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# REPORT TO THE CONGRESS

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## Problems In Making The Concentrated Employment Program Work In Rural Mississippi B-130515

Department of Labor

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

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MARCH 15, 1972



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

B-130515

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To the President of the Senate and the  
Speaker of the House of Representatives

This is our report on problems in making the Concentrated Employment Program work in rural Mississippi. The program is administered by the Department of Labor.

Our review was made pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

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

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

Comptroller General  
of the United States

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ABBREVIATIONS

CEP	Concentrated Employment Program
GAO	General Accounting Office
MISS:CEP	Mississippi Delta Concentrated Employment Program

D I G E S T

WHY THE REVIEW WAS MADE

The Concentrated Employment Program (CEP) is designed specifically to draw together under one sponsor work and training resources of the Federal Government in urban and rural areas where there are large numbers or proportions of persons either unemployed or existing on low incomes.

The ultimate goal of CEP is to place enrollees into permanent jobs.

The General Accounting Office (GAO) previously reported on how effectively CEP had operated in Los Angeles, California; Detroit, Michigan; Chicago, Illinois; and St. Louis, Missouri. This report assesses the effectiveness of the CEP operation in the Mississippi Delta, a rural area. (See maps, pp. 9 and 10.)

CEP is administered by the Department of Labor. During 4 years of operation, the Department has allocated about \$675 million to CEP and CEP has aided a total of 384,000 persons. CEP currently is operating in 69 urban and 13 rural locations. (See p. 5.)

FINDINGS AND CONCLUSIONS

About \$14 million was spent on CEP in the Mississippi Delta from June 1967 through December 1971.

Economic and geographic conditions and educational and job-skill limitations of disadvantaged area residents are hindering its success.

Although CEP provided some job training, counseling, and placement and some work experience, there has been only limited success in placing persons permanently in jobs.

Program results

During the period December 1968 through February 1970, 3,333 of the 6,732 persons enrolled in CEP received some training or work experience and 2,586 were placed in jobs. (See p. 12.) About half of those placed in jobs, however, did not receive any orientation, training, or work experience. Often they were limited to the same types of low-skill jobs they held before joining CEP. (See p. 19.)

Many placements were only temporary. Only 56 percent of the persons placed were employed 6 months later. Many had changed jobs during that 6-month period. (See p. 19.)

Many enrollees were placed in jobs requiring similar or lower level skills than those required in previous occupations. Only about one half of the jobs provided increases in wages over those received by enrollees prior to their entering CEP. (See p. 20.)

Job placement was not always related to the type of training an enrollee received. For example, a person trained as a welder was placed as a janitor, an offset printer as a mail clerk, and an automobile mechanic as a maintenance man. (See p. 22.)

Similar results obtained by CEP during March through December 1970 were attributed to the economic slowdown which closed or cut back operations of some companies in the area and to the special nature of the disadvantaged residents of the area--minority group farm workers accustomed to seasonal employment. (See p. 23.)

The effectiveness of CEP was hindered by a stagnant economy, an insufficient labor demand, a labor force consisting largely of black farm workers without necessary educational and vocational skills, and the large area and widely dispersed population that CEP was trying to reach. (See p. 25.)

Increased mechanization has displaced many farm workers in the traditionally agricultural delta area. New job opportunities have been scarce because industries have been slow to come into the delta and because available jobs have required skills which CEP enrollees do not have and cannot obtain reasonably. (See p. 25.)

Originally the Mississippi project was intended to cover 11,000 square miles and to reach 570,000 people. The size of CEP caused transportation and administrative difficulties. In January 1971 its scope was reduced to 9,000 square miles and 400,000 people. There may continue to be administrative difficulties, however, because of its size. (See p. 30.)

GAO's findings coincide with the results of a review of CEP in rural areas conducted by a consultant firm for the Department of Labor. The consultants found that, if CEPs were to be effective in rural areas, they should be conducted as part of a comprehensive economic development program.

Federal manpower programs in rural areas will continue to be ineffective unless economic development produces additional jobs or unless participants, after being trained, choose to relocate and to find jobs elsewhere.

#### RECOMMENDATIONS OR SUGGESTIONS

Pending adoption of measures currently being considered by the Congress that seek to revitalize the economy and to increase job opportunities in such rural areas as the Mississippi Delta, the Secretary of Labor should try to improve the effectiveness of CEP by

- ensuring that skill training and other specialized manpower services are provided with due regard to the capabilities and needs of CEP participants and available job opportunities and
- making all possible use of work experience programs and other subsidized employment, such as public service jobs funded under the Emergency Employment Act of 1971, for those participants who cannot be placed readily in jobs. (See p. 35.)

AGENCY ACTIONS AND UNRESOLVED ISSUES

The Department of Labor agreed with GAO that CEP in the Mississippi Delta would be more effective if it were part of a comprehensive economic development program. The Department stated that the conditions in the area made it difficult to provide skill training, job orientation, and basic education to those who would receive the most benefit.

The Department plans to continue its current efforts toward improvements.

MATTERS FOR CONSIDERATION BY THE CONGRESS

The Congress is considering various proposals for assisting depressed rural areas in overcoming long-standing poverty, unemployment, underemployment, outmigration to cities, and general economic stagnation. Unless manpower programs are accompanied by strong Federal, State, private, and local action to create new job opportunities, the program accomplishments will continue to be limited severely in such rural areas as the Mississippi Delta.

## CHAPTER 1

### INTRODUCTION

The Concentrated Employment Program is administered by the Department of Labor pursuant to delegation of authority by the Director, Office of Economic Opportunity. Our review of the activities of the Mississippi Delta Concentrated Employment Program (MISS:CEP) operating in an 18-county rural region in the State of Mississippi covered program operations from December 1, 1968, through December 31, 1970, and sought to evaluate the extent to which MISS:CEP had achieved its program objectives.

CEP was initiated in 1967 in various regions throughout the United States under authority provided in section 123(a)(5), title IB of the Economic Opportunity Act of 1964 (42 U.S.C. 2740), as amended. CEP is one of several programs authorized under title IB whose objectives are to provide useful work and training opportunities to help unemployed or low-income persons to obtain and hold regular competitive employment. CEP was designed specifically to concentrate work and training resources in urban and rural areas having large concentrations or proportions of such persons.

Through fiscal year 1971 the Department allocated to CEP approximately \$675 million of funds appropriated for manpower programs. At June 30, 1971, the Department was funding CEP at 69 urban and 13 rural locations and the program had reached a cumulative enrollment of 384,000 persons.

The results of our previous reviews of CEP operations in four large cities were presented in four separate reports to the Congress in October and November 1969.<sup>1</sup> Our review of MISS:CEP was made to assess the results of CEP operations in a major rural area.

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<sup>1</sup>B-130515; Los Angeles, Oct. 24, 1969; Detroit, Oct. 27, 1969; Chicago, Nov. 6, 1969; and St. Louis, Nov. 20, 1969.

## NATURE OF CEP

CEP was designed to combine, under one sponsor and in a single contract with one funding source, all manpower training and other services necessary to help persons move from unemployability and dependency to self-sufficiency. CEP seeks to accomplish this objective among persons in a designated target area by (1) making intensive outreach efforts to bring persons into work-training programs, (2) presenting a variety of job-training opportunities to applicants, (3) providing such supportive services as day care for children, transportation, and health care, and (4) placing applicants in jobs.

Whenever possible CEP is to make use of existing manpower training programs, including programs authorized under the Manpower Development and Training Act of 1962, as amended (42 U.S.C. 2581), and under title I of the Economic Opportunity Act of 1964, as amended. CEP may develop, however, a skill-training component if necessary to provide the services needed by area residents.

To qualify for the services offered through CEP, a person must (1) reside in the target area and (2) be disadvantaged as defined by the Department's Manpower Administrator.

The Department of Labor defines a disadvantaged person as a poor person who is not suitably employed and who is (1) a school dropout, (2) a member of a minority group, (3) under 22 years of age, (4) 45 years of age or over, or (5) handicapped.

Sponsors of CEPs operate under the terms of contracts executed with the Department of Labor. Generally CEP sponsors are the local Community Action Agencies created under title II of the Economic Opportunity Act of 1964. Other agencies, however, may be designated by the Department of Labor as the prime sponsors of CEP.

The sponsor is responsible for planning, administering, coordinating, and evaluating CEP activities and for receiving and disbursing Federal and local funds. The sponsor may contract with other agencies for assistance in carrying out various phases of the program. Sponsors are provided

with initial advances of funds and are reimbursed thereafter for the Federal share of costs incurred as represented by invoices submitted in support of actual expenditures.

Generally the State employment service has been the supplier of manpower services and has operated under a sub-contract with the CEP sponsor. These manpower services provided through the employment service's local offices include such functions as outreach, enrollment, orientation, coaching and counseling, referral to available work experience and job-training programs, job development and placement, and follow-up of trainees who have been placed.

Since March 1968 the Department of Labor's Regional Manpower Administrators have been delegated authority and have been assigned responsibility for approving and executing contracts for CEP programs within their respective regions. They are responsible also for monitoring program activities to ensure that they are accomplished in accordance with the contracts.

#### IMPLEMENTATION OF CEP IN MISSISSIPPI

MISS:CEP was initiated in June 1967 and was operated through November 1968 (CEP I) with Department of Labor support of about \$3.1 million. Initially MISS:CEP had no prime sponsor, and the Department contracted directly with public and private organizations to administer the work experience and work-training components of the program. At first the Mississippi Employment Security Commission was made responsible only for developing on-the-job training opportunities for CEP enrollees. In October 1967 it was made responsible for most CEP functions except subcontracting for the work experience and work-training components.

In December 1968, the commission became the prime sponsor for MISS:CEP and contracted with the Department to operate CEP for the period December 1, 1968, to February 28, 1970 (CEP II). Under this contract the Department provided about \$4 million. The commission continued as overall sponsor for the third program period ended December 31, 1970 (CEP III), and for the fourth program period ended December 31, 1971 (CEP IV), for which the Department provided about \$3.6 million and \$3 million, respectively. Thus a

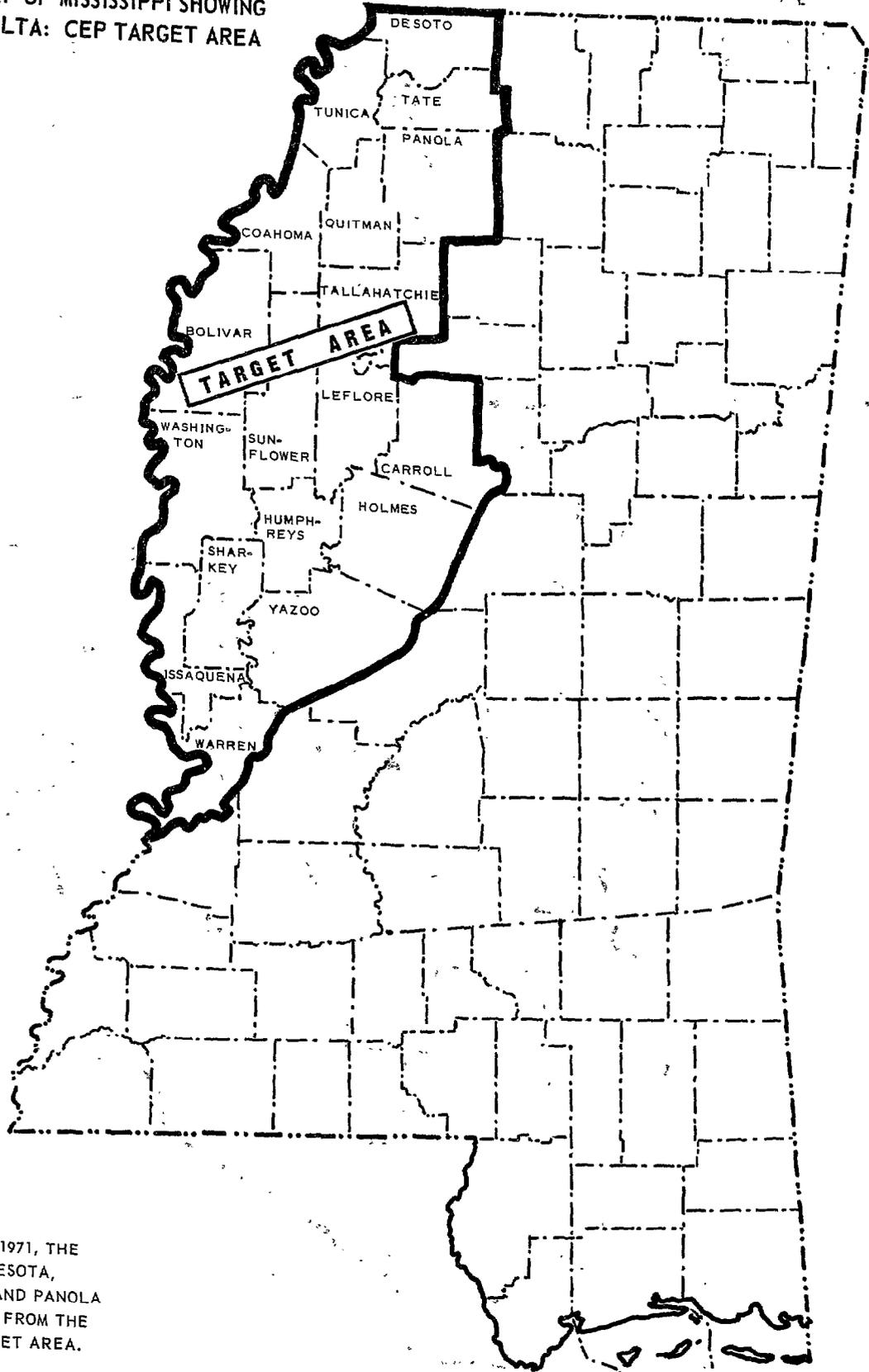
total of almost \$14 million was provided through December 31, 1971.

The 18 counties in northwestern Mississippi that constitute MISS:CEP encompass about 11,000 square miles. They are depicted on the map shown on page 9. A more detailed map of the target area, showing the location of administrative offices and training sites, is presented on page 10. Statistics presented by the University of Mississippi in 1970 showed that about 60 percent of the 570,000 target area residents were nonwhite and that the general educational levels of area residents ranged from 5 to 9 years of schooling.

In the CEP II program proposal for MISS:CEP, it was estimated, on the basis of 1960 census statistics, that about three fourths of the families in the target area had annual incomes below \$3,000.

A study by the Mississippi Employment Security Commission showed that in 1968 about 15 percent of the target area's labor force of 175,000 was engaged in manufacturing and that 25 percent was engaged in agriculture. Although only 22 percent of Mississippi's total labor force resides in the 18 counties, the area contains 42 percent of all agricultural workers in the State. Estimates developed by the commission showed that about 25 percent of the delta area's labor force was unemployed or underemployed during fiscal year 1970.

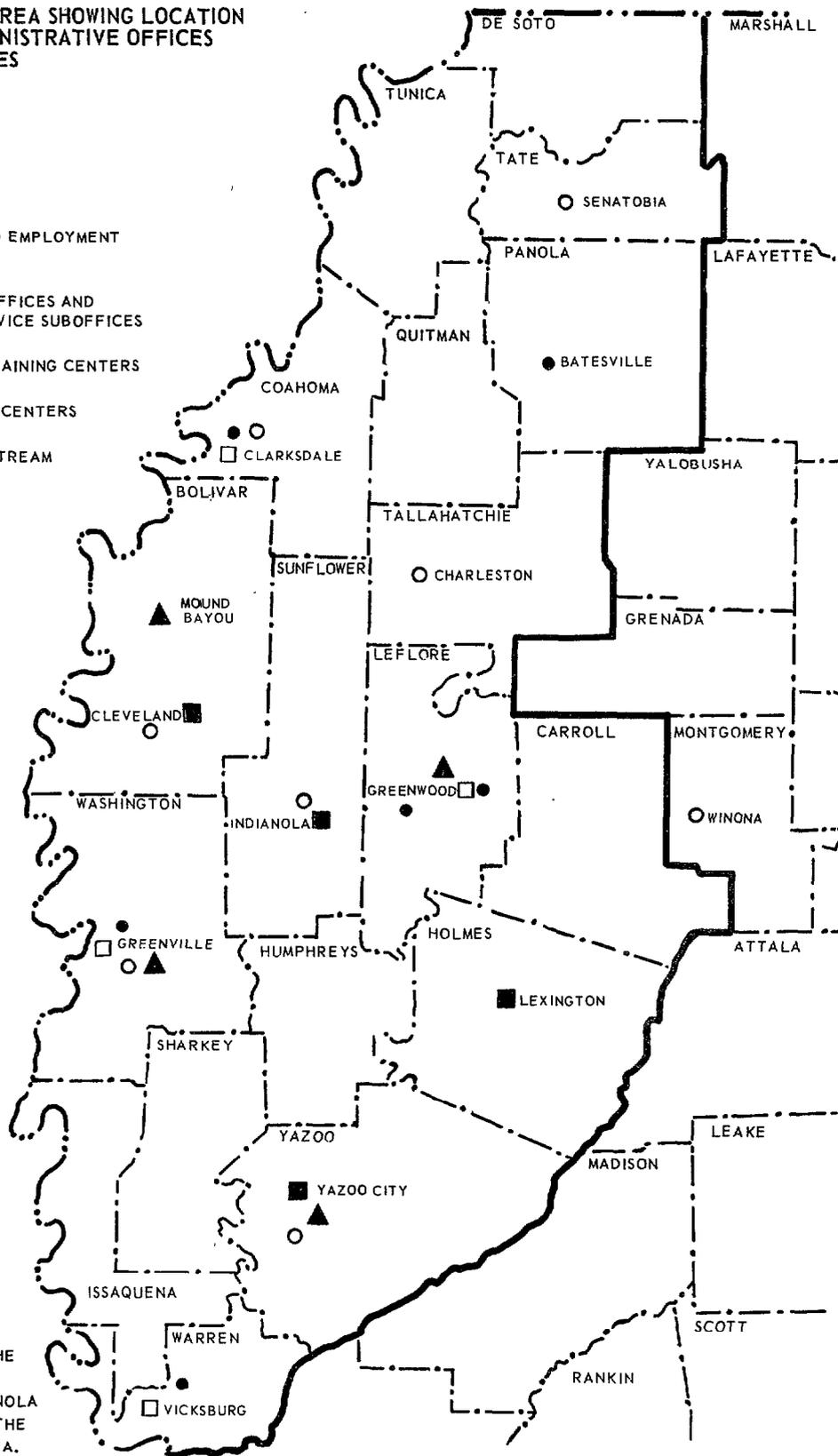
MAP OF MISSISSIPPI SHOWING  
DELTA: CEP TARGET AREA



NOTE:  
ON JANUARY 1, 1971, THE  
COUNTIES OF DESOTA,  
TUNICA, TATE AND PANOLA  
WERE DELETED FROM THE  
MISS: CEP TARGET AREA.

**MAP OF TARGET AREA SHOWING LOCATION OF MISS: CEP ADMINISTRATIVE OFFICES AND TRAINING SITES**

- CEP CENTERS AND EMPLOYMENT SERVICE OFFICES
- CEP SATELLITE OFFICES AND EMPLOYMENT SERVICE SUBOFFICES
- INSTITUTIONAL TRAINING CENTERS
- ▲ BASIC EDUCATION CENTERS
- OPERATION MAINSTREAM SUBCONTRACTORS



NOTE:  
ON JANUARY 1, 1971, THE COUNTIES OF DESOTO, TUNICA, TATE AND PANOLA WERE DELETED FROM THE MISS: CEP TARGET AREA.

BEST DOCUMENT AVAILABLE

## CHAPTER 2

### LIMITED PROGRAM ACCOMPLISHMENTS

MISS:CEP has been operating under conditions which severely limit the opportunities for substantial program accomplishments. The 11,000-square-mile, 18-county area of MISS:CEP is characterized by high unemployment and underemployment, a correspondingly high incidence of poverty, and a scarcity of employment opportunities.

The area's economy has a traditionally agricultural base, and increasing mechanization has been displacing many agricultural workers. The population is dispersed over a wide area, transportation facilities are inadequate, and the disadvantaged residents seeking employment are handicapped by low educational levels and a lack of job skills.

Into this environment MISS:CEP has brought some limited assistance to disadvantaged residents in the form of job training, work experience, and job counseling and placement. Because of the scarcity of job opportunities in the area, however, the permanent placement of enrollees, which is the ultimate objective of such assistance, has met with limited success.

In many cases the job placements were temporary; only 56 percent of all persons reported as placed during CEP II were employed 6 months later, and many of them changed jobs during that 6-month period. Over 50 percent of all persons reported as placed did not receive any orientation, training, or work experience and often were limited to the same types of low-skill jobs they held before enrollment.

In the following sections of this chapter, we are presenting the results of program operations during the periods of CEP II and CEP III (December 1, 1968, through December 31, 1970). In chapter 3 we discuss the problems faced by MISS:CEP in implementing CEP in the rural Mississippi Delta environment. In chapter 4 we present our conclusions and recommendations and agency comments.

## SUMMARY OF OPERATIONS

During the 15-month period of CEP II (December 1968 through February 1970), enrollments in MISS:CEP totaled 6,732, including 1,021 persons in training at the close of CEP I and carried over to CEP II. Of the enrollees, 2,586 were placed in jobs; 2,421 left during the program period; and 836 were referred to other manpower training programs, such as vocational rehabilitation and the Neighborhood Youth Corps. A total of 889 persons still were enrolled in the program at February 28, 1970. The specific assistance provided to enrollees in CEP II follows.

### Orientation and assessment:

Total enrollees provided with orientation and assessment services		2,883
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### Job training and work experience:

Total enrollees provided with training and/or work experience		3,333
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### Job placements:

Total enrollees placed in jobs immediately after enrollment	1,373	
Total enrollees placed in jobs after orientation and assessment	232	
Total enrollees placed in jobs after work experience and/or job training	<u>981</u>	2,586

Our analysis of program activities under each of these categories is presented below. Information on program results under CEP III is presented on pages 23 and 24.

## ORIENTATION AND ASSESSMENT

Recruitment of enrollees in MISS:CEP was performed primarily by outreach staffs located at the eight State employment service offices and suboffices in the target area. These staffs generally were composed of part-time workers who resided within the immediate area and who contacted prospective enrollees through on-the-street and door-to-door interviews.

Prospective enrollees were referred to MISS:CEP intake centers, located at each of the eight employment service offices, where their eligibility for participation in MISS:CEP was determined. The enrollees, if found eligible, were interviewed by counselors who determined whether they were job ready or required training or other assistance to become ready for employment.

MISS:CEP records showed that about 95 percent of the persons enrolled during CEP II were unemployed or underemployed and met the disadvantaged criteria. These enrollees were primarily male, nonwhite, and 22 years of age or older; had earned less than \$2,000 in the last 12 months; and were the primary wage earners in their families. The majority had formal educations no higher than eighth grade. (See app. I.)

After the counseling interview, an enrollee was referred either to (1) a placement interviewer, if qualified for some type of employment, or (2) an employability development unit, if the counselor believed that the enrollee could be made employable through training.

In the employability development unit, enrollees were counseled and interviewed concerning their training desires, prior work experience, and other related information, after which employability plans were developed outlining the training required to make them employable. From the employability development unit, the enrollees generally were sent to one of the three MISS:CEP orientation and assessment centers located at Clarksdale, Greenville, and Greenwood.

During the orientation and assessment phase, enrollees were given further counseling, a series of aptitude tests, and medical examinations and their employability plans were finalized. In addition, they attended courses introducing them to the services provided by MISS:CEP and to the world of work.

Lectures were given on such topics as personal hygiene and appearance, the employment problems faced by MISS:CEP enrollees, the benefits of employment, the techniques of job interviews, and the training required for various jobs. Generally CEP enrollees first became eligible for stipends

when they entered this phase. The basic stipend was \$30 a week--supplemented by allowances for the support of dependents, food and lodging while away from home, and travel from home to the center.

On the basis of the results of the aptitude tests, the counselor's observations, and the availability of training slots and job openings, the employability plan was revised and enrollees were referred to work experience or work-training programs or directly to employment.

Our analysis of MISS:CEP records for CEP II showed that about 710 enrollees terminated participation in CEP during or after the orientation and assessment phase for reasons other than placement. The major reasons were unexplained refusal to continue participation, moving from the area, health problems, transportation difficulties, or other personal reasons.

TRAINING AND WORK EXPERIENCE

MISS:CEP records showed that 3,333 persons participated to some extent in one or more work experience or work-training programs during CEP II. About 90 percent of the 3,333 persons enrolled in adult basic education, institutional and on-the-job training, and the work experience program entitled "Operation Mainstream." These programs had been operating in the Mississippi Delta prior to the initiation of MISS:CEP. The table below shows the total activities within these four areas.

PARTICIPATION IN MAJOR MISS: CEP COMPONENTS FOR THE PERIOD DECEMBER 1968 THROUGH FEBRUARY 28, 1970					
COMPONENT	TOTAL PARTICIPANTS	TERMINATED FROM CEP PROGRAM		REFERRED TO OTHER CEP COMPONENTS OR NON-CEP PROGRAMS	STILL PARTICIPATING IN COMPONENTS AT 2/28/70
		PLACED IN JOBS	DROPPED OUT		
ADULT BASIC EDUCATION	740 100%	86 12%	336 45%	257 35%	61 8%
INSTITUTIONAL TRAINING	1444 100%	487 34%	493 34%	206 14%	258 18%
ON-THE-JOB TRAINING	405 100%	142 35%	109 27%	34 8%	120 30%
OPERATION MAINSTREAM	442 100%	104 24%	91 21%	11 2%	236 53%

NOTE: Totals include CEP I carryovers, CEP II applicants and program re-entrants.  
SOURCE: MISS: CEP records.

Adult basic education

To provide the adult basic educational training needed by CEP II enrollees, MISS:CEP subcontracted with STAR, Inc., a private, nonprofit corporation established in Mississippi to furnish basic education and employment-related instruction to poor residents of the State. The subcontract specified that MISS:CEP would reimburse STAR for allowable costs on 140 of the total 300 training slots to be provided, up to a

maximum of \$144,143. STAR proposed to provide the training for the remaining 160 slots from its own resources.

STAR conducted the adult educational courses at training centers located in four cities within the target area. The objective of the courses was to provide remedial education directly related to the job needs of MISS:CEP enrollees, including reading, language, and arithmetic skills. Without specifying the length of enrollees' participation, the CEP II proposal provided that enrollees receive sufficient basic educational training to attain the minimum standards of a sixth to eighth grade educational level required for industrial employment.

The trainees were entitled to receive the same basic stipend received in the orientation and assessment phase: \$30 a week--supplemented by allowances for the support of dependents, food and lodging while away from home, and travel from home to training centers.

Our review at three of the four centers of available data on entrance tests for 216 of the 354 persons who participated in training during CEP II showed an average educational attainment at enrollment of between third and fourth grade in vocabulary, reading, and arithmetic skills.

The testing procedures used at the three centers to measure enrollees' educational skills before and after training generally did not permit a conclusive determination of the extent to which enrollees had improved their educational levels.

### Institutional training

The institutional-training component of MISS:CEP provided vocational training to enrollees at six training centers operated by the MISS:CEP State Department of Education throughout the target area.

There was no written agreement between MISS:CEP and the State Department of Education specifying the type of training to be provided at the centers. This matter was left to arrangements between officials of the Mississippi State employment service and the State Department of Education and

and to informal discussions with officials of MISS:CEP. Before establishing specific training courses, the Mississippi State employment service certified that there was a need for the course and a reasonable expectation of suitable employment for trained persons.

Enrollees were provided with skill training in a variety of vocational areas, such as automobile repair, welding, farm equipment operation, household appliance repair, and clerical and stenographic skills.

Courses were designed to allow participants to progress at their own rate, and no specific time limits were established for completing the courses. The courses generally were to cover 26- to 52-week periods. Enrollees received basic stipends of \$32 a week, which increased to \$42 in the 11th week of training. Additional allowances were provided for the support of dependents, food and lodging while away from home, and travel.

#### On-the-job training

MISS:CEP awarded 100 subcontracts to 74 business firms located in the target area to provide on-the-job training to enrollees during the period of CEP II. The subcontractors normally were allowed reimbursement of training costs for a maximum of 26 weeks at \$25 a week for each participant. The enrollees' wages were paid by the subcontractors at not less than the minimum wage of \$1.60 an hour.

The subcontracts specified the types of training to be provided and the time to be devoted to various phases of job training. The training coordinator at the Mississippi Employment Security Commission informed us that the subcontractors were not contractually obligated to retain enrollees hired under the subcontracts; however, subcontractors were urged to do so because (1) the cost of training a new employee had, in effect, been subsidized by MISS:CEP and (2) future subcontracts would be offered to those employers having the best records of retaining MISS:CEP participants.

The major occupations were aircraft metal worker, cook, linen-sheet presser, general-duty nurse, picture-frame maker, welder, and woodworking-machine operator.

## Operation Mainstream

A total of 442 persons participated in Operation Mainstream during CEP II. The objective of this program was to provide work experience to disadvantaged persons who were chronically unemployed because of age or other limiting factors.

MISS:CEP subcontracted with eight Community Action Agencies throughout the target area. These agencies then entered into agreements with municipalities and other public agencies to provide enrollees with work experience in various jobs designed to enhance the social and physical environment of the community. Participants in this program component received wages at the minimum rate of \$1.60 an hour and generally were employed as aides in beautification programs, hospitals, cafeterias, custodial work, and street maintenance.

## JOB PLACEMENTS

MISS:CEP records showed that, of the 5,843 enrollees who had terminated their participation in the program during CEP II, 2,586 (44 percent) were placed in jobs. Of the other 3,257 terminees, 2,421 were not placed in jobs (including many who had dropped out of CEP at some point during their enrollment) and 836 were referred to other manpower programs not under the control of MISS:CEP.

Of the 2,586 persons placed in jobs, 1,373 were placed immediately after enrollment, 232 during or after enrollment in a 2-week period of orientation and assessment, and the remaining 981 after they had participated in work experience or work-training component.

Our analysis indicated that much of the placement assistance during CEP II was of limited benefit to the enrollees placed.

### Low rate of job retention

An indication of the limited benefit of MISS:CEP placement accomplishments was the low rate of job retention of many enrollees placed in jobs. The Economic Opportunity Act, as amended, provides that an objective of CEP be to assist unemployed or low-income persons to obtain and hold regular competitive employment. MISS:CEP records showed that only 56 percent of the persons placed were employed 6 months later. We noted the following job retention rates for the 2,586 CEP placements.

#### Percent of placed persons employed at the end of

<u>1 month</u>	<u>3 months</u>	<u>6 months</u>
78	63	56

The above statistics show merely that persons placed by MISS:CEP were employed at any job at the time MISS:CEP performed its periodic 1-, 3-, and 6-month follow-ups. The statistics do not necessarily mean that these persons still were employed by the original employer or that they were employed throughout the entire period. Actually there

was a lack of continuity in the employment of many of those placed.

Our analysis of MISS:CEP's follow-up records indicated that many enrollees, recorded as still employed, had changed jobs and had experienced various periods of unemployment during the first 6 months after placement. We found that, of the 134 enrollees placed in June 1969 and reported as still employed in December 1969, at least 49 (37 percent) had changed jobs during the 6-month period. At least 14 of these 49 enrollees had experienced some periods of unemployment during this 6-month period. Follow-up records did not show whether the other 35 enrollees who changed jobs had experienced any periods of unemployment.

To ascertain the length of employment of persons placed by MISS:CEP, we sent questionnaires to 172 initial employers of 246 enrollees randomly selected by us from MISS:CEP records for all placements made during the period December 1968 through December 1969.

Responses applicable to 101 placements showed lower retention rates than those indicated in MISS:CEP records. Specifically, 83 persons still were employed with the initial employer after 1 month, 52 were employed after 3 months, and only 34 were employed after 6 months. In addition, employers' responses showed that, of the enrollees who no longer were employed by the initial employers at the time of our inquiries, 51 percent had left voluntarily and 21 percent had been discharged.

#### Placements in low-skill positions

Over one half of the MISS:CEP enrollees in our sample were placed in low-skill positions, and many were placed at low wage rates. Many were placed immediately after enrollment in the same type of position which they had held prior to entering MISS:CEP.

Our analysis of the 246 randomly selected placements--used in our employer questionnaires--showed that 157, or 64 percent, had been placed in jobs requiring a low degree of skill, such as material handlers, construction laborers, and farm laborers.

MISS:CEP records for 2,353 placements made from December 1968 through December 1969 showed placements by the following occupational categories.

<u>Occupational category</u>	<u>CEP placements</u>	
	<u>Number</u>	<u>Percent</u>
Professional, technical, and managerial	49	2
Clerical and sales	144	6
Service	249	11
Farming, fishing, and forestry	147	6
Processing	139	6
Machine trades	376	16
Bench work	163	7
Structural work	406	17
Miscellaneous	<u>680</u>	<u>29</u>
Total	<u>2,353</u>	<u>100</u>

Using our sample of 246 selected placements, we further analyzed MISS:CEP records for those 201 enrollees who had been employed at some time prior to entering MISS:CEP and for whom records showed the types of previous occupations. We found that 142, or about 70 percent, of the 201 enrollees had been placed by MISS:CEP in occupations requiring similar or lower levels of skill than those required in their previous occupations.

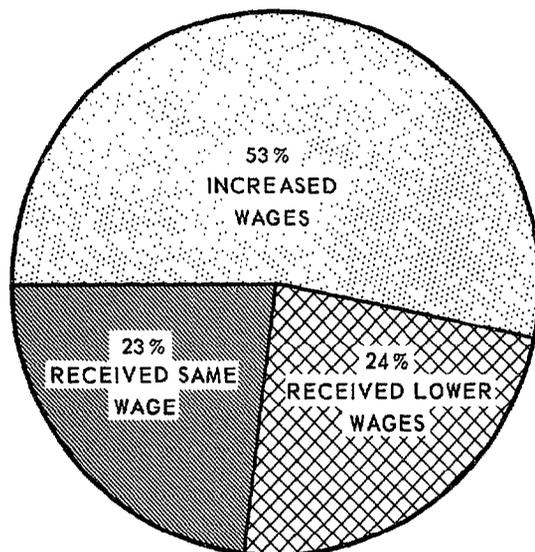
MISS:CEP records showed that the majority of jobs (74 percent) into which enrollees were placed paid starting wages between \$60 and \$70 a week, representing hourly rates from \$1.50 to \$1.75. A summary of the 2,353 job placements from December 1968 to December 1969, by starting weekly wage, follows.

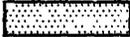
<u>Starting weekly wage</u>	<u>Percent of CEP placements</u>
Under \$60	13
\$60 to \$69	61
\$70 to \$79	15
\$80 or more	<u>11</u>
Total	<u>100</u>

With reference to our sample of 246 placements, we noted that almost one half of the 194 enrollees employed before entering MISS:CEP were placed in jobs paying the same or lower wages than they had received prior to entering MISS:CEP. The following chart shows the percentages of enrollees receiving higher, the same, or lower wages when compared with those prior to entering MISS:CEP.

**MISS:CEP ENROLLEES PLACED IN EMPLOYMENT**

COMPARISON OF ENTRY WAGES WITH WAGES PAID IN LAST PRE-CEP EMPLOYMENT



 AVERAGE INCREASE WAS 52¢ PER HOUR.  
 AVERAGE DECREASE WAS 27¢ PER HOUR.

SOURCE: MISS: CEP RECORDS.

Employment not related to training

Many enrollees were placed in jobs which were unrelated to the skill training they received in MISS:CEP. Our reviews at two of the six training centers in the Mississippi Delta showed that 60, or 38 percent, of the 159 enrollees who completed training and who were placed by MISS:CEP between December 1968 and December 1969 had obtained jobs unrelated to the vocational training they had received. The other 102 enrollees were placed in jobs

which could be expected to make some use of their training. Examples of the non-training-related jobs are shown below.

<u>Type of training received</u>	<u>Type of jobs obtained</u>
Production-machine operator	Construction worker
Welder	Janitor
Offset printer	Mail clerk
Automobile mechanic	Maintenance man
Clerk-stenographer	Woodworking-machine operator

Training-center officials told us that training-related job opportunities were insufficient for absorbing enrollees from some of the training courses and that, to the extent that job openings were available, the training centers did not provide enrollees--many of whom had low educational and skill levels--with more than entry skills of training. They told us also that enrollees often were reluctant to relocate to other areas in and out of the delta to find employment.

#### PROGRAM RESULTS UNDER CEP III

Program results reported under CEP III for the period March through December 1970 showed that MISS:CEP continued to have only limited success in placing enrollees in permanent employment. Of 2,385 persons enrolled in the 10-month period, 1,699 had left the program by December 31, 1970, but only 346 of those who left had been placed in permanent jobs by CEP. Unlike persons enrolled in CEP II, a majority of persons placed in jobs during CEP III had participated in a work experience or work-training component.

MISS:CEP continued to experience difficulties in achieving some permanency in the employment provided to its enrollees. During the 10 months in 1970, MISS:CEP referred 472 enrollees to open jobs but 126 enrollees, or about 27 percent, left their jobs within 30 days after employment. Under CEP's revised reporting procedure, a placement is considered provisional until the enrollee has retained employment for at least 30 days. Therefore the number of permanent placements made by MISS:CEP for the period was

346, or 20 percent of the 1,699 who left CEP by December 31, 1970.

The MISS:CEP Director told us that a principal factor contributing to the limited placement success during CEP III was the nationwide economic slowdown during 1970 that was magnified in the delta, which further reduced area job opportunities. Several companies in the delta ceased operations, and the major potential employers of MISS:CEP enrollees were hiring few employees and even fewer disadvantaged employees. The Director also said that MISS:CEP's ability to retain enrollees in training components had been hampered by the special nature of the disadvantaged target area residents who are often minority group farm workers oriented to seasonal employment.

## CHAPTER 3

### PROBLEMS OF IMPLEMENTING CEP IN A RURAL ENVIRONMENT

The effective implementation of MISS:CEP was hampered by various problems inherent in the characteristics of the area and of the population to be served. These characteristics are generally common to other rural CEP areas where the Federal Government seeks to alleviate unemployment and underemployment among the disadvantaged residents.

The most critical problems related to (1) a stagnant economy and an insufficient demand for labor and (2) a labor force lacking the educational and vocational skills needed by modern industry, commerce, or government. Another problem related to the large land area and the widely dispersed population.

The following discussion deals with some of these major problems. The discussion is based on the conditions observed by us in the Mississippi Delta area and considers the results of surveys conducted by or for the Department of Labor regarding the effectiveness of CEP activities.

Of special pertinence to this discussion are the findings of ABT Associates, Inc., of Cambridge, Massachusetts, a consultant firm engaged by the Department's Manpower Administration. The firm's findings are contained in its final report dated October 31, 1969, on its evaluation of CEP in 10 rural locations, including a detailed analysis at four of these locations. The analysis did not include MISS:CEP.

### CHARACTERISTICS OF JOB MARKET

A serious problem encountered by MISS:CEP was the shortage of job opportunities. The delta area traditionally has been an agriculturally oriented area, and in 1970 about 25 percent of the total labor force was engaged in agricultural employment. The increasing trend toward agricultural mechanization, however, has brought about widespread displacements in employment. MISS:CEP estimated in its program proposal to the Department of Labor for CEP II that the bulk of the unemployed and underemployed in the delta consisted of minority group farm workers.

MISS:CEP has been in contact with local and areawide civic groups, such as chambers of commerce and economic development councils, which are attempting to attract industry to the target area, but industry has been slow in coming into the delta. Therefore employment opportunities were limited to entry-skill-level positions for which many MISS:CEP enrollees would be most qualified and toward which MISS:CEP work experience and work-training components were directed. MISS:CEP officials told us that the shortage of job opportunities in the target area was a major cause of their limited success in placing enrollees in employment.

Anticipated industrial expansions which were expected to help absorb the labor provided by MISS:CEP either did not materialize or did not absorb the disadvantaged in the numbers anticipated. For example, MISS:CEP officials had anticipated that a small manufacturing firm would locate in the target area and would hire unemployed disadvantaged females as sewing-machine operators. The firm, however, did not locate in the area.

Also, during 1969, four firms on which MISS:CEP had relied to provide job opportunities either ceased or substantially reduced their operations. One of the firms was to provide 600 entry-level jobs; another had planned on-the-job training for about 80 workers. The MISS:CEP Director advised us that, during the 1970 economic downturn, firms which previously had hired substantial numbers of disadvantaged persons were hiring very few new employees and even fewer disadvantaged employees.

Similarly ABT Associates found that, in other rural CEP target areas, despite out-migration of some younger workers, high rates of unemployment and underemployment continued to exist. ABT Associates found also that, because of the labor surplus in rural CEP areas, competition for jobs was high and that in many instances employers were reluctant to employ disadvantaged persons for both economic and noneconomic reasons. ABT Associates warned that poverty was so widespread in many rural areas that a danger existed that Department of Labor training programs were desired primarily for their stipends as income supplementation and not for the skill training.

Department of Labor guidelines state that one of the primary ways to increase job opportunities for CEP target area residents is through job development. The guidelines state also that attempts should be made to have employers modify job descriptions; restructure existing jobs; develop new subprofessional jobs; and, in general, create job opportunities to open up new entry-level positions. In addition, efforts should be made to persuade area employers to lower their hiring requirements and to employ more disadvantaged persons.

The Mississippi Employment Security Commission, in its 1968 proposal for CEP II, proposed to work with employers to create job opportunities through "job dilution" (that is, segmenting a job into simpler tasks) as well as through job creation.

The MISS:CEP job development function did not operate as anticipated in the Department's guidelines or in the CEP II proposal. We found that the job development was generally the same as the employment service's normal system of filling job orders; that is, matching enrollees' skills with available job openings.

MISS:CEP officials advised us that no attempt had been made to persuade employers to modify job descriptions or to create new jobs by attempting to restructure existing jobs. These officials told us that, in the Mississippi Delta, job development simply could not function as anticipated in the Department's guidelines because of the scarcity of jobs in the area in contrast with the large supply of unskilled labor.

ABT Associates reported that similar problems existed in other rural areas and noted that the job development efforts were unsatisfactory in almost every rural CEP reviewed. ABT emphasized that CEPs operating in areas having low levels of industrialization or low rates of industrial growth needed to operate within the context of a comprehensive economic development effort. Although ABT questioned whether CEP was the best agency for directing such efforts, it expressed the belief that CEP should be an integral part of such efforts.

## CHARACTERISTICS OF POPULATION

As brought out in the preceding discussion, a large proportion of unemployed persons in the Mississippi Delta are minority group farm workers, many of them older and less competitive in the job market than workers in other industries. The unemployed group is characterized by limited education, few salable work skills, and agriculturally oriented work habits which, for the most part, are unacceptable to nonagricultural employers.

These special characteristics of persons in the Mississippi Delta, when coupled with the limited assistance provided by MISS:CEP, appeared to contribute significantly to the high termination rate from CEP work experience and work-training components and to the problems experienced by enrollees in retaining employment after placement.

Educational deficiencies among rural persons are frequently severe, and many enrollees need intensive educational upgrading to attain minimum industrial standards. MISS:CEP records indicated that about 53 percent of the enrollees in the program had no more than 8 years of formal education. Moreover the functional educational levels of MISS:CEP enrollees were generally several grades below the formal educational levels they reported.

MISS:CEP, in its CEP II contract proposal submitted in 1968 to the Department, estimated that more than 30 percent of the male population over 25 years of age had educational attainment levels of fourth grade or less. ABT Associates reported similar severe educational deficiencies among residents of other rural CEP areas.

Responses received by us to our questionnaire sent to 172 employers in the delta area and discussions with selected employers showed that, within a few months after employment, enrollees, frequently quit their jobs or were dismissed for such reasons as absenteeism, tardiness, and lack of motivation.

An analysis by MISS:CEP of the 1,225 enrollees who terminated from CEP between October 1968 and September 1969

for reasons other than placement indicated that about 40 percent of these terminees had dropped out because of refusal to participate, lack of interest, and administrative separation.

ABT Associates pointed out that many of the target groups in rural areas had "short-time horizons"; that is, the target groups often considered immediate benefits of a job disproportionately valuable in comparison with the future benefits to be obtained from completing training.

ABT Associates noted that such factors as the desire to return to seasonal employment resulted in many enrollees' dropping out of CEP before completing their training; in these cases, the resources spent on CEP training may have been largely wasted. ABT proposed that CEP efforts be geared to persuading enrollees that regularity and promptness were necessary for those wishing to retain industrial employment.

Officials of various manpower agencies operating in the delta noted that the population in the MISS:CEP target area often carried the stigma of unsuitable work habits, tardiness, absenteeism, and other factors associated with the life style of the group.

## GEOGRAPHY OF TARGET AREA

Since the inception of CEP, Department of Labor guidelines have stated that the size of a CEP target area should be small enough to ensure that the concentration of effort will provide visible evidence that a significant number of the severely disadvantaged persons have gained employment. The size criterion in the original guidelines dated April 10, 1967, directed primarily toward urban CEPs, was that the population of the target area should be approximately 50,000 to 150,000.

On February 5, 1969, the guidelines were revised to state that in no case should the population of a future target area exceed 50,000 unless ample justification could be provided. No specific criterion was provided for rural CEPs, although after February 5, 1969, the above criterion was considered to be generally applicable to the selection of a rural CEP.

The MISS:CEP target area encompassed about 11,000 square miles, approximately one quarter of the total land area of the State. (See maps on pages 9 and 10.) Data prepared by Mississippi State University for a 1970 statistical abstract report showed that the target area population was approximately 570,000. Our reviews of program-planning data and discussions with Department of Labor and MISS:CEP officials responsible for designating the boundaries of the target area did not reveal a justification for selecting such a large geographical area.

In 1968 an Office of Economic Opportunity team reviewing MISS:CEP and its relationship to agencies funded by the Office of Economic Opportunity observed that the area being served by MISS:CEP was too large to allow any substantial impact with the resources available.

The evaluation team reported that it was difficult for MISS:CEP to keep enrollees in the program because of the great distances to be traveled; the lack of public transportation; and the necessary dependence on the mobility of enrollees, many of whom never had been more than a very few miles away from their homes. The team also noted that MISS:CEP management had problems in coordinating program activities over such a large area.

ABT Associates observed that certain other rural CEP target areas were over 200 miles wide and more than 10,000 square miles in area. ABT found that, although the decentralization of intake, orientation, and training facilities had improved the ability of CEP to serve a large group of residents, the geographic dispersion created coordination and communication problems for CEP administration, unknown in urban CEPs.

ABT Associates pointed out that transportation difficulties were a serious problem for unemployed residents who wished to work. It pointed out also that the limited transportation available in rural areas had created a barrier to economic development. Without adequate transportation facilities for moving new materials and finished goods, industrial enterprises find it unfeasible to locate facilities in the target area.

On January 1, 1971, the target area was reduced from 18 to 14 counties serving a total area of about 9,000 square miles and a population of approximately 400,000 instead of the previous 570,000. The Department of Labor informed us that this reduction had been made because it was recognized that the target area was disproportionately large and that it was extremely difficult to provide such an area with realistic services and at the same time to obtain maximum returns on the Federal investment of manpower funds.

The reduced size of the target area should lessen the administrative problems experienced in providing the needed concentrated manpower services. The area and the population to be served, however, are still of a magnitude which may cause continuing obstacles to effective CEP administration. The target population still is widely dispersed, and employment and training opportunities still will be distant from many disadvantaged persons who need such assistance.

In commenting on the present size of the area, the sponsor of MISS:CEP, the Mississippi Employment Security Commission, expressed the opinion that any further reduction in the area served would be detrimental to CEP and that current operations were considered to be in line with planned objectives in practically all components.

## PROSPECTS FOR IMPROVING RURAL CEPS

CEP and other Federal manpower programs convey certain limited tangible and intangible benefits to the program participants by increasing basic educational and occupational skills, by providing temporary income, and by bolstering the self-respect of the recipients. The program accomplishments, however, will be limited severely in such rural areas as the Mississippi Delta unless such programs are accompanied by strong Federal, State, and local action to attract new industry or otherwise to create new job opportunities or unless participants, after being trained, choose to relocate and find jobs outside the area.

ABT Associates, in its evaluation of rural CEPs, concluded that rural CEPs were more effective if they operated within the context of a comprehensive economic development effort. ABT Associates recommended active cooperation by CEP with other agencies engaged in economic development activities and, if such activities were insufficient, the allocation of some of CEP's own resources to this purpose. ABT Associates expressed the need for increasing the demand for labor, without which CEP cannot succeed, as follows:

"Locating a rural CEP in an area having a stagnant and low level of economic activity is an inefficient allocation of limited manpower training resources, unless the training is coupled with an intensive economic development effort, or a deliberate policy of encouraging out-migration of those who have been trained. These resources could be better directed into an area where the training and other services can directly benefit the recipients and region."

In various messages to the Congress during the last several years, the President has stated the Federal Government's commitment to assist the Nation's depressed rural areas and to provide their residents with new opportunities which will make it no longer necessary for them to migrate to the cities and, as a result, to aggravate the problems of the urban population.

Thus, in the State of the Union Message delivered to the Congress in January 1970, the President said:

"What rural America needs most is a new kind of assistance \*\*\*. We must create a new rural environment which will not only stem the migration to urban centers, but reverse it."

The President's message in March 1971 on a proposed program of rural community development through revenue sharing with State and local governments stated:

"\*\*\* I am proposing that the Federal Government re-think America's rural development needs and rededicate itself to providing the resources and the creative leadership those needs demand."

The President's proposal and a number of bills introduced in the Ninety-second Congress seek to revitalize rural areas through developing jobs for residents and through providing incentives to attract businesses to rural areas. The proposed legislation includes tax incentives for the purpose of industrial development, preference in Federal grant-in-aid programs, and general rural development.

Of some temporary benefit is the recently enacted Emergency Employment Act of 1971 which provides public service jobs for areas of high unemployment.

## CHAPTER 4

### CONCLUSIONS, RECOMMENDATIONS, AND AGENCY COMMENTS

#### CONCLUSIONS

The limited success of MISS:CEP in accomplishing its principal objective--which is to assist disadvantaged persons in obtaining and holding regular competitive employment--raises a serious question as to whether MISS:CEP in its present format can make a significant contribution toward solving the critical problems of unemployment and underemployment in the delta area.

We believe that, to achieve the principal objective, a broader and more innovative approach is needed that would make MISS:CEP a part of a larger task of revitalizing the economy in this rural area to bring about a substantial increase in the job opportunities available to the area's residents.

Until any of the proposals that are being considered by the President and the Congress can be adopted and effectively implemented, Federal manpower programs in rural areas will continue to be adversely affected by the problems discussed in this report.

We believe that, to obtain the best possible results in the meantime from the continued MISS:CEP operation, the Department of Labor should ensure that skill training, basic education, and other specialized manpower services are provided with due regard to the individual capabilities and needs of program participants and should make all possible use of work experience programs and other subsidized employment, such as public service jobs funded under the Emergency Employment Act of 1971, for those participants who cannot be placed readily in jobs.

#### RECOMMENDATIONS TO THE SECRETARY OF LABOR

We recommend that, to improve the effectiveness of MISS:CEP operations, the Secretary of Labor:

- Ensure that skill training is directed primarily to those area residents who have the potential to benefit from the training and reasonable opportunity to obtain employment.
- Ensure that increased emphasis is given to specialized services to those persons who cannot benefit readily from skill training, to meet their special needs in basic education, job orientation, and work habits.
- Make all possible use of work experience programs, such as Operation Mainstream, and State and local public service jobs funded under the Emergency Employment Act of 1971 for those participants who cannot be placed readily in jobs.

#### AGENCY COMMENTS

The Office of Management and Budget, in commenting on a draft of this report (see app. II), stated that the President's revenue-sharing proposals recognized the need for improved coordination between economic development and manpower training activities and that, under the proposed approach, States would be given broad flexible grants for both manpower programs and rural community development, which would make the States the focal points in place of the present multiplicity-of-funding arrangements.

The Department of Labor, in commenting on a draft of this report (see app. III), stated that it concurred in our conclusion that MISS:CEP would be more effective if operated within the context of a comprehensive economic development effort. The Department stated, however, that improvements continually had been made in MISS:CEP from its implementation in 1967.

We were informed that MISS:CEP had progressed to an efficient system having a well-trained staff, a sound organization structure, efficient management controls, and a systematic and efficient monitoring mechanism designed to measure overall program performance and to ensure the application of timely remedial actions.

The Department concurred also in our recommendations but added that, given the conditions that exist in the Mississippi Delta, it was very difficult to provide skill training, job orientation, and basic education to persons who would most benefit from the training. The Department stated that it would continue its efforts in this direction.

## CHAPTER 5

### SCOPE OF REVIEW

Our review was directed toward evaluating the effectiveness of MISS:CEP in achieving its stated objectives. Our review covered the period December 1968 through December 1970 and was made at the Mississippi Employment Security Commission office, the MISS:CEP headquarters, the Department of Labor headquarters and regional office, and various delegate agencies and subcontractors of the Mississippi Employment Security Commission.

Our review included an examination into the applicable legislation and Department of Labor and sponsor policies, directives, and procedures. We examined pertinent records and reports, interviewed management officials and employees concerned with day-to-day operations, and reviewed CEP operations at various locations and work experience and work-training component sites. We made use of various random samples of enrollee and sponsor records and obtained, through interviews and questionnaires, the comments of enrollees, employers of MISS:CEP participants, and officials of other organizations and civic groups in the target area.

## CHARACTERISTICS OF ENROLLEES ENTERING MISS:CEP

DECEMBER 1968 THROUGH DECEMBER 1969 (note a)

	<u>Percent of enrollees</u>
Employment history at enrollment:	
3 or more years of previous gainful employment	57
Employed 35 weeks or more during last 12 months prior to enrollment	40
Financial status at enrollment:	
Personal earnings last 12 months above \$2,000	14
Age:	
Under 22	36
22 or older	64
Sex:	
Male	67
Female	33
Race:	
Nonwhite	88
White	12
Highest school grade attained:	
Eighth or under	53
Ninth or over	47
Family status at enrollment:	
Married	42
Primary wage earner	69
Head of household	59
One or more dependents	58

<sup>a</sup>Source: GAO analysis of MISS:CEP records.

APPENDIX II

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

JUN 3 1971

Mr. A. T. Samuelson, Director  
Civil Division  
General Accounting Office  
Washington, D. C. 20548

Dear Mr. Samuelson:

We appreciate the opportunity to review and comment on the draft report concerning the Department of Labor's Concentrated Employment Program in rural Mississippi.

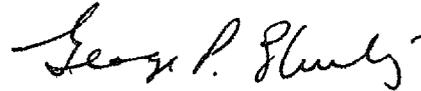
The report concludes that "in order to assist disadvantaged persons to obtain and hold competitive employment," manpower training programs in economically depressed rural areas should be "part of the larger task of revitalizing the economy... and bringing about a substantial increase in job opportunities available to the area's residents." We believe this conclusion is sound. Improved coordination between economic development and manpower training activities must be achieved if we are to successfully deal with the problems of rural America.

The President's revenue sharing proposals recognize this need and provide a means for accomplishing it. Under manpower special revenue sharing--which would incorporate the Concentrated Employment Program--States would be given broad flexible grants which they could use to develop manpower programs in rural areas. States would also receive special revenue sharing funds for rural community development which could be used to stimulate the economic development necessary to create job opportunities. These programs could be supplemented with funds from general revenue sharing which the States would also receive.

Improved coordination will be possible since in rural areas, State governments will be the focal point for both job training and job creation in place of the present multiplicity of funding arrangements using local sponsors, regional planning districts, and multi-State commissions. In addition, the consolidation of single purpose categorical grants into more flexible authorities will permit projects to be specifically tailored to meet local needs.

We believe that the President's revenue sharing plan will be a major advance in giving local individuals--who are most familiar with the widely varying needs of rural areas--the tools they need to improve the incomes of rural Americans who are poor and unemployed.

Sincerely,

A handwritten signature in cursive script, appearing to read "George P. Shultz".

Director

U.S. DEPARTMENT OF LABOR  
OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION  
WASHINGTON, D.C. 20210



DEC 30 1971

Mr. Henry Eschwege  
Associate Director  
Civil Division  
United States General  
Accounting Office  
Washington, D. C. 20548

Dear Mr. Eschwege:

This is in response to your request for comments on the revised draft report on the problems in making the Concentrated Employment Program work in rural Mississippi. We welcome the opportunity to respond to the General Accounting Office's findings relative to the Delta CEP.

We are in full concurrence with the report's broadest conclusion that the Mississippi Concentrated Employment Program (CEP) and all rural CEPs would be more effective if operated within the context of a comprehensive economic development effort.

Improvement in the program has been made from one year to another since the implementation of the CEP in 1967. Significantly, the Mississippi CEP originated as a highly disorganized conglomeration of programs without the benefit of a prime sponsor, and has progressed to an efficient system characterized by well-trained staff, a sound organization structure, and efficient management controls. These characteristics have been supplemented by a systematic and efficient monitoring mechanism designed to measure overall program performance and assure the application of timely remedial actions.

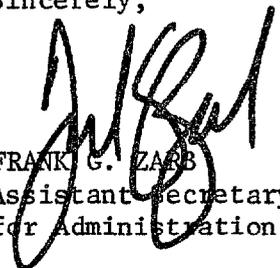
Following is our response to the GAO recommendations to improve the effectiveness of continued CEP operations in the Mississippi Delta area:

1. "Ensure that skill training is primarily directed to those area residents who have the potential to benefit from training and reasonable opportunity to obtain employment."

2. "Ensure that increased emphasis is given to specialized services to those persons who cannot readily benefit from skill training, to meet their special needs in basic education, job orientation and work habits."
3. "Consider making increased use of work experience programs, such as Operation Mainstream, and of subsidized employment under the Emergency Employment Act of 1971, to those disadvantaged residents for whom Mississippi CEP cannot readily provide employment."

We concur with these recommendations. It has always been the intent of DOL to provide skill training, job orientation, and basic education to persons who would benefit the most from the training. Given the conditions that exist in the Mississippi Delta, it is very difficult to achieve this goal; however, we will continue our efforts in this direction.

Sincerely,



FRANK G. ZABB  
Assistant Secretary  
for Administration and Management

APPENDIX IV

PRINCIPAL OFFICIALS OF  
THE DEPARTMENT OF LABOR

RESPONSIBLE FOR THE ADMINISTRATION OF CEP

	<u>Tenure of office</u>	
	<u>From</u>	<u>To</u>
<b>SECRETARY OF LABOR:</b>		
James P. Hodgson	July 1970	Present
George P. Shultz	Jan. 1969	June 1970
W. Willard Wirtz	Sept. 1962	Jan. 1969
<b>ASSISTANT SECRETARY FOR MANPOWER:</b>		
Malcolm R. Lovell	July 1970	Present
Arnold R. Weber	Feb. 1969	July 1970
Stanley H. Ruttenberg	June 1966	Jan. 1969
<b>MANPOWER ADMINISTRATOR:</b>		
Paul Fasser, Jr.	Oct. 1970	Present
Malcom R. Lovell	June 1969	Oct. 1970
J. Nicholas Peet	Feb. 1969	June 1969
William Kolberg (acting)	Jan. 1969	Feb. 1969
Stanley H. Ruttenberg	Jan. 1965	Jan. 1969

Copies of this report are available from the U. S. General Accounting Office, Room 6417, 441 G Street, N W., Washington, D.C., 20548.

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