

an attempt to increase the person's skill, do you work with a local industry sponsored project? Do you put the Neighborhood Youth Corps in factory B sponsored by the factory itself, and do you then pay part of the wage?

Secretary WIRTZ. The Neighborhood Youth Corps, Mr. Chairman?

Mr. DENT. I am asking if you do the same with the Neighborhood Youth Corps as you do with the——

Mr. HOWARD. Amendments to the act last year first permitted the placing of enrollees in private-for-profit organizations. We have proceeded very carefully on this because of the wish to avoid any duplication with MDTA. We have recently executed four agreements and have about 10 more that will probably be executed this week in which enrollees will be placed in private-for-profit business experience. Some of them can be in factories, as you suggested. Others might be in private offices. At any rate, in private-for-profit industrial and business exposure we will pay training costs, but not wages.

The act provides that wages must be paid by the employer in the private-for-profit situation. We, however, through our local agreements and our local sponsor, will pay the cost of training the youth until the youth is a full employee and is fully on the payroll. That is specifically what we are doing in the private sector.

Reverting to your earlier question on what was the unit cost and the breakdown with regard to the out-of-school program, I can give you the record through March 31 of this fiscal year. I will be glad to submit now the following data.

The remuneration to enrollees covers 79.2 percent of the cost of providing a training opportunity for an out-of-school youth. The counseling is 3.7. The basic education is a 0.5 percent directly to our project, with most of the basic education being provided at no cost to the project by the sponsor of the local school system and other resources community action agency. Supportive services, including recruitment or job development or health examinations, and so forth, is 1.3 percent. Supervision on the job, a very important part of our out-of-school program, is 3.8 percent.

Mr. DENT. These percentages relate to the \$2,930 figure?

Mr. HOWARD. That is correct, sir. The project administration, which includes the staff, fringe benefits for the staff, any travel, equipment, rent, insurance, bonding, all these sort of factors, 9.3 percent of the unit cost. Then the other direct costs, which will be enrollee transportation, any tools or expendable equipment, 2.1 percent.

This, then, is the breakdown. Roughly 80 percent into the compensation for the enrollees, roughly 10 percent for the project administration, and then the balance of 10 percent for various supportive equipment, counseling, and remedial education charges.

I might point out again that this unit cost is a job opportunity for 12 months for the period of agreement. It is possible that as many as two youths or three may go through that opportunity.

Mr. GOODELL. What is the unit cost you gave?

Mr. HOWARD. The unit cost for 1967 is planned unit cost of Federal charge, \$2,930.

Mr. GOODELL. \$2,930?

Mr. HOWARD. \$2,930. That is the Federal share per work opportunity.