not supported under the act. It was also the intent of the Congress that the legislation would act as a catalyst for civil service reform. To accomplish these purposes, the act established the Public Employment Program and the Special Employment Assistance Program which are intended to contribute, to the maximum extent feasible, to the elimination of artificial barriers to employment and occupational advancement.

The Manpower Administration of the Department of Labor administers the program through grants to States, cities, and counties with populations of 75,000 or over and to consortia of Indian tribes. These units of government serve as program agents for the Department and negotiate subgrants with smaller governmental units within their jurisdictions. A total of 657 program agents received 1,098 grants for distribution to 5,250 subagents who, in turn, authorized 17,500 employing agents to hire EEA participants.

The program agents prepare program proposals and the Department's regional offices approve them. The grants are for 1 year and at least 90 percent of the funds must be used for participants' wages and job benefits. Program agents may not use more than 3.2 percent of their total grant funds for program administration. In addition, agents can use 6.8 percent of their Public Employment Program funds for supportive services.

Of the \$1 billion authorized for fiscal year 1972, \$750 million was authorized for programs to employ unemployed and underemployed persons through the Public Employment Program and certain related demonstration programs when the Secretary determines that the nationwide unemployment rate has been 4.5 percent or more for 3 consecutive months.

The act also established a Special Employment Assistance Program and authorized \$250 million for fiscal year 1972 to provide jobs to unemployed and underemployed persons in areas of substantial unemployment. The act defined "areas of substantial unemployment" as any area of sufficient size which has a rate of unemployment equal to, or in excess of, 6 percent for 3 consecutive months.

Of the \$1.25 billion authorized under the act for fiscal year 1973, \$1 billion was for the Public Employment Program and \$250 million was for the Special Employment Assistance Program.

The full authorization of \$1 billion was appropriated for fiscal year 1972. The \$1.25 billion authorized for fiscal year 1973 was included in the appropriation bills passed by the Congress; however, the President vetoed the bills and the Department operated the programs under a continuing resolution at a \$1 billion level and allocated \$447.1 million on a month-to-month basis for operations before March 15, 1973. With the President's signing of a joint congressional resolution continuing the Department's funding through June 30, 1973, and providing \$1.25 billion for EEA programs, the Department, in April 1973, allocated the remaining \$802.9 million to program agents. At that time all agents were advised to complete their programs by June 30, 1974, when all public employment programs authorized under EEA were to have terminated.

The Department allocated about \$983.5 million for the first program year to 657 States, counties, cities, and Indian tribes serving as program agents.

EEA jobs were provided directly by program agents, and through hiring agencies--a department or other unit of the program agent's organization--or through subagents--school districts, cities, or counties not large enough to receive direct funding, or other quasi-governmental bodies. Enrollment under the program, which started about August 1971, reached about 185,000 persons in July 1972, declined for most of fiscal year 1973, and because program agents provided a large number of summer jobs for youths, increased to 215,000 participants by June 30, 1973. Through June 1973 about 418,000 persons had worked in EEA jobs.

The high level of participation in July 1972 was a result, in part, of agents' increasing their EEA employment levels substantially above those originally planned, and was accomplished by using funds, which were available due to initial delays in hiring, to establish additional EEA jobs. However, because the fiscal year 1973 program was being funded under a continuing resolution at the same \$1 billion level as the fiscal year 1972 program, the Department, in July 1972, instituted a hiring freeze for all EEA jobs. This freeze meant that program agents could not fill EEA jobs which were then vacant or which became vacant as a result of participants moving into nonsubsidized permanent jobs, or otherwise leaving the program. The Department modified the freeze in September 1972 to allow program agents to fill jobs, but only up to a level supportable by an amount equal to the fiscal year 1972 grant.

On December 28, 1973, the President signed the Comprehensive Employment and Training Act of 1973 (Public Law 93-203). Title II of the act provides for a public employment program similar to the Special Employment Assistance Program authorized under section 6 of EEA. Financial assistance is provided to prime sponsors (generally States and units of general local government with a population of 100,000 or more) in areas with unemployment rates of 6.5 percent or more for 3 consecutive months.

Program agents under EEA with unemployment rates below the 6.5-percent level will presumably not be eligible for Public Law 93-203 Title II funds, and their current public employment programs will apparently expire by June 30, 1974.

CHAPTER 2

PLACEMENT IN NONSUBSIDIZED JOBS

In the Conference Report on EEA, the Committee of Conference¹ stated:

"* * * for individuals employed under the program it is the intention of the conferees that public service employment jobs lead wherever possible to positions not supported under this Act in the public or private sector."

A National Civil Service League study, published in the spring of 1971, showed numerous job openings in State and local governments. The study concluded that at any given time nearly 360,000 State and local government jobs, exclusive of positions in educational institutions, were vacant and that an estimated 786,000 such jobs became available because of employee turnover during the year.

The Department's guidelines recognized the importance of moving participants into nonsubsidized permanent jobs, and stated that special consideration must be given to jobs providing prospects for nonsubsidized employment with the employing agency or other employers. Also, the guidelines stated that the agent's plans should provide for needed training and related manpower services to promote the movement of participants to regular employment or training and to provide participants with skills for which there is an anticipated high demand.

The Department required that agents, in their requests for funds under the act, include a description of their plans to move participants from the transitional employment provided under the act to nonsubsidized, permanent jobs, including employing agencies' plans to absorb participants into their own permanent staffs.

¹H. Rept. 92-310, June 28, 1971.

To meet the intent of Congress, the Department initially set as a goal for agents and employing agencies the placing of at least half the EEA participants in continuing nonsubsidized positions with the agent or the employing agencies. The Department clarified this by stating this goal would not apply to the additional persons hired through the use of lapsed funds. Later the Department stated that the placement goal for agents or employing agencies was the placing of half the participants in continuing nonsubsidized employment, or the filling of half the suitable agency vacancies with EEA participants--whichever is the lesser amount.

Program agents and employing agencies must make every effort to place participants in the private sector or with manpower training programs. Information on the extent to which the participating agents have met the Department's goal and factors which have limited permanent placement are presented below.

PLACING PARTICIPANTS IN NONSUBSIDIZED JOBS

Excluding about 100,000 youths employed in the summer employment program in June 1973, about 318,000 persons held EEA jobs at one time or another. The Department reported that 50,750, or 16 percent, were placed in jobs with employing agencies as of June 1973. Counting other placements in the public and private sectors, placements totaled about 113,680, or 36 percent, of the cumulative regular participants as of June 1973.

The Department reported that about 203,000 persons terminated from the programs through June 1973. If placements are compared to terminations, about 25 percent of all the terminees were placed with the employing agencies and, in total, about 56 percent got nonsubsidized jobs with the employing agencies or other public agencies or in the private sector.

Our assessment of the placement performance of the 20 agents included in our review was based on the Department's 50 percent placement goal. As of June 1973, after about 18 months of fully operative programs, only 7 of the 20 agents included in our review had employed in public nonsubsidized

jobs enough participants to equal 50 percent of the originally authorized positions.¹ Information on the number of agency vacancies EEA participants filled was limited but samples taken of placements by each of the agents included in our review through August 1972, indicated that only three of the agents were able to fill 50 percent of their suitable vacancies with EEA participants. (See app. II.)

The feasibility of an agent's reaching the Department's 50 percent goal was dependent on a number of factors. Attempting to place 50 percent of the originally authorized positions may not be realistic when the agent has a low turnover rate. Likewise, even if the agent had a sufficient turnover rate, the purposeful hiring of large numbers of disadvantaged persons as EEA participants, who may not have the qualifications required for regular employment, or local decisions not to fill vacated positions because of budgetary constraints may result in a relatively poor placement performance.

Under the EEA legislation and appropriations, the Department planned to end the programs in June 1974, and its guidance for doing so called for agents to give persons working in EEA jobs the greatest possible opportunity to be placed in nonsubsidized jobs.

With the passage of the Comprehensive Employment and Training Act of 1973 (Public Law 93-203), the problem of permanent placement may ease for those agents who qualify for additional funding under the new act. However, for those agents whose programs are terminated because they do not qualify for Public Law 93-203 funding, permanent placement may be a difficult task, on the basis of program agents' performance through June 30, 1973. Through June 1973, there were about 122,000 regular enrollees on board before the summer youth buildup. During 18 months of full

¹Originally authorized positions as used in this report refers to the number of participants authorized in the initial grant agreement and subsequent grant modifications. It does not include the many additional persons who were hired with lapsed funds available because of initial delays in hiring early in the program.

program operation which ended June 1973, about 113,680 enrollees were placed in nonsubsidized jobs. Therefore, although program agents were able help many participants move into nonsubsidized jobs, the agents and the Department need more intensive efforts over the next several months if this major objective of the act is to be met.

Factors impacting on permanent placement

Where program agents placed a significant number of participants in nonsubsidized jobs, we were able to identify various factors which apparently contributed to these accomplishments. For example, revision of local civil service rules relating to eligibility to take tests allowed participants to take tests they would not otherwise have been eligible for; adoption of selective certification procedures permitted agencies to select an otherwise eligible person for a permanent position regardless of his position on the civil service job register; and high turnover in certain types of jobs facilitated the movement of participants into these jobs.

According to program officials, agents had difficulty in permanently placing participants for several reasons. Of the agents reviewed, 14 stated that the Department's July 1972 freeze on hiring was an impediment. Although the freeze was modified in September 1972 to permit agents to fill positions up to levels originally planned for 1972, the modification had little effect since agents were funding more jobs than originally planned. The agents were, therefore, reluctant to move EEA participants into nonsubsidized jobs, because to do so would reduce their work force.

The Department's officials told us that their concern at the time was to bring expenditures down to the fiscal year 1972 level because of uncertainties of what the final appropriation would be and that it was necessary to hold replacements of participants down to be able to manage within the constraints of the continuing resolution.

Ten agents said low turnover rates among regular personnel and/or a lack of vacancies in permanent positions hindered placement. Civil service system restrictions were

cited as problems in permanent placement by 11 of the agents, and 8 agents cited budgetary constraints as a problem.

Although the above represented the problems most often cited, other problems included a lack of jobs in the private sector because of depressed economic conditions, a reluctance of EEA participants to accept permanent jobs with lower salaries, and in one instance opposition by a State employees' union to placing participants permanently.

Inadequate plans

As recognized in the Department's supplemental guidelines of March 1973, a need exists to develop a placement plan for all participants. This plan could include the participants' skills, employment goals, training needs, and other actions to be taken to secure permanent placement.

In addition to the reasons cited as underlying causes for problems in permanently placing EEA participants, the speed with which the program was implemented and the resultant lack of adequate plans and procedures also affected permanent placement. None of the agents had prepared detailed permanent placement plans at the start of the program.

A high priority had been enrolling unemployed persons into the program. The Department instructed program agents to submit, as part of their request for EEA funds, detailed plans to move participants from transitional employment to nonsubsidized permanent jobs, including employing agencies' plans to absorb participants into their own permanent staffs. However, because of the emphasis on speedy implementation of the program--and the resultant need for agents to submit their requests to the Department quickly--the plans which the agents submitted were usually vague statements that the agents would attempt to permanently place EEA participants. Agents did little to develop plans for permanent placement later on because of the emphasis on hiring persons and carrying out day-to-day activities.

With the absence of well-thought-out plans, the program agents had no clear action program for the future and the

Department had no criteria for measuring the agents' performance in permanently placing EEA participants. Had more formal and definitive plans been required after the initial hiring pressure had subsided, the agents would have had to consider more workable procedures for permanent placement and overall placement performance might have improved.

Departmental monitoring

The Department's monitoring system is intended to help governmental representatives appraise the overall effectiveness of the EEA program and identify weaknesses and the need for technical assistance by highlighting areas needing improvement to increase program effectiveness. During their periodic onsite visits, the monitors had placed little emphasis on the permanent placements but had generally concentrated on the hiring, eligibility, training, and use of the participants.

In addition to the information obtained during onsite visits, the program agents' monthly status reports provided the Department with cumulative information, by public service area, on authorized positions, numbers of participants, numbers of placements in nonsubsidized jobs, and numbers of terminations and reasons therefor.

The status reports afforded the Department a means to evaluate the extent to which the agents were meeting the annual placement goal. The Department, therefore, should have been alerted to the lack of progress by various agents in permanently placing participants and to the need to identify problems which were limiting placements. The Department could then have assisted the agents in implementing procedures to facilitate placement and to achieve the program's transitional goal.

Examples of placement activity

In measuring the placement performance of the 20 selected agents, we considered job placements with the program agents and employing agents as well as placements in the private sector and in other manpower training programs. The following examples provide information on placement

activities, opportunities for placement, and problems which limited EEA placements at several of the locations we reviewed. The examples are based on data obtained during our field review of the program agents' activities, generally through August 31, 1972, the end of the first program year. Although the figures have changed (see app. II), the examples show the types of problems that existed, how agents overcame them, and actions that will have to be taken by others if most of the participants now in the program are to be given an opportunity for nonsubsidized employment.

California

As of August 31, 1972, the State and its subagents had placed 593 participants, or about 24 percent of their originally authorized positions, in nonsubsidized jobs in the public or private sector or in other manpower training programs. Neither the State departments nor four subagents have been able to place EEA participants in at least half the suitable vacancies.

Neither the agent nor the seven selected subagents reviewed in California had a formal written plan for permanent placements. A program agent official told us that the general plan consisted of the narrative presented in the grant proposal and periodic bulletins sent to subagents. Subagent officials said they had no formal plans other than the general plan submitted in their proposal to the agent and the agent's periodic bulletins.

The narrative plan included in the State's grant proposal was based on the historical personnel turnover data for State departments and projected increases in public service employment requirements for balance-of-state counties--those counties which did not have large enough population for direct funding under the EEA. On this basis State officials expected enough job vacancies and new job opportunities to meet the permanent placement requirement. However, the grant proposal did not include specific procedures for permanently placing EEA participants, nor did it identify suitable State jobs for them.

No special permanent placement procedures were developed for EEA participants. The normal hiring practices prevailed. Furthermore, agents did not expect to change their basic hiring procedures to hire EEA participants permanently.

The main assistance provided by supervisors to participants employed in State departments was encouraging them to compete for State civil service vacancies. However, participants had to take the initiative by applying for a position through normal channels. This usually entailed taking and passing a written and oral competitive examination given by the State personnel board.

A number of factors presented the employing agencies in California with problems in permanent placement. Low personnel turnover impeded the permanent placement of participants at the educational and county subagents, whereas the civil service system was a barrier to placement within State departments. Four of the educational and county subagents used at least half the vacancies for EEA participants, but overall these subagents managed to place only 12 of 82 participants permanently. For the State departments which filled 93 of a possible 417 suitable vacancies with EEA participants, civil service procedures appeared to be a major reason for the low placement.

A report by the State personnel board estimated that only 42 percent of the EEA participants in State departments will be able to take civil service tests and, unless they are among the three most qualified to fill an opening, it would be unlikely that they would obtain permanent positions. The report stated that the other 58 percent appear to have little opportunity to take a test because (1) not all EEA job classes have a comparable job class in the civil service system, (2) some examinations are open only on a promotional basis (EEA participants are not eligible for such examinations), or (3) some examinations will not be given for some time because of the long list of qualified applicants.

Program agent officials said that the Department of Labor freeze on hiring hindered the planned transition of participants in many balance-of-State counties. State

officials, however, indicated that the freeze did not affect transition to State departments since participants gained State positions through open competition.

The State Department of Human Resources Development cited other factors affecting the successful permanent placement of EEA participants, such as the hiring of overqualified persons who apparently took EEA jobs as a stopgap measure (many of the State jobs were filled by persons with 16 years or more of education), inappropriate EEA job selections, and the rigidity of the civil service and government systems.

Washington

As of August 31, 1972, the employing departments of the State had placed 258, or 30 percent, of their 850 originally authorized participants, in jobs. State officials informed us that EEA participants were being placed permanently through normal turnover. However, only 224, or about 4 percent, of the State's 6,402 suitable vacancies from January through August 1972 were filled by EEA participants. About 3,700 of the 6,402 suitable vacancies were not available to them because the State gave preference to State employees on the priority registers. In some cases, the backlog of applications from regular State employees on the priority register is so great that EEA participants would have little opportunity for permanent placement.

According to the State's plan, its department of personnel would work to move EEA employees into a competitive position for permanently funded positions which offer upward mobility in State government. Local and State government units have been made aware of the fact that at least 50 percent of their EEA employees should become permanently placed with upward mobility. All employing agencies plan to absorb participants into their own permanent staff as additional funds become available and as openings occur through attrition or retirement.

To promote placing EEA participants in permanent State jobs, the State has adopted a special selection procedure in which each department selects applicants from an open competitive register but has the option of selecting a

participant to fill a regular job vacancy regardless of rank on the register. The procedure gives EEA participants preference over non-State employee applicants for permanent positions.

To expedite EEA program hiring, the State of Washington allowed eligible applicants to be hired either provisionally or from existing civil service registers without regard to rank. EEA participants hired provisionally were then required to take civil service tests and were placed in a special category called project employment. Names of EEA participants on civil service registers before EEA were retained on the registers to compete for permanent jobs.

Regular State employees on promotional, transfer, and reduction-in-force registers have priority in filling permanent job vacancies. EEA participants must compete for permanent jobs through the open competitive registers composed of applicants who are not regular State employees. After the priority registers have been exhausted, normally the three top applicants on the open competitive register are referred to fill a job vacancy.

State officials informed us that the State employees' union was against changing the rules to allow EEA participants to compete for job vacancies on the same basis as regular State employees. A union official informed us that as long as EEA participants were hired under the act provisionally and regular State employees were not allowed to compete for EEA jobs, the union would be opposed to allowing EEA participants to compete with regular State employees for regular job vacancies.

The reluctance of EEA participants to relocate to other parts of the State to obtain permanent jobs limited the number of EEA permanent placements. All applicants for State jobs are required to designate which of the 40 counties in which they would accept employment. An examination of 155 EEA participants' applications for permanent jobs showed that 110 designated 2 or less counties while only 17 were willing to accept a job in any of the 40 counties; also 15 of the 155 had each refused 2 permanent

jobs because they were waiting for job openings in the organizational unit in which they were working under EEA.

State officials said the reluctance of EEA participants to apply for permanent positions in classifications with a lower pay level than the one in which they were working under EEA also hindered permanent placement.

Adams County, Colorado

During the first program year, Adams County and its subagents placed 29 EEA participants in public and private jobs. This represented all of the 32 originally authorized positions.

In selecting EEA jobs, Adams County and the local school district considered the public service needs which would be met by the jobs and the possibility of the jobs leading to nonsubsidized employment. In selecting jobs with transitional employment potential, the county considered that the job (1) might be included in the budget at a later date, (2) might lead to nonsubsidized employment through turnover, and (3) might lead to nonsubsidized employment in the private sector. The school district planned to transfer its EEA positions to its budget.

The Adams County personnel director and the school district's EEA official consider EEA enrollees for job vacancies. Neither the county nor the school district have developed procedures to inform EEA participants of job opportunities in the private sector. The employment service in Adams County does not keep records on EEA participants in its active file and does not refer participants to available job opportunities in the private sector. All EEA placements in nonsubsidized employment in the private sector have been through the participants' own efforts.

The only problem cited by the Adams County program agent regarding permanent placement was the Department's hiring freeze which resulted in a delay in transferring some participants to the regular payroll.

Los Angeles County, California

Los Angeles County and its subagents reported that 560 participants had been placed in nonsubsidized jobs as of August 31, 1972--a permanent placement rate of about 50 percent of the original authorized positions.

Of the 221 participants placed by the county in nonsubsidized public jobs, 35 were previously employed by the program agent. These 35 participants accounted for 27 percent of the total EEA participants who had been previously employed by the county.

Los Angeles County did not include a plan for permanently placing participants when its application was submitted for full funding in September 1971. During the initial stages of the program, county officials said they placed higher priorities on:

- Evaluating subagents' proposals.
- Determining which jobs complied with public service needs.
- Equitably distributing the available funds among eligible subagents.

An agent official stated that permanent placement plans were first seriously considered in December 1971 when county officials recognized that EEA participants might encounter problems finding permanent placement. Primarily, they believed that the participants might have difficulty with the open examination competition because jobs were filled on the basis of examination scores. EEA participants did not always have the top scores.

To alleviate the difficulty presented by open competitive examinations, the county civil service commission revised its rules in July 1972 to allow participants to compete in promotional as well as open competitive examinations for a permanent position--open examination means an examination open to the public; promotional examinations are limited to qualified county employees.

After the rules were revised, Los Angeles County adopted a procedure which permitted EEA participants who have completed at least 120 working days of satisfactory service to compete in promotional examinations rather than through the open examination process for permanent appointments to the class in which they have status, or any lower level. Since about 90 percent of the participants were employed in entry level positions, the competition for a permanent position at that level would normally only be among participants because regular county employees would not be competing for these positions through promotional examinations.

Generally, participants were informed of suitable permanent jobs within the county by (1) job bulletins announcing openings in entry level positions, (2) promotional examination bulletins announcing openings in entry level or higher level positions, or (3) immediate supervisors, departmental personnel officers, or staff placement counselors.

Analysis of placement results for the county showed that the percentage of placement in certain types of jobs was much higher, and in other types of jobs much lower than the overall average. For example, the county was able to place 108 deputy sheriffs in permanent jobs--a rate of 270 percent based on the number of original authorized positions. In contrast, the county had not placed any of its participants into intermediate clerk positions.

Our detailed analysis of three job classifications revealed numerous job vacancies suitable for EEA enrollees. Of the 640 vacancies occurring in these job classifications, EEA participants were permanently placed in 45 positions. Major reasons for the low placement rate in these jobs were the participants' inability to score high enough on employment examinations and the department of personnel's policy prohibiting applicants from retaking an employment test within 6 months.

Absorbing EEA employees into permanent jobs in Los Angeles County has also been slower than anticipated because less vacancies became available than were anticipated. This was due largely to a reduction in the turnover rate among

county employees, attributed in part to the high unemployment rate in the Los Angeles area. The turnover rate for a 12-month period before EEA was 13.3 percent of the work force compared with 10 percent for a 12-month period after EEA.

Most placements in nonsubsidized jobs were with the county; the county's reports showed that as of August 31, 1972, only 11 participants had obtained permanent placement in the private sector. According to a program official, the county was not helping the participants find placement with other public agencies or the private sector and placements which had been made resulted from the participants' own efforts.

For the second grant year, a county official stated that the county planned to strongly encourage the permanent placement of participants using the revised rules. The official believed, therefore, that the placement record for the second year would improve substantially because a major barrier to permanent employment had been removed.

Richmond County, Georgia

As of August 31, 1972, Richmond County had placed 31 participants, or about 31 percent, of 101 initially authorized positions in nonsubsidized, continuing jobs with the county and in the private sector.

Richmond County had not developed a formal permanent placement plan. In its application for funding, the county stated that it planned to move participants from transitional employment to nonsubsidized permanent jobs through planned absorption to coincide with projected expansion in particular public service areas. It expected that at least 50 percent of the participants would be absorbed.

Program officials stated that the county did not reach its placement goal because (1) the Department imposed a hiring freeze on EEA jobs in July 1972, (2) the county did not fully understand the EEA placement requirements, (3) there was a shortage of funds for regular positions, and (4) in some instances, employing agencies were reluctant to fill regular positions with EEA participants because they

believed the EEA participants were not sufficiently qualified.

Boston

As of August 31, 1972, 58 EEA participants, equal to about 10 percent of the jobs originally authorized, had been placed in nonsubsidized employment. Also, the city did not appear to be filling half of its suitable vacancies with EEA participants.

Since the city did not maintain centralized records of job vacancies, we obtained information on vacancies filled from November 1971 through August 1972 for 28 of the 43 city departments from department records. This information showed that, of 66 suitable vacancies during this period, EEA participants were placed in only 9 positions.

During the first program year, Boston had not developed a specific plan to permanently place EEA participants in nonsubsidized positions nor had it established procedures to attain the goal set forth in the act. A program official said a plan had not been developed because of the emphasis during the first program year on hiring people and developing training programs for participants.

The program official told us the major problems limiting permanent placement in the public sector are the civil service laws of Massachusetts and the lack of local funds. In the private sector, the major problem limiting permanent placement was the area's depressed economy.

Most of the EEA positions in Boston are civil service positions and are subject to State civil service regulations. Although legislation has recently been enacted to help make civil service positions more accessible to disadvantaged persons, the civil service laws of Massachusetts still impede EEA enrollees' transfers to nonsubsidized public employment. Some examples follow.

- EEA enrollees cannot take a departmental examination to qualify for a promotional position in administrative and clerical areas because they are not permanent employees.

- EEA enrollees cannot be considered for a promotional position as skilled or unskilled laborers because they are not permanent employees.
- EEA enrollees may not possess the necessary education and experience required to qualify for an open examination for a promotional position.
- EEA enrollees not possessing the qualifications to take an open examination for a promotional position must compete with a larger field of candidates than in a departmental examination. Also, an enrollee must be among the three most qualified to be considered.

The second major problem affecting the placement of participants in the public sector concerns the budget reduction of the city. In January 1973 the Mayor of Boston announced an austerity program to reduce the city budget by about \$38 million. As part of this program, the regular city employment level is to be reduced by about 1,600 employees through attrition and layoffs. This action will further limit EEA participants' opportunities to move into regular city jobs. Also, because of the depressed economy of the area, opportunities for placement with other employers are not considered good.

Baton Rouge-East Baton Rouge Parish, Louisiana

Through August 31, 1972, the program agents and subagents had placed 42 participants, or about 22 percent, of the 194 originally authorized positions in permanent nonsubsidized positions. The agents' records show that only one of the six subagents reviewed used at least 50 percent of the suitable vacancies to permanently place EEA participants.

The Baton Rouge-East Baton Rouge Parish placement plan for participants employed in classified positions was to place these participants through the normal civil service selection procedure. The placement plan for participants in unclassified positions was to encourage the employing agencies to use every opportunity to place the participants.

Although the employing agencies did not have formal or specific plans for permanent placement, officials of these agencies said they planned to (1) place participants through the normal civil service selection procedure as vacancies occur, (2) give priority consideration to participants in filling vacancies, and (3) consider permanently placing at the end of the program those who have not been placed.

None of the employing agencies have prepared specific written procedures for placing participants permanently. The established civil service procedures to be used require that vacancies be filled by one of the top three applicants on the appropriate register.

According to a program official, the major problem restricting permanent placement is the city-parish civil service system. Participants were selected initially from among unemployed or underemployed persons on civil service registers regardless of the participant's position on the registers. Normally, however, a participant is not considered for permanent placement until his name moves into the top three names on the register. In the interim the participant continually competes for a register position with incoming civil service applicants.

Other reasons cited as contributing to low placement performance included (1) the lack of funds to create new positions, (2) the hiring freeze imposed by the Department of Labor, and (3) the lack of enough suitable vacancies.

Cincinnati

As of August 31, 1972, the city of Cincinnati managed to place only 49 EEA participants in permanent nonsubsidized positions, or about 10 percent of the 492 originally authorized positions. On the basis of turnover rates and city officials' estimates, about 200 vacancies should have occurred during the year which were suitable for EEA participants.

The city submitted a placement plan to provide EEA participants with the opportunity to take civil service examinations and qualify for permanent jobs. A program official viewed the Department's 50 percent placement goal

as one to be reached by the end of the program with placement made throughout the life of the program. Subagent officials told us that, for the EEA-employed teachers, the plan was to use the first year as an evaluation period and that teachers who received a favorable evaluation would be offered regular nonsubsidized positions.

Since EEA participants in Cincinnati must compete with nonparticipants under civil service regulations, placement procedures established by the agent are designed primarily to encourage and assist EEA participants to either attain eligibility under the civil service system or seek employment in the private sector.

One procedure employed is the publication of a monthly bulletin to inform EEA participants of upcoming (1) civil service examinations, (2) job openings in the private sector, and (3) training programs to update skills and education levels. Another procedure is the use of field representatives to assist and encourage EEA participants to seek additional education and to advise them of job openings in the private sector.

The prime problem in permanent placement is the civil service system. A program director said:

- The failure of the EEA participants to compete successfully for regular jobs is due in part to the fact that many who were hired did not, and will not be able to, achieve eligibility for regular classified positions.
- This failure was due in part to the economic conditions.
- The high unemployment rate had resulted in a greater number of applications from individuals who possess a higher educational level than is actually required. Consequently, the EEA participants, many of whom were hired without meeting minimum civil service requirements, have performed poorly on job tests in comparison to other applicants.

The program official believed that the major problem limiting permanent placement in the private sector was that the EEA participants would rather keep their jobs, even if they are considered temporary, because the city pays well, has good fringe benefits, and the jobs offer more security than those in the private sector.

A city subagent official advised us that, before the Department's freeze on hiring, plans were to place all participants permanently. During the freeze the subagent would not transfer participants to the regular payroll. In the case of EEA teachers, the transfer would have necessitated canceling the special projects they were conducting since the schools did not have regular funds to replace them.

Detroit

Of the 989 new regular employees hired by the city during the period January 1 to September 30, 1972, 533 were in positions identical to EEA job classifications. Considering these vacancies as appropriate for EEA participants, the city's placement goal was 266 EEA participants. As of August 1972, the city had placed 53 participants, about 20 percent of the goal, in city jobs but reported no placements in the private sector.

City officials stated that EEA participants were being placed in areas of critical need. As a result, the city planned to absorb all participants employed at the end of the program; however, the retention of all or any of participants depends solely on the financial position of the city at the end of the program. If local funds are available for positions used under the program, the city intends to fill these jobs with program participants to the maximum extent possible.

A city official told us that two methods were being used to inform employees of public job openings but added that no special preference was given to EEA participants. If an opening occurred in an existing job classification, the city's civil service list was used to identify the individual next in line for the position. The individual was then notified. If the classification was newly created,

a public notice was posted in each department and all individuals meeting the specified qualifications could apply for the job.

City officials stated that under the city's civil service system EEA participants were required to meet the same requirements as others to fill regular job openings. This was an additional factor affecting the number of placements.

The city's EEA director said that job reduction because of a shortage of city funds was another problem limiting permanent placement. It not only prohibited filling many vacancies but also limited hiring to high-priority jobs, such as policemen. Another contributing factor to the placement problem, he said, was the Department's July 1972 directive which placed a freeze on all new EEA hiring. This made it to the agent's disadvantage to permanently place EEA participants because the participant being transferred could not be replaced.

Seattle

As of August 31, 1972, the city departments had placed 145 and the school district had placed 104 EEA participants in permanent nonsubsidized jobs, representing 28 and 23 percent, respectively, of the originally authorized positions. A review of four city departments showed that EEA participants filled 61, or about 22 percent, of the 273 suitable vacancies.

Seattle's plan stated that all efforts would be made to absorb EEA participants into regular permanent jobs. Those already qualified by civil service examination could be transferred to permanent jobs as they become vacant. Also, participants hired in a provisional status would be given opportunities to take examinations and be placed on registers so that they too could move into permanent jobs.

Seattle hired about 47 percent of its EEA participants from existing civil service registers. The other 53 percent were hired provisionally because no registers existed for the positions or no eligible EEA applicants were on existing registers.

Participants hired from existing registers remained on the registers and were eligible to be referred to permanent job openings if they were ranked in either the top 5 or the top 25 percent. EEA participants who were hired provisionally were not eligible to be permanently placed until they passed civil service tests and were placed on applicable civil service registers.

The school district, which had no civil service system, hired EEA applicants on the basis of job applications and personnel interviews. The school district then attempted to place qualified participants in permanent jobs as they became available.

One of the reasons why EEA participants were not able to fill more of the suitable vacancies was that 66 of the vacancies were filled by promoting regular city employees because EEA participants were not eligible for promotional examinations under civil service rules. A civil service official said that amending the merit system rules to allow EEA participants to compete for promotional jobs would create a serious morale problem.

Another reason why some suitable job vacancies in city departments were not made available to EEA participants was that civil service registers generally are updated only once a year. Therefore, they were prevented from being placed in registers for job classifications other than the one in which they were working under EEA.

The Department's freeze on hiring for EEA positions had a negative effect on the accomplishment of the permanent placement goals. Officials at both the city and the school district informed us that some department heads were reluctant to place EEA participants in a nonsubsidized job if the EEA vacancy created by the placement could not be refilled.

In the city the rate of permanent placements had dropped from the previous 3-month level after the freeze was imposed. City officials attributed this decline to the freeze. A school district official estimated that in about 50 cases EEA participants were not placed in a permanent

position because this would create a vacant EEA slot that could not be refilled.

FUTURE EMPHASIS ON PERMANENT PLACEMENT

In March 1973 the Department issued supplemental guidelines for permanently placing EEA participants. Program agents must plan and implement the reduction of participant levels in a manner which will provide participants the greatest opportunity to obtain permanent nonsubsidized employment.

Section V of these guidelines entitled, "Placement of Participants into Unsubsidized Jobs or Training," called for program agents to indicate in their plans for completing of the program (1) how they plan to implement specific actions outlined in the guidelines and (2) other actions or procedures which they will undertake to help participants obtain permanent nonsubsidized jobs.

The guidelines present five specific areas in which action is called for and spell out certain procedures which should help participants find nonsubsidized jobs. Briefly, these areas and procedures are:

Public information campaign on EEA goals--Participants themselves and certain key staff people within the program agent, subagent, and employing agency organizations must be made aware of and understand EEA's transition goals and requirements. Key staff include the employees of personnel departments, heads of other departments, and participants' supervisors.

Employment planning--Some type of individual employment plan must be developed for each participant. The plan need not be overly detailed but should include the employee's skills, employment goals, and training needs and should contain a record of all actions taken by the employing agency and the participant to locate permanent employment.

Liaison with the employment service--The agent should consider the immediate registration of participants with the local State employment security office. The Department believes the 2,200 local offices, staffed with people

trained in employment planning, counseling, placement, and job development, can be effective in helping agents achieve placement goals.

Job development by EEA employees--If needed, additional EEA positions as job developers can be created. These participants explore job opportunities in both the public and private sectors.

Coordination with other community agencies--For help in arranging training and supportive services (day care, transportation, and vocational counseling for participants), contact Department regional offices and locally based manpower and social service agencies and resources. Groups that can provide this type of assistance include the employment service, veterans organizations, community agencies, other manpower programs and labor and employer organizations.

CHAPTER 3

CHANGES IN HIRING PRACTICES

A number of recent court decisions have held that hiring requirements, whether testing or other qualifications, must be job related. Because of these decisions under such laws as the Civil Rights Act of 1964 and the Equal Employment Opportunity Act of 1972, State and local governments need to review their hiring practices.

To achieve the objective of eliminating artificial barriers to employment and advancement, EEA called for assurances by participating States, counties, and cities that they would analyze job descriptions and reevaluate skill requirements, including civil service requirements. The act also required assurances that the agents' programs would, to the maximum extent feasible, contribute to the elimination of artificial barriers to employment and occupational advancement, including civil service requirements which restrict employment opportunities for disadvantaged persons.

The Department's guidelines provide that in developing job opportunities the program agent should strive to eliminate restrictive practices and institutional barriers which prevent the effective use of available manpower and which systematically exclude large segments of the population from realizing their employment potentials. The program agent is encouraged to revise rules, regulations, practices, and laws governing the hiring of employees which have led to the establishment of job entrance requirements that do not accurately reflect the actual requirements necessary for performing the job.

The guidelines also encourage program agents not only to create new jobs but also to consider evaluating position requirements and qualifications for existing jobs to better use the skills of the unemployed.

REVISIONS TO HIRING REQUIREMENTS

Many of the program agents and subagents reviewed had revised or were revising some of their hiring requirements. The majority of the revisions were intended to change unreasonable educational requirements, waive or eliminate written tests, or modify existing civil service systems to more easily accommodate EEA enrollees' transition to permanent, nonsubsidized jobs. Several of the agents who were not revising hiring requirements stated that, for the positions in question, they believed the requirements were not unrealistic and did not present an artificial barrier to placing EEA enrollees.

To assist EEA program agents, the U.S. Civil Service Commission prepared guidelines for reevaluating employment requirements and practices. These guidelines contain a listing of major personnel areas to be analyzed, a discussion of the issues to be looked at, and guiding principles and criteria.

The following examples illustrate some of the agents' steps in revising their hiring requirements.

East Baton Rouge officials said several hiring requirement changes were made because of the EEA program. These changes included (1) waiving age requirements for certain classified positions, (2) certifying special veterans (those who had served in Vietnam or Korea) for the EEA program and giving them first hiring priority regardless of position on the personnel register, and (3) streamlining hiring procedures for the EEA positions to fill the positions faster.

The city of Cincinnati formed an affirmative action committee to develop an equal employment opportunity plan for all the city departments. Although the plan was not directly related to EEA planning efforts, it should benefit EEA participants. Under the plan EEA participants will be given credit for service with the city in the form of points which will be added to their civil service examination score. Another change provided for testing only EEA participants for vacant positions. This would be followed

by an open examination if an adequate number of EEA participants failed to qualify.

Stanislaus County and Modesto City school officials said unrealistic testing procedures were changed to help EEA participants obtain permanent placement. Stanislaus County officials said certain written tests were waived to benefit EEA participants. Of the 42 enrollees permanently placed under EEA, only 6 were required to pass written tests. A Modesto school official said the written test requirement was removed for many entry level positions, such as bus drivers, preschool teachers aides, groundsman, and cafeteria workers. Interviews replaced written tests for both agencies.

A Detroit Board of Education official said it lowered minimum age requirements for custodians, eliminated written examinations for security cadets, and eliminated all requirements except residence requirements for school service assistants. According to the board, it had revised its hiring requirements so that written tests were no longer given the weight previously given. If a person does poorly on an examination, job experience is often used in determining employment suitability.

A Los Angeles city official stated that, because of the EEA stimulus, the high school education requirement was dropped from many positions, such as parking meter collector, clerk typist, security officer, and warehouseman. In addition, he said certain job requirements have generally been relaxed. For instance, the city's recreation and parks department recently hired its first woman gardener-caretaker after eliminating the "male only" requirement.

In June 1972 King County, Washington, started reviewing job descriptions and hiring requirements for EEA funded positions at school districts and cities. Officials stated the review was being made to determine whether job descriptions were understandable and contained adequate information and whether hiring requirements contained artificial barriers. As a result of the county's review of 824 jobs, the school districts and cities needed to prepare or revise job descriptions for 243 jobs and revise hiring requirements for 286 jobs.

San Jose officials stated they planned proposing some rule changes in the civil service system. For example, EEA participants with 6 months' work experience and satisfactory ratings by two levels of supervision could be employed without taking civil service examinations or without being among the top three on the eligibility list if they had already taken them.

Indianapolis has made some progress in rewriting job descriptions. The agent had rewritten job descriptions for about 30 percent of the 352 separate EEA jobs as of September 1972. After job descriptions are prepared for all city positions, the personnel department plans to reevaluate and restructure all city jobs using Civil Service Commission guidelines. The EEA program has had little impact on the city's subagents, however, in revising hiring requirements.

VALIDATING OF TESTS

Using tests has traditionally been the heart of the merit system concept. Through testing, the system attempts to insure that a person's qualifications and abilities would be the deciding factors in consideration for a public service job.

In theory, a position would be classified according to the work and necessary standards. To measure an applicant's ability to perform the job, tests would be given. Those who passed such tests were then eligible to be hired. If employment testing is to serve as a true indicator of job readiness, it must correlate test results with eventual performance characteristics.

In recent years certain types of tests may have been discriminatory or may not have accurately predicted how well a person would be able to perform a given job. To overcome some of the problems relating to testing, procedures have been designed which enable an employer to validate the content and predictive ability of tests. Validation attempts to improve the basis for determining whether a person is really qualified for a job.

Most of the program agents reviewed had not validated tests used to determine a potential employee's qualifications.

Some agents had funded test validating programs or were validating their tests. Only in the city and county of Los Angeles and in Seattle, were the program agents using Federal funds to hire persons to validate tests.

FUTURE PLANS FOR CHANGING HIRING PRACTICES

Some agents planned to change hiring practices. Several agents were planning revisions because of requirements of the act. For the most part, agents said they were willing to review and reexamine their hiring practices to ascertain how these practices were unreasonable or unrealistic.

For example, Cincinnati plans to completely analyze and reevaluate jobs and skill requirements for all 600 job classifications in the city. The city is planning to contract with a private corporation for a complete analysis and evaluation of the uniformed policeman job classification to determine what qualifications are needed to be a police officer. The city plans to perform an in-house job analysis and evaluation of the remaining job requirements with the aid of an outside expert. Also, officials said all the civil service tests will be updated.

Boston hired a consultant in October 1972 to improve the Massachusetts civil service system regarding Boston through reviewing civil service tests for validating questions and reporting on whether Boston should have its own civil service system or stay under the State's system.

Certain program agents have also received grants under the Intergovernmental Personnel Act to study certain aspects of their hiring and selection procedures or to establish test validation programs. Under one of these grants, for example, Los Angeles intended to establish a test validation program directed toward validating entry level employment tests and minimizing ethnic bias.

CHAPTER 4

CONCLUSIONS AND RECOMMENDATIONS

It was the intent of the Congress that employment under EEA would lead to permanent nonsubsidized jobs for as many participants as possible. Although program agents were able to place many participants in nonsubsidized permanent jobs, they will have to intensify efforts to overcome several factors which tend to inhibit permanent placement if substantial numbers of participants are to successfully move into non-EEA positions.

The Department required that each program agent include, in its request for funding of programs under the act, a description of its plans to move participants from the transitional employment provided under the act to permanent jobs. For the most part, however, the plans submitted by the agents merely indicated a commitment to achieve the goal.

The problems encountered by many program agents indicate that the task of moving most of the remaining participants into nonsubsidized employment will be difficult. Although a sufficient number of vacancies probably occur at the State and local governments over a period of time to provide opportunities for permanent jobs, in most areas these vacancies are filled through existing hiring practices which generally preclude special treatment for EEA participants.

The fact that participants comprise a minor part of the State or local government work force has undoubtedly been a factor which militates against changing hiring practices under which the majority of the permanent work force were hired.

Overcoming some of the problems, such as those imposed by civil service hiring requirements or union opposition, will require concerted efforts by the program agents. Other problems, however, such as budgetary constraints and low turnover in regular jobs, are directly or indirectly influenced by economic conditions and are for the most part beyond the ability of the agents to resolve.

To facilitate placing participants in nonsubsidized jobs, program agents should prepare more detailed placement plans. Adequate planning will alert program agents and the Department to potential problems.

The Department should have been alerted through its monitoring system and monthly reports to the lack of progress by agents in placing participants in nonsubsidized permanent jobs and to the need to identify placement problems. The Department could then have assisted the agents in implementing procedures to facilitate placement and to accomplish the program's goal.

One of the major problems which affected the rate of placement was the Department's hiring freeze in July 1972. Agents had to reduce their work forces if they moved participants into regular jobs. Although any estimate of the number of participants who would have benefited by being placed in nonsubsidized permanent jobs under such conditions would be conjectural, many agents indicated that they would have been able to better meet the Department's goal if their placement activities had not been influenced by the hiring freeze.

To achieve the objective of eliminating artificial barriers to employment and advancement under EEA, participating States, counties, and cities must analyze job descriptions and reevaluate skill requirements, including civil service requirements.

EEA has provided some impetus for program agents to initiate definite accomplishments. To meet the broad mandates set forth in the Civil Rights Act of 1964 and the Equal Employment Opportunity Act of 1972, efforts to identify and eliminate any unnecessary or unreasonable requirements which serve as barriers to employment should be continued by program agents.

RECOMMENDATIONS TO THE SECRETARY OF LABOR

To insure that placements under the present program are maximized to the extent possible before the program ends, we recommend that the Department closely monitor program agents' plans and procedures for implementing the actions

called for in the Department's supplemental guidelines and, when necessary, give agents technical assistance to help participants find nonsubsidized jobs. With the passage of the Comprehensive Employment and Training Act of 1973 and the continuation of public employment programs, the Department should emphasize to program agents the importance of developing detailed placement plans in future programs.

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We discussed our findings and conclusions with Manpower Administration officials who agreed that the Department should closely monitor program agents' plans and procedures to implement detailed placement plans and should provide technical assistance to help participants find nonsubsidized jobs. They told us that regional offices were continuously monitoring individual programs, stressing transition, and that the Department's headquarters' staff had conducted a round of onsite reviews in August with emphasis on transition. A further special round of visits is planned to focus on this subject, and technical assistance is being provided in this area through contracts with the Civil Service Commission.

CHAPTER 5

SCOPE OF REVIEW

We examined the legislative history relating to the act and the Department's regulations and program guidelines relating to program agents' responsibilities for permanently placing EEA participants and revising hiring requirements. We also (1) reviewed agents' plans to carry out their responsibilities, (2) discussed with agent officials their procedures for carrying out the plans, and (3) examined agents' records and reports on permanent placements.

To provide diverse coverage in our review, we visited 20 program agents representing 6 States, 5 counties, and 9 cities. The selected agents represented (1) rural and urban areas and (2) areas with rates of unemployment ranging from about 3 percent to 15 percent.

GENERAL ACCOUNTING OFFICE

REPORTS TO THE CHAIRMAN, SUBCOMMITTEE ON
EMPLOYMENT, POVERTY, AND MIGRATORY LABOR,

SENATE COMMITTEE ON LABOR AND PUBLIC WELFARE

ON PROGRAMS UNDER THE EMERGENCY EMPLOYMENT ACT OF 1971

"Review of the Allocation of Funds for the Public
Employment Program under the Emergency Employment Act of
1971" (B-163922, Dec. 17, 1971).

"Delay in Hiring of Persons under the Public Employment
Program" (B-163922, Feb. 16, 1972).

"Report on the Preparation and Approval of Plans to
Implement the Public Employment Program" (B-163922, Mar. 17,
1972).

"Selection and Enrollment of Participants in Programs
Under the Emergency Employment Act of 1971" (B-163922, Oct.
12, 1972).

"Types of Jobs Offered to Unemployed Persons Under the
Emergency Employment Act of 1971" (B-163922, Nov. 27, 1972).

"Impact of Grants to Indian Tribes Under the Emergency
Employment Act of 1971" (B-163922, Mar. 14, 1973).

"Public Service Benefits from Jobs Under the Emergency
Employment Act of 1971" (B-163922, June 8, 1973).

"Public Employment Programs in Selected Rural and Urban
Areas" (B-163922, Aug. 1, 1973).

ORIGINALLY AUTHORIZED POSITIONS
AND PARTICIPANTS EMPLOYED BY
PROGRAM AGENTS INCLUDED IN OUR
REVIEW AS OF JUNE 1973

	<u>Originally authorized positions</u>	<u>Place- ments</u>	<u>Percentage-- placements of originally authorized positions</u>
STATES:			
California	2,518	874	35
Georgia	901	259	29
Louisiana	1,406	263	19
Massachusetts	2,896	344	12
Washington	850	785	92
Wyoming	274	70	26
COUNTIES:			
Adams County, Colorado	32	36	113
King County, Washington	1,186	494	42
Los Angeles County, Cali- fornia	1,122	1,137	102
Richmond County, Georgia	101	55	54
Stanislaus County, California	675	111	16
CITIES:			
Atlanta, Georgia	139	66	47
Baton Rouge-East Baton Rouge, Louisiana (note a)	194	138	71
Boston	569	65	11
Cincinnati	492	179	36
Detroit	2,347	467	20
Indianapolis-Marion County, Indiana (note b)	306	204	67
Los Angeles	3,133	1,148	37
San Jose, Cali- fornia	321	18	6
Seattle	1,051	527	50

^aCombined program for Baton Rouge and East Baton Rouge Parish.

^bCombined program for Indianapolis and Marion County.

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