

Secretary WIRTZ. On the out-of-school program.

Mr. HOWARD. When we fund a program, we fund a work opportunity. As the enrollees are improved or better able to move or go into MDTA training, or something of that sort, they will then move on and another will be recruited to have the work opportunity. Therefore, we fund a continuing training and work opportunity for a period of time. This is the cost of that period of time.

Mr. GOODELL. Mr. Chairman, if I may pursue this point, the Chair asked you if you are able to pay these enrollees in private, profit-making enterprises.

I think the record should be clear that you do not have the authority to do that and are not doing that. The law permitted you last year for the first time to take development jobs in private-for-profit enterprises, but not to pay any portion of the wage. I take it when you do that you are trying to coordinate it with your on-the-job training under the Manpower Development and Training Act.

Mr. HOWARD. That is correct. We have first of all worked out a very tight cooperative relationship so that we go into the private sector only after exhausting the potential for MDTA agreements. We require that the Bureau of Apprenticeship and Training representative work with us in the locality before we go into the private sector. We are just as concerned as the private sector is about multiple approaches for job development and training situations.

Mr. GOODELL. Last year didn't you have full authority to do what you are talking about now in the on-the-job training program?

Mr. HOWARD. We think that much of it could be done in those cases where there is a large enough and available OJT situation susceptible to MDTA agreement and negotiation. What has occurred is that we have been able to supplement that in the fringe areas where the training is perhaps not susceptible of negotiating an MDTA master agreement.

Therefore, we have been able in effect to supplement the job station opportunities, not only in the public sector under the past law.

Mr. GOODELL. What is the difference? You are doing it with smaller concerns where you don't have as broad an arrangement as you do under OJT. Why could you not proceed under your OJT with flexibility?

Mr. HOWARD. One of the differences, of course, as you have correctly cited, is that there is a limited OJT authority for the work training program inasmuch as there cannot be any payment of wages or reimbursement for wage costs, whereas this is not specifically cited under MDTA. As I read the intent, it is designed to supplement the main push of the work training program, which is in the public sector. It is designed to add the private sector, where appropriate and as appropriate, as a supplement. It was estimated that not more than 10 percent of out-of-school work stations could be developed in the private sector. MDTA is conducted through the private sector.

Mr. GOODELL. I will come back to this, but I will just make a comment that I think the addition we made in the law last year essentially overlaps the fiscal authority under the Manpower Development and Training Act. We would have done better, if we had wanted to expand the authority somewhat, to do so in the on-the-job training portion of the Manpower and Training Development Act.