

"Section 1502(a) (3) of this title does not prohibit political activity in connection with—

"(1) an election and the preceding campaign if none of the candidates is to be nominated or elected at that election as representing a party any of whose candidates for presidential elector received votes in the last preceding election at which presidential electors were selected; or

"(2) a question which is not specifically identified with a National or State political party.

"For the purpose of this section, questions relating to constitutional amendments, referendums, approval of municipal ordinances, and others of a similar character, are deemed not specifically identified with a National or State political party."

In addition to the restrictions of the Hatch Act, the 1966 amendments preclude the use of program funds, the provision of service and the employment or assignment of personnel in a manner supporting or resulting in identification of a Community Action Program with any particular political activity or any activity designed to further the election or defeat of any candidate for public office.

On December 1, 1966, the Office of Economic Opportunity issued a memorandum (Memorandum 50-A) which explained these limitations in detail. It pointed out the restrictions are imposed by the United States Civil Service Commission and that in addition to the Hatch Act requirements, applicable to Federal agencies generally, Community Action Programs were subject to statute based requirements relating to political activity. In brief, these preclude: employees from identification even on their own time with the activity of any recognized political party; use of local agency equipment for political activity; and the conduct of political activity as part of official personnel employment or assignment.

It is my understanding as a Durham resident that municipal elections such as those taking place on April 29 and May 13 are non-partisan political elections. When I voted on those days, I saw no label or designation indicating a candidate as a Democrat, Republican or the representative of a third party. I noted that the newspapers consistently referred to the election as non-partisan. But to make doubly certain that this was indeed true, I specifically checked on April 25 with both the Durham County Board of Elections and the League of Women Voters. One candidate for the City Council in the fourth ward had been active in Republican politics last fall but I am sure that he was not in any way identified on the ballot as a Republican candidate. No one has in fact provided *any* evidence that either of these elections could be construed as a partisan election within the meaning of the Hatch Act as it has been consistently interpreted by the Civil Service Commission, the agency which Congress directed to interpret the Hatch Act, or by the Office of Economic Opportunity.

I checked personally by telephone with the regional analyst of the Office of Economic Opportunity and with the office of the Inspector General of OEO; and they confirmed my interpretations of the statute. In repeated inquiries directed to these persons and to other qualified interpreters, I have always received the same positive confirmation.

In addition to these precautions, on May 11th, prior to the May 13th run-off, I issued the following memorandum to all staff members:

"This is to officially inform you that no vehicles and/or facilities of Operation Breakthrough are to be used in any way in support of any individual or slate of candidates in the General Election on May 13, 1967. This is to be interpreted as meaning that only normal Saturday program activities will be allowed on this day. It is also to be interpreted that no vehicles and/or offices can be used to get voters to the polls. It is further to be interpreted that no staff members will be reimbursed either in salary or compensatory time for election related activities on this day.

"Due to the fact that this is a non-partisan election and in compliance with CAP Memo 50-A, each staff member may, if he so desires, be involved as a private citizen according to the dictates of personal conscience."

In a further effort to avoid any misunderstanding I directed that the various offices of Operation Breakthrough, which frequently are kept open on Saturday, be closed on May 13, 1967, and I personally inspected them to insure that they were in fact closed. Furthermore, in accord with my instructions only one of

the eleven vehicles operated by Operation Breakthrough was in use at all on Saturday, May 13, 1967; and it was used solely to transport N.Y.C. enrollees to the John Umstead Hospital and back. No staff member of Operation Breakthrough performed any official duty in connection with the May 13, 1967, election. Only a supervisor at the Children's Museum, another supervisor on duty at John Umstead Hospital and one bus driver engaged in transporting N.Y.C. enrollees can be ascertained to have performed official duties on that date. To a limited extent I was myself on duty but only to assure that my earlier instructions were being complied with.

All the requirements or laws and regulations have been honestly complied with to the fullest extent of my knowledge and ability. As Executive Director I have vested in me only such authority over the private lives and activities of Operation Breakthrough employees as Congress has authorized. It is my belief that any unwarranted attempt to extend this authority would raise the serious question of constitutional infringement.

CAP EMPLOYEE INVOLVEMENT IN NONPARTISAN ELECTION ACTIVITIES

The Executive Director of Operation Breakthrough is guided in the formulation of policy concerning employee political activities by national OEO regulations and by the policy decisions of the OBT Board of Directors.

OEO permits certain non-partisan political activities "in connection with campaigns which are run on a non-partisan basis and are of a strictly local character. . . ." (see CAP Memo 50-A, page 4, para. 3).

The Executive Director documented the non-partisan character of the May 13 election:

1) By a phone call to Mrs. Ann Hunt of the Durham League of Women Voters, placed by Mr. Ben Ruffin, Area C Coordinator, at the Director's request on the morning of April 25th.

2) By phone calls to the Durham Board of Elections, placed by Aden Field, Administrative Assistant, and Lawrence Kelly, Senior Administrative Assistant, at the Director's request on the same morning.

3) For further documentation, a clipping from the April 26th issue of the Durham Sun, and a pamphlet from the League of Women Voters are included.

The Executive Director placed a call to Dr. Charles Watts, President of the OBT Board of Directors, at approximately 12:45 p.m., April 25th, and secured his opinion as President that it was the intent of the OBT Executive Committee, in its only relevant action in May of 1966, only to bring OBT policy on election activity into consistence with that of OEO; and that this action does not preclude the activity of OBT employees in the upcoming non-partisan election.

EXECUTIVE COMMITTEE MEETING, OPERATION BREAKTHROUGH, INC., MAY 18, 1967

The following members of the Executive Committee were present:

Dr. Charles Watts.
Mr. David Currie.
Mr. William D. Higgs.
Mr. Julius Corpening.
Mrs. Christine Strudwick.
Miss Delois Vines.

The following members of the staff of Operation Breakthrough were present:

Mr. William Pursell.
Mr. Gerald Underwood.
Mr. Scott Puckett.
Mrs. Louise Crosby.
Mr. Lawrence Kelly.
Mr. Ed Stewart.
Mr. James Pilgrim.
Mrs. Maria Hamilton.

1. *Approval of the minutes of the Executive Committee meeting of April 20, 1967:*

Mr. Currie moved that the minutes abovementioned be approved as written. This motion was seconded by Mr. Higgs and unanimously voted.

2. *Board Retreat:* Mr. Pursell stated that the answers from the questionnaires that were distributed to the Board members at the last meeting indicated the

same response as the previous questionnaires: although the Board had officially approved retreat in principle, an insufficient number of members were actually able to attend. Reviewing the correlation of the answers, he stated that no more than ten members would be able to attend a retreat at any given date. Mr. Currie moved that the Board rescind its approval of a retreat. However, there was no second to this motion. Mr. Corpening then suggested the possibility of an informal meeting in a comfortable setting in Durham to discuss the report. Dr. Watts pointed out that Operation Breakthrough had a responsibility to act in terms of the North Carolina Fund Report. Mr. Corpening asked whether it would not be valuable to divide the report up into sections and assign these sections to a sub-divided Board. Mr. Currie stated that there would be some virtue in the Operation Breakthrough staff's reporting to the Board what actions had already been taken as a result of the report. Mrs. Crosby asked whether it would be helpful for the staff to make a report of the main features of what action had already been taken by Operation Breakthrough and then let the Board deal with the remaining portions. Mr. Corpening then suggested that a subcommittee composed of members of the Executive Committee and the staff of Operation Breakthrough intensively review the report in the light of what has already been done and what ought to be done. Dr. Watts stated that he thought that this was a workable plan. Mr. Pursell added that he thought that it would be excellent for such a subcommittee to take an evening and come to grips with the report pulling out the features that have been implemented and then presenting the full Board with a complete report.

Mr. Corpening moved that the Executive Committee approve the formation of an ad hoc subcommittee of several members of the Executive Committee and Operation Breakthrough staff to study the North Carolina Fund Report. This motion was seconded by Mr. Higgs and unanimously approved.

First asking for any volunteers for this subcommittee, Dr. Watts appointed the following: Mr. David Currie, Chairman, Miss Delois Vines, Mr. Victor Bryant, and Mrs. M. H. Thompson. Mr. Pursell asked that the appointment of the staff members be withheld until he had made an evaluation of the responsibilities being created by individual staff members. Mr. Higgs suggested that he employ the talents of Mrs. Crosby before she left Operation Breakthrough at the end of May.

3. *Summer Head Start:* Mr. Pursell stated that for four weeks the Office of Economic Opportunity had been promising that any day the approval of the Summer Head Start Proposal would be signed. Despite daily contact with Washington, this approval has not yet come. However, they have given Operation Breakthrough their assurance that the grant would be signed minus only \$3,000 from the proposed plan. This \$3,000 is the result of the deletion of the positions of medical-social coordinators. Unfortunately, the Office of Economic Opportunity often does not look at proposals from a local viewpoint and cuts positions which appear from their point of view to be low priority. These positions may be reinstated, however, by the additional use of volunteer services from the school systems in place of other funded positions. Mr. Pursell, stating that May 1 had been the school's deadline, emphasized his concern that if the proposal is not signed by Friday, May 19, 1967, the school systems will not be able to function responsibly. Mr. Corpening asked if Mr. Sanchez was aware of this problem. Mr. Pursell answered that he had told Mr. Sanchez this and had told him of the County School system's being asked to operate a Follow Through program which might be hamstrung by long delays in approval. The Office of Economic Opportunity did give Operation Breakthrough the staffing patterns for the program and this relieved the situation somewhat; however, they neglected to specify the money allotted to each position. Apparently, he pointed out, the proposal is in the typing pool of the Office of Economic Opportunity and cannot be signed until it is completed. Mr. Pursell stated that he had offered the use of his secretary but they had stated that this was not necessary.

4. *Letter from Mr. A. C. Sorrell:* Mr. Pursell read both the letter he had received from Mr. A. C. Sorrell, requesting information about the activities of Operation Breakthrough's employees both on and off the job on Saturday, May 13, 1967, and his response to Mr. Sorrell. This stated that he would bring Mr. Sorrell's request to the attention of the Executive Committee Reviewing the situation which culminated in Mr. Sorrell's request. Mr. Pursell stated that undoubtedly the members of the Executive Committee had read of the accusations thrown at Operation Breakthrough for its activity in "political affairs." Reading from CAP Memorandum 50-A, which dealt with the restrictions on CAP agencies of their political activities, Mr. Pursell called the Executive Committee's atten-

tion to page 4 which specifically exempts individuals employed by a CAP agency from regulation of their activities as private citizens in "non-partisan" elections. However, no grant funds can be used to influence the outcome of any campaign, non-partisan or partisan. This paragraph precluded Operation Breakthrough from participating in Saturday's election; it did not preclude individuals from participating in the officially non-partisan election if they desired to do so. Mr. Pursell stated that he had checked with the Office of Economic Opportunity prior to the election to see if his interpretation was in compliance with theirs. OEO had reported that any individual employed by a CAP agency could participate in a non-partisan election only if he were doing so on a non-working day with no compensatory time afforded him. On April 25, Mr. Pursell added, he checked with the local board to make sure that this election was in fact a non-partisan election. Many of the staff members were involved in both the primary and the election; no vehicles, however, were used in any way relating to these elections. After the primary, when Mr. Fred Steele accused Operation Breakthrough of using Federal funds in the activities relating to the primary election, Mr. Pursell made an intensive check to see if any vehicles had been used, even though he had issued memorandums stating this was specifically prohibited. His check proved that no vehicles had been used in any way except in previously programmed activities. On Saturday, May 13th, the Operation Breakthrough offices were locked so that no one could accuse Operation Breakthrough of carrying on political activities. In his letter to Mr. Sorrell Mr. Pursell expressed his reservations as to both the propriety and practicality of investigating 190 employees on a non-working day. He pointed out that no evidence had been given that any person had violated any guideline, but Mr. Sorrell had requested an investigation of all staff members. Dr. Watts added that Mr. Victor Bryant, who was unable to attend the meeting, had called him to express his feelings that Operation Breakthrough should not suppress information in answering Mr. Sorrell's letter. Dr. Watts stated that he had asked Mr. Bryant to get in touch with Mr. Sorrell to invite him to come to the Executive Committee meeting so that he could present his views.

Mr. Currie asked how many members of the staff would normally work on Saturday. Mr. Pursell stated that normally very few were required to work on Saturday. No one is scheduled to work except some of the Neighborhood Youth Corps enrollees and the drivers who are expected to drive the enrollees to their jobs. Mrs. Crosby pointed out that at the end of each working month every employee turns in a time sheet which lists not only actual required hours of work but all hours that were spent on the job. These time sheets are approved by the immediate supervisor of each employee and checked by the Business Office. Mr. Higgs asked if it would be possible to get these sheets now in the middle of the month to check to see who had worked on Saturday. He stated that he felt that perhaps the appropriate way of handling Mr. Sorrell's request would be to direct him to the pertinent sections of CAP Memo 50-A, giving him the names of these individuals that were on the job but stating that the affairs of the employees off the job were not in this instance a proper concern. Mr. Pursell pointed out that after a preliminary investigation he had only found two people who had worked on Saturday, Edna Cole, a driver, and Dick Wescott, a N.Y.C. Supervisor at Children's Museum. He also pointed out that Mr. Sorrell had already received a copy of CAP Memo 50-A. Dr. Watts stated that he felt that there must first be specific allegations before an intensive investigation can be held or it becomes a witch-hunt. Mr. Sorrell should make specific charges before Operation Breakthrough could make a blanket investigation of all its employees. Mrs. Crosby suggested that any information regarding employees' on the job activities should be withheld until the official time sheets had been turned in at the end of the month, so that in the event of an honest mistake Mr. Pursell would not be unfairly held officially responsible for his initial figure of how many people had actually worked on Saturday. Mr. Higgs suggested that any initial report to Mr. Sorrell could be defined as being merely a preliminary investigation. Mr. Currie stated that off-the-job activities of Operation Breakthrough employees were a concern of the Board's. Dr. Watts stated that while it was a concern of the Board, it was, nevertheless, the prerogative of each individual. Mr. Puckett pointed out that although such individual action was allowed in non-partisan elections, it was not allowed in partisan elections. In no way, can a CAP employee participate in any political activity, even, for instance, in holding an office in an organization like the Young Democrats. Mr. Corpening suggested that a general statement about what work was done on Saturday would be a

sufficient answer to Mr. Sorrell. Mrs. Crosby pointed out that Mr. Sorrell also requested information concerning the off-the-job activities of employees. M. Higgs stated that he did not think that they could make such information available. Dr. Watts emphasized that such activities were at the discretion of the individual and that to investigate these activities and make the information available to Mr. Sorrell would be a breach of responsibility by Operation Breakthrough. Mr. Underwood added that while it was the Board's responsibility to protect the organization it was also its responsibility to protect the employees by affording them security in their jobs. Dr. Watts stated that it would not be their position to hide the activities of anyone, but this type of investigation could not be undertaken as it would be a disservice to subject all the employees to a blanket inquisition without any specific charges. Mr. Corpening stated that Dr. Watts should relay the message to Mr. Sorrell that the Executive Committee would be glad to discuss its position with Mr. Sorrell at any mutually convenient time. Dr. Watts then stated that from this discussion he and Mr. Pursell would write a letter to Mr. Sorrell indicating the Executive Committee's consensus.

5. *Progress Report on the Proposal:* Calling the Executive Committee's attention to the July 1st deadline, Mr. Pursell stated that already the staff of Operation Breakthrough had spent many hours discussing and planning the type of programs that will be needed for next year. These plans have been discussed with the North Carolina Fund, with the United Organization for Community Improvement, and with Leonard Slaughter, who came down from the Office of Economic Opportunity in Washington. Operation Breakthrough has two years of experience and knowledge in back of it; what is needed now is a creative and viable plan. In some areas, such as health and social work, unless Operation Breakthrough comes up with a creative plan, it is very likely to lose whole programs entirely, as OEO has placed these programs, without sufficient regard for local content standards, on the bottom of its priority list.

Mr. Higgs then asked what had happened to the budget revisions sent into the North Carolina Fund. Mrs. Crosby and Mr. Pursell explained that they had been approved in essence for two months, which effectively barred any use of them.

Mr. Pursell then introduced Mr. Scott Puckett. Describing the Community Development Component, Mr. Puckett stated that as it is set up now the program activities were distinctly divided between service delivery and community organization which doesn't deal with the problem itself but helps organize a community to solve their own problems. There are many reasons why this component needs to be reorganized. First of all, Operation Breakthrough, unless it comes up with a newly descriptive but similar program, will lose many of the service-oriented programs, such as health, social work and home economics since these programs as now described are in disfavor with OEO. Secondly, efforts to deal with specific problems have not been as significant as they could have been due to Operation Breakthrough's lack of knowledge concerning the various organizations that constantly must be dealt with, in areas such as housing, welfare, health, etc. Another problem is that the demand for community development is greater than Operation Breakthrough's supply. Flexibility is greatly needed; an approach that will span all kinds of problems and areas is crucial.

Operation Breakthrough envisions a reorganization of its Community Development Component that will divide it into two sections: a geographic section and a problem area section. Two administrators will be responsible for the overall direction of the program, a director and an assistant director. The geographic section will be composed of four teams serving the area that is presently being served. Operation Breakthrough has commitments in these areas that it must honor. Two field supervisors will correlate the geographic sections of the component. A reserve geographic team is also envisioned both as a temporary source of additional manpower and as a training ground for new staff members. The problem area section will also be divided into four teams, each team studying a particular problem and the local solutions available, such as in housing, education, welfare and health. All the teams will spend 50 per cent of their time in what can be termed regular operations, 25 per cent of their time in training and 25 per cent of their time in planning. This is an important breakdown of time which will allow this component to function at maximum capacity both in long-range and short range perspectives. The teams in both areas will be organized according to a ladder of ability structure affording vertical job mobility.

After a further discussion of the reorganization of this component, the meeting was adjourned until the following Thursday.

ADDENDUM

On June 16, 1967, Mr. L. G. Holleman, Rosebriar Community, Durham, North Carolina, advised that he was a supervisor for an on-the-job training program administered by Operation Breakthrough. Mr. Holleman related that on May 12, 1967, at approximately 4:45 p.m. he was approached in his office by Mr. Aden Field, an Operation Breakthrough supervisor. According to Mr. Holleman, Mr. Field requested Mr. Holleman and two staff members to "help us out in the elections tomorrow." Mr. Field further requested that Mr. Holleman and his staff members bring their personal vehicles. Mr. Holleman said that he would agree to this provided Operation Breakthrough's Director "put it in writing." Mr. Holleman said, subsequently, he received a telephone call from William R. Pursell, Operation Breakthrough's Director, and Mr. Pursell told him to "forget it."

On June 17, 1967, Mrs. Geoffrey Hamilton, 862 Louise Circle, Durham, North Carolina, advised the staff investigator that she was the secretary to the Director of Operation Breakthrough. In the presence of Operation Breakthrough's Counsel, Mr. Robinson Everett, Mrs. Hamilton stated that on May 13, 1967, during the Durham municipal elections and from 7:30 a.m. to 9:30 a.m. she handed out cards requesting prospective voters to vote for Mrs. R. O. Everett (Alderman, Ward 2). According to Mrs. Hamilton, she handed out these political cards at the West Durham Community Center polling place.

Mrs. R. O. Everett, successful candidate for Alderman, is the mother of Mr. Robinson Everett, Counsel for Operation Breakthrough.

Mr. GOODELL. Mr. Chairman?

Chairman PERKINS. Yes, Sargent Shriver, do you want to say anything further before we recess?

Mr. GOODELL. Let me, Mr. Chairman, if I may, make one comment.

I agree with the gentleman from California's comment about trivial partisan differences. I think it should be clarified that the *Durham* case involved candidates not running Republican or Democratic. Both of the candidates had the word "Democrats" as such, and the gentleman from North Carolina raises it not in a partisan sense, but because it does illustrate, I think, the very serious danger that can affect all of us. It can affect you and the gentleman from Chicago and the gentleness from Portland and all the rest of us if community action workers get involved in this kind of a primary contest or something of this nature.

It is a dangerous situation.

Mr. BURTON. I understand the gentleman's point and I understand also if there is any area sensitive with an elected official, it is the matter of new people being put on the rolls to participate in an election. Obviously this could affect the future of anybody currently holding office. I can assert for myself, I prefer that everybody is eligible and registered and vote.

I am not concerned about everybody being put on the rolls. I am certain no one here on this committee or in the Congress is concerned that everybody be eligible to register. They just are concerned about the method by which they become eligible.

Mr. GOODELL. I agree. It would have been a different situation also, and I wouldn't particularly favor getting involved this way. It would have been fairer if they made a grant to the two candidates for getting out the registration, as you illustrated in California.

Mr. PUCINSKI. They don't qualify.

Chairman PERKINS. The statement has been made here several times about the complaint of the gentleman from North Carolina and this is

no place to try it. I think we have been reasonable and I think we should—unless we have some additional statements that would bear upon the provisions of the act, that we refrain from calling it up any more and using the committee as a forum.

But be that as it may, we are going to recess until 1:45, and I have agreed with Mr. Quie that we would not call up Headstart or Follow-up because he is attending his son's graduation at College Park and will not get back until 4:30. In the interim could we take up some other segments of our program?

Mr. SHRIVER. You are going to miss some very good sections.

(Whereupon, at 12:45 p.m. the committee recessed, to reconvene at 1:45 p.m., the same day.)

AFTER RECESS

(The committee reconvened at 2:10 p.m., Hon. Carl D. Perkins, chairman of the committee, presiding.)

Chairman PERKINS. The committee will come to order. A quorum is present. In the absence of Mr. Quie what is your purpose, to go to neighborhood centers at this time?

Mr. SHRIVER. Yes, sir.

Chairman PERKINS. Go ahead.

Mr. SHRIVER. Mr. Chairman, we talked about a number of community action programs, discrete programs. We have tried to emphasize that each one of them in the neighborhood health center or legal services or others, that the community action aspect of each one of those programs in the entire Community Action picture there isn't anything more significant in our judgment than the function that is fulfilled on behalf of community action by the neighborhood, the system of neighborhood centers, not just physical building, for example, but the variety of programs that go on in that program or the way in which the people connected with the center reach out into the community effectively on behalf of the poor.

I would like, since this is such an essential element in the total Community Action picture, to ask Ted Berry, Director of Community Action for the Nation, to read to you a statement about the way we see the significance of the neighborhood centers.

STATEMENT OF THEODORE M. BERRY, DIRECTOR FOR COMMUNITY ACTION PROGRAMS

Mr. BERRY. Mr. Chairman, thus far we have presented to you two programs which may be characterized as national emphasis programs which we at OEO and the community action programs conceived as areas of help to communities in meeting some of the needs of the poor.

The neighborhood center concept may be characterized as being most indigenous, having been generated, conceived and formulated by local communities as one of the tools or weapons which has been most effective in both developing the involvement of the poor and generating the services that the poor need.

The community action programs have identified common problems of the poor at the neighborhood level. These problems include lack

of awareness of available services and services that are too distant involving difficulties of transportation. Programs and services are all too frequently fragmented and dispersed. Programs are inadequate or of low quality in the particular area of greatest need. And in many instances the poor receive a second-class treatment.

The answer we have developed in cooperation with local communities in response to these problems has been the neighborhood center. It is, in a very real sense, a development of an intricate system which both serves as well as stimulates the poor.

There are some common characteristics of this new approach. It is not entirely new because it is an extension and an enlargement and an improvement of what generally may be known as the settlement house concept.

First there is the simple fact of their existence as a local neighborhood enterprise in which the residents of the areas have a very close involvement. The Neighborhood Center serves a definite geographic target in which there is a relatively high degree of poverty.

The center is generally, if not always, located where the poor can have convenient access to it and its operating hours are tailored to meet the needs of people it serves rather than the people who provide the service.

Third, the center takes on a variety of forms, sizes, programs and so forth. Some centers are comprehensive, one-stop type service points. Some centers merely provide intake and referral to locations of services which may be available. Some centers are store fronts while others may be on wheels, particularly in rural areas. Some centers' operations have a central facility and numerous satellite outstations in order to bring the intake or contact point closest to the poverty community if this community is widely distributed or dispersed. In all, however, there are currently some 700 centers today existent in some 300 communities, urban and rural. Each of them is tailored to the peculiar environmental situation and needs of that neighborhood or that community.

Fourth, the center has regular rather than incidental functions, including the basic elements of an outreach service. This involves the employment of residents of the area who, after training, reach the people who have been aware of the existence of these services. Who also, by constant contact, generate a climate of interest and lay the groundwork for involvement of the people in a more meaningful way. This is a basic part of the concept of self help.

The intake function for the processing of people who are brought to the center, performs a diagnostic service in terms of the needs of the particular individual or family in need of services.

A function of referral because it is impossible to bring into a particular center all of the services that may be needed. The establishment of the inventory of available resources of a social, economic, and welfare nature which are existent in the community is required for referral of the persons according to their need.

Then consider the function of followup where outreach workers as well as the institutions and organizations are involved with a family or individual. A system of followup is required to at least establish the basis for recording the results or the end product of this process

of involvement. Usually each center has an information service. And then finally, the very important ingredient or function of training, both inservice training of personnel as well as the development of specific training programs that might be needed by those who are seeking the services of the center. These we call core services. These are funded as a basic part of any neighborhood center for which funding may be sought.

In addition, the center usually provides a comprehensive range of component services to residents. Many of the services are provided through referral to existing services. Where these services do not exist in a community, particularly in a rural or small urban area, where these services do not exist or are not presently available, the center itself provides the services.

These may include manpower training services, legal services, health services, a variety of social services, housing, homemaking services, and consumer counseling services. Consumer counseling service provide the poor with an awareness and understanding of how their dollars may be stretched and how they may protect themselves against unfair consumer sales practices or consumer debtor practices.

Adult literacy and child development services may also be provided. In many centers these services are either housed in a facility or under the direction of the center maybe outstationed in an ancillary facility in close proximity to the center itself. And if there is a legitimate need, that need is met by the center and not postponed, delayed, or excused if it all can be provided.

The center's role is to relate to a person's total needs at one place or at least at places which are in convenient proximity to the point of intake and referral. The center is to bring to bear a coordinated system of high-quality human development services for the whole person or family in the same manner that the Department of Defense uses a weapons system approach to its problems.

Another salient feature of the centers is the opportunity for neighborhood residents to work together as a community to identify and act on common problems and needs.

In an earlier presentation we pointed out one of the areas that the poor or their representatives are involved in is the resident advisory council. This is their first point of volunteer, noncompensated participation in community development. Some 30,000 are serving on advisory boards throughout the community action agencies and many of them in connection with the neighborhood center programs that have been generated in their communities.

The residents are encouraged to participate in the development and operation of the neighborhood center system through a board representing the residents in the neighborhood area.

Through such participation the poor develop competence as a community and also assure that the neighborhood center program is relevant to their needs.

The last, but probably the most significant, characteristic of the center is its capacity to serve as a center for self-help. Centers train and employ the poor from the neighborhood to carry out the functions of the center program. We are learning that for many the center provides a takeoff point in that it provides first-time employment in career development under professional guidance.

As soon as the residents of the area have been trained and have had experience they are in increasing demand for other employment in social service fields.

It has been through the neighborhood center concept that we have developed the career areas of teachers aids, health aids, aids to nursing associations, as well as instructors and tutors in a variety of services which have heretofore been neglected and not utilized when this reservoir of potential manpower and service is resident within the target areas.

In summary, neighborhood centers and the system of which it is the core, have become the focal point for Community Action, community involvement and community self-help. The center becomes the people's program. It belongs to the people of the community and we are gathering increasing evidence of the extensive use to which they are using it to help them with their own problems.

In statistical terms, in the first year of our operation, we funded some \$77 million in neighborhood center programs in response to community demand. This year, this sum, within the limitations and availability of the local initiative funds that were available, we are funding \$110 million in neighborhood centers with a total of 700 of which 630 of them are in urban areas and 70 of them in rural communities.

Some of the demands which we have included in the presentation here indicate that the level of demands for neighborhood centers, with heavy emphasis in the rural areas, will be some \$160 million for this coming fiscal year given the requested appropriation and the flexibility of local initiative funding.

We believe, as we have indicated, that this becomes the heart of Community Action because within it, as we have already indicated, legal services are frequently housed, certain components of health services (as distinguished from the comprehensive health program which usually requires its own physical facility).

This, Mr. Chairman, is a further illustration of the comprehensiveness of Community Action Programs. While we have encouraged and responded to the development of the neighborhood center, it may be of interest to the committee to learn that the variety of programs meeting the individual needs of communities, have been developed and, up to the present time in our whole funding process to Community Action agencies, we have expended from appropriations made available to us, \$1,200,000 since the beginning of our agency.

The number of components of programs in the various categories of services total over 15,000 different types or different components of programs. Within many of these communities these component programs become the matrix on which the neighborhood center has developed as the system for delivering these services to the communities in which they are established.

So, without suggesting that any funds be earmarked precisely for it, we wanted the committee to know that this has become and is emerging as a very essential element of the community action program in responding to local community assessment, identification of the method by which they will deliver these programs to the people who need them.

Chairman PERKINS. Mr. Gibbons, do you have any questions on this phase of community action?

Mr. GIBBONS. No questions, Mr. Chairman.

Chairman PERKINS. Mr. Scherle.

Mr. SCHERLE. Thank you, Mr. Chairman.

In May 1966, Secretary Wirtz stated that there were 1.2 million youths from 16 through 21 who needed part-time work to stay in school or return to school.

Would you tell me how one makes that judgment?

Mr. BERRY. Of course, your question is based on that program which is funded under title I, Neighborhood Youth Corps. The judgment, I think, is based on statistics, derived from the number of youth, high school youth, that have dropped out of school through economic need as well as lack of motivation as well as the number of youth that are in school that are in need of financial assistance.

Mr. SCHERLE. Actually, now do you go about finding these youngsters for the reasons of their being in school or returning to school?

How do you arrive at this figure?

Mr. BERRY. Mr. Levine, who is our researchman, can probably give us the statistics or the mechanism by which these statistics are gathered.

Mr. LEVINE. In the course of its regular sample surveys each year, sir, the Census Bureau takes a look at incomes of people in the various age categories and it has come up with an estimate of 1.2 million youths who are in school who are below the poverty line based on the sample survey.

Mr. SCHERLE. When were these surveys taken? On the last census survey?

Mr. LEVINE. No, sir; these are sample surveys. Actually, these surveys are taken monthly to provide unemployment statistics. The particular ones from which the statistics you used were obtained are derived each March.

Mr. SCHERLE. What position do you take in regard to whether they should be in school or returned to school?

Mr. LEVINE. We think that if we are to get rid of poverty in general any kid of school age who is in school ought to stay in school and if he is poor he probably needs some financial help to stay in school.

We would hope that the kids out of school in this age group would return to school. That is one of the objectives of both the Job Corps and the out-of-school Neighborhood Youth Corps.

Mr. SCHERLE. Is the OEO diverting funds from the regular in and out of school Neighborhood Youth Corps program in order to pump more money into keeping these kids off the street this summer?

Mr. LEVINE. The answer is "No." There are as part of our regular appropriations, summer programs which primarily continue the school year time programs.

As you know, OEO received \$75 million additional appropriations, supplemental, for that recently, for summer programs. I think about 47-some-odd-million dollars was for the Neighborhood Youth Corps.

Mr. SCHERLE. You will not take any money out of the regular OEO to pump into this thing to keep the kids off the street?

Mr. LEVINE. Our objective is not to keep kids off the street. Our objective is the general antipoverty objective, to cover the summer for poor kids who are helped one way or another by the program during the school year.

Mr. SCHERLE. Keeping them off the street would keep them out of trouble, don't you think?

Mr. LEVINE. I have no objection to keeping them off the streets. The point I make is the one Mr. Shriver has made frequently, that the objective of the OEO is not to avoid trouble in the streets. The objective of OEO is to get rid of poverty.

Mr. SCHERLE. Doctor, I can tell you one thing here and now, that neither you nor I nor anyone else will ever eliminate poverty completely.

My next question: How many total Neighborhood Youth Corps graduates have you had?

Mr. LEVINE. About 900,000 young people through the Neighborhood Youth Corps.

Mr. SHRIVER. The Secretary of Labor will be here to testify.

Chairman PERKINS. Why doesn't the gentleman wait until the witnesses who are experts on this program are here?

Mr. SCHERLE. Mr. Chairman, whom do you have here?

Mr. SHRIVER. The idea, Congressman, is that today we would take up in order some of these programs like the one we are talking about, the neighborhood center program. The Secretary of Labor and Director of the Neighborhood Youth Corps will be here to testify about the Neighborhood Youth Corps. What we were hoping to do is cover the community action things at this time.

Mr. SCHERLE. You have so many different programs I hope you will pardon us because it is hard to keep up with what you really have. In fact, I think you have more than we really know about.

I have been told that there is an OEO program in New York which consists of the formation of a grocery co-op under the direction of OEO personnel. Is this true? If so, how can you justify taking \$ dollars to put the poor and any factor of Government in direct competition with neighborhood grocery stores?

Mr. BERRY. Your information is incorrect. We have funded a program in New York, in Brooklyn, a consumer action program, which was jointly developed by the community and the small businessmen in that neighborhood for developing an intelligent program of consumer education, buying information, price information, and the development of credit unions that would enable the community to more actively and effectively use the dollars within that community so that both business as well as the people will be benefited by it.

It is not a program that is putting the community action agency into business.

Mr. SCHERLE. How big is this warehouse or general store, whatever you call it?

Mr. BERRY. It is not a general store, and I did not use the term "general store."

Mr. SCHERLE. I did.

Mr. BERRY. It is not a warehouse either. It is being developed in connection with a neighborhood service center.

Mr. SCHERLE. Certainly you must have a lot of merchandise on the shelves.

Mr. BERRY. No, sir.

Mr. SCHERLE. And a lot of people employed.

Mr. BERRY. No, sir; they have not purchased any merchandise.

Mr. SCHERLE. Then will you explain to me exactly what this is?

Mr. BERRY. I will give you a full digest from the highlight of the program and for the committee as a whole. I don't have it here available but I will furnish it.

Chairman PERKINS. The time of the gentleman has expired.

Mr. Dellenback.

Mr. DELLENBACK. Mr. Chairman, may I reserve my questions and let Mr. Gardner go forward.

Chairman PERKINS. Mr. Gardner.

Mr. GARDNER. Mr. Berry, has the neighborhood center program been successful thus far?

Mr. BERRY. We think it is being marked by substantial evidence of success.

Mr. GARDNER. I understand you had a report compiled. I think it was done by the Kirschner Associates out of New Mexico.

Mr. BERRY. Yes.

Mr. GARDNER. In 1966. They have certain phases of it that they were very critical of. Has anything been done to try to strengthen these particular areas they pointed out, or did you place any reliance in the report?

Mr. BERRY. Yes, we did place reliance in the report. I would like Mr. Hess, who is my chief of program planning, to make some comments on the implementation of the findings of the Kirschner report. We have certainly taken them into consideration. We felt it was consistent to have an objective evaluation.

Mr. GARDNER. Could we have a copy of this report? Is it available?

Mr. BERRY. Yes, we can make it available.

(The information requested follows:)

Subject: Highlight Memorandum for the Consumer Action Program of Bedford-Stuyvesant, Inc. (CABS).

I. GRANT SUMMARY

(a) Grantee: The Consumer Action Program of Bedford-Stuyvesant, Inc. (CABS), 247 Tompkins Avenue, Brooklyn, New York 11216. Region: Northeast.

(b) Cost:

Total cost-----	\$380,320
Non-Federal -----	
Federal -----	380,320

(c) Grant #CG-67-8445.

(d) Title: CABS, Inc.

(e) Section 207 Demonstration.

(f) Length of Grant: April 1, 1967-March 31, 1968.

II. PROJECT SUMMARY

(a) (1) Previous Grant: None; (2) This Grant: \$380,320, one year; (3) Future Grant (estimate): \$577,000,* one year. Total, \$957,320, two years.

(b) Results to date: Pre-planning has resulted in the organization of 64 target area blocks and consumer councils, the training of 70-80 aides, contact established with 64 small local business firms, and the organization of over 7000 persons preparatory to the organization of a community credit union.

*Increase for the second year is based on the estimated need for additional personnel and program expansion to other project areas in the neighborhood.

III. WHAT IS TO BE DEMONSTRATED

This indigenously designed proposal will demonstrate—

1) that consumer/distribution problems of the low income resident and the low income entrepreneur can be met through an integrated *community consumer action organization*.

2) that such an organization can offer dual services, one level tailored to the needs of low income consumers, and the other tailored to the problems of the indigenous merchant, and that by so doing, both groups can provide themselves with the technical and institutional capabilities to solve their consumer related problems.

3) that such a program, cooperatively run, will measurably increase consumer sophistication, enhance the quality of goods and merchandising techniques for the small neighborhood merchant, and create for both the means to influence the present "ghetto marketing system" by providing alternatives to that system.

IV. WHY THIS DEMONSTRATION IS IMPORTANT

This proposal is important because:

(1) It combines consumer and retail interests in a common effort rather than treating them as natural antagonists.

(2) It utilizes a community owned structure which, by example and the creation of new economic alternatives, is designed to negotiate changes in the presently exploitative ghetto marketing system.

(3) It will materially strengthen both the consumer-resident and the small merchants-resident by introducing variations of free enterprise entirely new to the community.

(4) It broadens both the base and function of the credit union in a low income community. By introducing the assets of local small enterprises into the credit union structure, the pace of capital growth and therefore the ability to become self sustaining will be accelerated.

It will raise the level of all the participants, not only in dealing with their own consumer-related problems, and in handling problems *as a community*.

It will provide a model, if successful, clearly adaptable to every urban area similarly distressed.

It is entirely consistent with the 207 Demonstration Plan and it clearly attacks one of the most important aspects in the cycle of poverty.

V. SUMMARY OF THE WORK PROGRAM

This program is divided into three phases. The First Phase will see appointment of the Project Director, selection of operational site, and organization of office procedures and staff.

The Second Phase will consist of activation of the presently organized sixty-four Block Consumer Committees resulting in neighborhood election for enlarging the present CABS Inc. Board. In addition, a credit union will be organized, staffed, and a board elected by the membership. All staff training is to be contracted from CUNA and the State League.

The Third Phase will begin with the chartering of the credit union. Specialized credit union services will be inaugurated (described below) and the community-wide consumer education program will begin (described below). Special committees will be organized by the Block Councils to organize buying clubs, to recruit credit union membership, and to effect liaison with other consumer programs in the New York area.

The CABS Inc. Consumer Organization will contain the following elements:

- (1) A Credit Union.
- (2) Line of Credit Service.
- (3) Legal Advisory Service.
- (4) Financial Planning Counseling.
- (5) Debt Consolidation Clinic.
- (6) Consumer Education Program.

The organization will include both residents and neighborhood merchants. Each service offered will be dual in design, one level tailored to the specific problems of low-income consumers, the other tailored to the specific problems of the low-income neighborhood merchant.

The credit-union serves as the financial nucleus of the organization, offering in addition to its normal functions of a saving and lending institution, a line of credit system which means that—

(a) for the member-consumer, it will be possible to establish a line of credit through the credit union in order to charge purchase with participating merchants. The credit union reimburses the merchant, debiting the member-consumer's account. In effect this reduces the consumer-merchant relationship to a cash basis, relieving the merchant of the cost and anxiety of a store-operated credit system.

(b) for the member-merchant, the same relationship is set up between wholesalers and other creditors and the merchant. By putting the small merchant of a "cash" basis, his costs are lowered, his credit and bargaining power with the distributors is strengthened.

The other services work in a similar manner: The legal advisory element, acting as educator, will train individual consumers in preventive action, alerting them about their rights as consumers, and where legal redress or protection can be sought. The neighborhood merchant, frequently ignorant of his rights as an entrepreneur in the free enterprise system, needs guidance and counseling on the many laws and resources designed for protection and promotion of small business.

The presently organized consumer block councils will be enlarged by adding those merchants who are participants in the program and will be known as Consumer-Merchant Block Councils.

The CABS consumer action and education program will be initiated and guided by the Project Director through the Consumer-Merchant Block Councils.

The Councils will sponsor training and education programs for residents and members of the program. Included in the curriculum will be—

- (1) Orientation on CABS program and services.
- (2) The Credit Union and its services.
- (3) Buying Clubs, their organization and value.
- (4) the marketing problems of Bedford-Stuyvesant.
- (5) the wise use of credit; techniques of saving.
- (6) Consumer-Merchant problems.
- (7) Economic Cycles and their meaning; problems of supply and demand; impact of economic forces on consumer and merchant.
- (8) Techniques of comparative shopping.
- (9) Legislation for consumers; legislation for merchants.
- (10) Bookkeeping and accounting; wholesale buying techniques; tax corporation and bankruptcy problems (for the small merchant).

In addition to the training program, the Councils will set up subcommittees, the purpose of which will be to effect liaison with other programs and resources in the general area, to organize buying clubs for individual consumers, to organize buying clubs or buying cooperatives for resident merchants.

The Block Councils will also serve as local consumer information centers, and as referral points to the CABS Consumer Action/Credit Union Center.

VI. PROJECT PERSONNEL AND ORGANIZATION

The Project Director will be Mrs. Gladys R. Aponte. Mrs. Aponte received her B.A. in Political Science (1958), M.A. in Public Administration (1959), and LL.B. in Corporation Law (1962), all from The University of Puerto Rico.

From 1962-63 she was a Contract Compliance Officer for the New York City Commission on Human Rights; from 1963-65 she acted as Program Developer in Consumer Education, again with the Human Rights Commission. From 1965 to the present she has been the director of the Consumer Education Program of Youth in Action, Inc.

As Consumer Education Director for YIA she has developed a nucleus of highly trained neighborhood aides (over 40), organized 64 blocks of YIA's Area II into consumer block councils, each having its own elected chairman.

A substantial number of residents have become well-educated in consumer problems as a result of the block organization and training accomplished by the Project Director over the past year.

The proposal is the result of considerable planning and discussion by the residents who have been involved in the program thus far.

Evidence of involvement and resident participation is witnessed by the petition of over 7,000 persons who pledge support for a neighborhood credit union.

Sixty-five small businessmen have been interviewed and have responded affirmatively to the organization of, and their participation in, the credit union.

Approximately 25,000 persons have been involved in some phase of the consumer program, either by interview, personal contact, assistance, referral, or participation in a consumer activity.

The present CABS Board of Directors are all residents of long standing. All but one are poor, all have been well-trained in consumer affairs. They have been the key leaders in organizing the Block Councils, covering the entire target area.

One of the first acts by the present CABS Inc. Board (and a special condition of this grant) will be the holding of elections to form a new and permanent board, representative of the entire area to be served. They plan to have the Block Council, now numbering 64, to elect one representative for every 2 blocks. This will fill out the Board to a total of 32. Elections will be in conformity with OEO guidelines. Present interim members may also stand for election since they are residents of the same areas. However, present membership will not continue unless ratified by elections as described above.

The organization work thus far done, the spirit and support of the community evident to all who have studied this community, is high recommendation for their will and competence to carry out this program which they have designed.

VII. RESULTS EXPECTED

The achievable goals anticipated by the end of the first year of this project are—

(1) An indigenously operated neighborhood organization of low-income consumers and low-income merchants now capable of modifying the presently exploitative ghetto marketing system.

(2) New and practical variation of the free enterprise system, e.g. a community-controlled low cost credit system and a series of cooperative associations designed to serve with the consumer and the independent merchant.

(3) A credit union with a membership in excess of 10,000, assets of between \$200,000 and \$250,000, and an operating central charge system involving at least 64 merchants and representing 20 categories of service (grocery, furniture, hardware, appliances, funeral, insurance, etc.).

(4) Active consumer programs, the effect of which will be seen in the increased shopping sophistication of the consumer, better run stores, and a wider range of economic alternatives for both.

(5) Active liaison with all other consumer programs in the Greater New York Area.

(6) An evaluation report documenting the number of persons materially assisted by this program, the type of assistance, and, if possible, financial benefits to both consumer and merchant.

VIII. EVALUATION PHASES

There are three planned approaches for evaluating this program.

(a) Internal: constant records will be kept on a case by case basis. This will supply the sponsoring board (CABS Inc.) with material indicating change in thrust, techniques, or direction of the program.

(b) OEO will arrange a third party evaluation team, drawn from independent sources to be contracted within 90 days of the onset of the program.

(c) Periodic evaluations will be made by CUNA International staff in collaboration with the New York State Credit Union League. Such evaluation reports will be submitted to CAP/Community Services of OEO for review and consultation.

IX. POSSIBLE POLICY OR OTHER PROBLEMS

This demonstration is initially limited to area II of the Bedford-Stuyvesant community. As it expands, particularly in the credit union operation, the problem of an expanded field of membership undoubtedly will require negotiation with the State League and the Bureau of Federal Credit Unions.

In addition, the overall programming contemplated for the Bedford-Stuyvesant area is presently not clear. The future role of Youth In Action (the CAA),

the proposed community corporations sponsored by the Human Resources Commission and the Kennedy-Javits program have not been settled. Therefore, relating to and coordination (as necessary) with future community inputs may present problems.

Although these future issues cannot be predicted, the proposal is written so that any coordination necessary can be effected.

Steps have been taken by the CAPS Inc. in this direction and conferences have recently taken place between the present Board and staff of Senator Robert Kennedy's New York office. (See attached letter.)

X. COMMENTS

The regional comments, dated December 27, 1966 reflect the judgment made prior to the final draft. Conferences were held with Mr. Saal Lesser, District Supervisor of the Northeast Region to clarify the points raised in the Regional memorandum.

As recently as March 7, 1967, Mr. Lesser reaffirmed his approval and support of the CABS Inc. program by telephone to the Headquarters analyst and sanctioned the use of the December 27 memorandum for the revised program now presently for OEO's approval.

The other letter from the New York Office of Senator Kennedy is the result of interviews and observations of the CABS Inc. activity in Bedford-Stuyvesant over the past year and one-half.

Mr. HESS. What we have done about the comments of that report are primarily the provision of additional guidance in those areas of weaknesses that were illustrated.

Second, we have provided an increased training program to community action agencies and encouraged community action agencies to take on additional training of the staffs for neighborhood centers.

Third, we are continuing to do additional studies and in this particular case OEO is doing some on its own and we are also joining with four or five other agencies of the Federal Government and participating in a joint study.

In terms of the organization for neighborhood centers and how it is best organized to carry out and provide the services in a comprehensive way—

Mr. GARDNER. May I interrupt you for 1 second, because we are limited in time. I would like to go back to refer to the Kirschner report, and ask you several questions they brought up.

On page 21, they say:

It might also be noted here that our field researchers report almost unanimously that the participation of the poor in program and policy decision is very ineffectual, both at the Center level and CA Board level.

Have you found this to be true, and if so, what have you found as an alternative to improve it?

Mr. HESS. One of the factors that mitigates against the most effective participation from those who are involved as board members on councils is the fact that they are inarticulate and they are inexperienced.

Mr. GARDNER. How are your boards determined?

Mr. HESS. The boards at the community level, neighborhood level, for the neighborhood centers, are poor people chosen by the people in that neighborhood to represent them.

Mr. GARDNER. Do you have a vote on it? How many do you have on a local board?

Mr. BERRY. They vary.

Mr. HESS. Each community and each neighborhood sets its own rules as to what the composition of the board should be.

Mr. GARDNER. OEO has no basic guideline which they go by on a maximum or minimum of board members, or any criteria they have to follow?

Mr. HESS. The criteria that is followed is primarily that that is stated in the legislation, one-third representation of the poor. But at the neighborhood level you find, I think we can make a generalization, that more than half are the poor people themselves, because the neighborhood center is in the neighborhood and the neighborhoods are generally predominantly populated by poor people.

Mr. GARDNER. I would like to go back again to the Kirschner report. They say this is not working. Are you planning to continue along the same lines of having one-third or one-half of your local boards made up of poor people despite the report that I believe OEO has done which says they are ineffectual?

Mr. HESS. There are a few things that we are doing. That is, No. 1, providing them with some basic education, some fundamentals as to how to be effective participants on a board.

No. 2, we are trying to give them some general orientation as to the problems that they ought to be dealing with and how they might be dealt with.

I think in part some of the criticism that is mentioned here is the fact that in many cases there is a domination of the Community Action Agency, its board and its directors, over the neighborhood center, itself, the neighborhood center director and the neighborhood center council.

We are attempting now through a research and demonstration program, to learn whether there are more effective ways in which a neighborhood center can be effectively structured in its relationship to the CA.

Mr. GARDNER. May I quote one more section from the report. I am sure it must be discouraging to you. It says:

When asked what the centers had done for them and their families, between one-fourth and one-third of the clients report nothing. This is interesting because most of these clients were contacted either at the center or through center records which indicated they had received attention through center personnel.

Do you find this is just because of a lack of time in the program? Do you feel this will be overcome in time or is this an endless battle with your clients?

Mr. HESS. I don't know that it is an endless battle, but statistics are continuing to be improved. I think another statistic revealed in that report is one which says that a very large percentage of them feel that a neighborhood center just by its presence in the community and knowing that it is there and they can go there for services and the people reach out to them to help them, I think 90 percent thought this was a good feature of the neighborhood center.

But we are trying to improve our intake and outreach procedures so that the people in the community are more aware of what the services are and they are brought to them.

Chairman PERKINS. Mr. Dellenbach.

Mr. DELLENBACH. Thank you, Mr. Chairman.

I apologize for having missed the first part of your testimony. I will be sure to read the transcript on this.

Is there a community contribution to the operation of these centers in dollars?

Mr. BERRY. Ten percent up until this year. It is now 20 percent. All local 205 funding to local communities must be matched with non-Federal shares of 20 percent.

Mr. DELLENBACK. These contributions can take the form of other than money, I assume?

Mr. BERRY. Yes, they may.

Mr. DELLENBACK. Who is it that establishes the value of the community's contribution, whatever it may be? Who determines this?

Mr. BERRY. We make the determination in approving the budget for funding based on the information gathered by our analyst. The Community Action Agency may set a value on it but we review it and evaluate it and make the final decisions.

Mr. DELLENBACK. Do you find as a general thing these values tend to be high and do you keep any sort of damper on them?

Mr. BERRY. No, I think our experience has been that the community approaches it from a realistic, fair value. The one difference that we have had is in the evaluation of volunteer services of professionals. There is, of course, the effort to put as high a value on volunteer services as possible. We have had to establish a sort of fixed level of valuing volunteer services.

Mr. DELLENBACK. Do you have a similar type of fix that you use in connection with space rentals?

Mr. BERRY. Yes, we take into consideration the valuation per square foot prevailing in that particular market area.

Mr. DELLENBACK. Do you check each one of these centers before it is established so that this variation in space rental in the middle of Manhattan would be different than it would be in some small community in Oregon?

Mr. BERRY. Yes.

Mr. DELLENBACK. You do have an evaluation, for a room 6 by 6 downtown and in a small community would similar space be the same amount per square foot?

Mr. BERRY. The square foot value is based on location of the facility, the prevailing market in the area and the nature of the facility itself.

Mr. DELLENBACK. Is there anything published in the way of standard criteria that you use which you could insert in the record and which I could have a chance to see?

Mr. BERRY. We have not published anything, but I think we can gather the information according to certain areas and give you the scale of rentals.

Mr. DELLENBACK. I am particularly interested in the Oregon values as contrasted with say a downtown urban area in a large city. We don't need this at the moment but I would welcome something on it.

Mr. BERRY. We will furnish you with the instructions to analysts as to the factors to be taken into consideration. We will attempt to assemble some examples of square foot values that are recognized in various sections.

(The information follows:)

CAP CRITERIA FOR EVALUATING SPACE COSTS

Non-Federal Space Costs

I. QUALITY CONTROL GUIDELINES

2.1c. The value placed on a local share item must be no greater than the cost allowed if the same item were acquired with Federal funds.

B. 4. Space Costs:

a. Justification must be present for all space costs claimed in items of community rates, building value, etc. The location of the space to be utilized should be included. Where space costs appear high (exceeding \$3.50 to \$4.00 per square foot), utilities and custodial costs should be included.

b. Space in a Federal building and any other item constituting expenditures by OEO or another Federal source, cannot be credited as a contribution toward non-Federal share.

c. Local housing authorities may contribute the use of space and facilities if the contribution is genuinely "non-Federal" in character.

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A.3. The grantee must be required to submit sufficient data to enable the analyst to determine the basis and the reasonableness of the valuation of non-Federal share.

B.4.0 School space costs in excess of 20 cents a square foot a month, inclusive of custodial and maintenance costs, and classroom furniture, must be justified.

Mr. DELLENBACK. I don't mean for you to go into minutiae but I would be interested in the major thrust at this time.

As to the number of centers, you said there are 630 urban and 70 rural as of this time, \$160 million would add how many centers?

Mr. BERRY. A total of 300 additional. That raises it to approximately 1,000 of which the major portion is intended to be in the rural areas, raising the total in rural areas to approximately 300.

Mr. DELLENBACK. So almost 230 of these 300 would tend to be in the rural area?

Mr. BERRY. Yes.

Mr. DELLENBACK. So this year you will be thrusting with this additional increment in the direction of bringing the rural up?

Mr. BERRY. Serving needs that have not yet been served.

Mr. DELLENBACK. I was wondering about your priority between rural and urban. I recognize that sometimes it is easier to begin in an urban area than in a rural area. Mr. Gibbons made comment on this in one of our prior days of testimony. But you are attempting to thrust beyond the more easily developed centers into some of the more difficult ones; namely, the rural?

Mr. BERRY. Yes.

Mr. DELLENBACK. Is there any greater emphasis on any group or any subgrouping within the "poor" than there is on any other? Don't you find that when you use an arbitrary qualification such as \$2,700 or \$3,000 or whatever it may be, that there are those who are just within it and those who are just groveling in complete poverty? Do you have any information that you can give us as to how effective you have been in reaching the upper stratum of the poor as opposed to the lowest stratum of the poor? Have you tended to have more co-operation from the upper stratum than the lower and to reach them first instead of the lower?

Mr. BERRY. In an operating program we have not been able to draw those narrow lines of distinction between the clientele. Some of our

research studies which generated in Mr. Levine's office may be identifying targets of inquiry to identify this, but as an operational program we have not begun to identify this variation of distinction.

Mr. DELLENBACK. Have you attempted in setting your targets within this broad classification of the poor, to zero in on the middle stratum, the lowest stratum, the upper stratum, or anything of this nature?

Mr. BERRY. No, only to the degree to which our regulations and funding up to 100 percent we have made a classification of the poorest counties in the Nation for instance as being eligible for 100 percent funding. But in a target area of the poor, in an urban community, it is identified both by its population and its economic level and it is intended whatever programs are there to meet all of those within that economic group without any variations or distinctions.

Mr. DELLENBACK. I keep waiting to hear the crack of the gavel over my shoulder. May I ask one more question?

Mr. LEVINE. May I add to that, Mr. Chairman?

There are two things: One is in terms of targets. Implicit in Mr. Berry's statement is that we go to the neighborhoods of the poor and not all the poor in the United States by any means are in poor neighborhoods. Half of the poor of the United States are in the worst parts of the cities and in the poorest rural areas. This does not mean that community actions confine themselves to these. It means that they concentrate more heavily on this.

We have some research questions that it is easier to reach the better off poor. They are all pretty poor under our poverty lines. In terms of attempt to target, community action does not attempt to target the better off poor.

Mr. DELLENBACK. May I ask one more question, if I may?

What do you see as the total number of centers which you would like to see established in the United States and how many dollars would this call for on an annual basis of expenditures if we were to reach them all?

Is Mr. Shriver available to answer that?

Mr. SHRIVER. While they are getting that figure, somebody can do it and without taking up any of your time I was wondering whether we might call your attention, Congressman, to this pamphlet which is a community action pamphlet of the type on the neighborhood center. There are a number of these publications.

Chairman PERKINS. How many pages is the publication?

Mr. SHRIVER. It is 20-some pages. I would not suggest putting them in the record. We have these. We have given them to community action agencies so they can see what the idea is.

Mr. DELLENBACK. We are here dealing with one of the major components of the community action program.

Mr. SHRIVER. That is right. It is very important. There are other pamphlets about different programs within community action so that a local group can get a pamphlet like that and understand what we are talking about.

Mr. DELLENBACK. I will appreciate, and I am sure all members of the committee will appreciate, your being selective in your suggestions of what we read because, like you, we also have a vast volume.

Mr. BERRY. We will get you a whole set, Mr. Dellenback. We put out a series of eight.

Mr. DELLENBACK. I was asking for you to be my editor.

Mr. SHRIVER. On the back page it shows the names of the others in case you want to order.

Mr. BERRY. I have the answer to your last question of what would be the estimated need. Approximately 1,800 centers.

Chairman PERKINS. How many do we have funded at the present time?

Mr. BERRY. 700.

Chairman PERKINS. How many of the 700 did we fund the past fiscal year?

Mr. BERRY. Since the beginning? Approximately 100 additional to those that we initially funded in the first year of our effort in 1966.

Chairman PERKINS. In other words, about 600?

Mr. BERRY. 600 the first year.

Chairman PERKINS. What are your plans this year?

Mr. BERRY. 300 more to 1,000.

Mr. DELLENBACK. To get to the 1,800 which you anticipate is the optimum, what is the annual cost?

Mr. BERRY. It would be \$400 million the first year with \$600 million as a continuing supporting budget.

Mr. DELLENBACK. Thank you, Mr. Chairman.

Chairman PERKINS. How much for the next fiscal year for neighborhood centers?

Mr. BERRY. \$160 million.

Chairman PERKINS. Go ahead, Mr. Shriver.

Mr. SHRIVER. We are just responding to questions.

Chairman PERKINS. Mr. Gibbons?

Mr. GIBBONS. I just want to say while I agree that the neighborhood centers weren't designed to prevent unpleasantness such as I have had in my district in the last week, I would like to say, and I want the record to clearly reflect, all the reports that I have received from the Tampa area showed first of all that when daylight came the neighborhood service center workers volunteered and were the first ones in the area when the riots were going on, a biracial basis, really taking their lives in their own hands; that nearly all the people who were actively involved in bringing the situation under control were actively identified with the economic opportunity program. I think they performed in an exemplary way.

Mr. BERRY. Mr. Chairman, I would like to comment. The experience in Congressman Gibbons' district was borne out also in Cleveland last year. The neighborhood center that we had funded for the Hough area had only recently been opened a matter of approximately a month to 6 weeks before the Hough incident in Cleveland. But the neighborhood center remaining open 24 hours of the day became virtually a lighthouse in the storm in terms of rallying the people and establishing a focal point of some responsible leadership in a torn area.

This has been borne out in other communities likewise. The neighborhood center has become a sort of social anchor in an area of considerable confusion and distress.

Mr. GIBBONS. May I comment a little further there?

I agree that the purpose of establishing the centers should never be one of trying to cool off a long hot summer. I think that is a perversion of the thrust of the program. I certainly don't encourage that.

I have perhaps been in 40 or 50 neighborhood service centers around the United States. I really think it is a great idea. They are doing a fine job every place I have been, particularly where they involve strong programs of job development, and on-the-job training. These seem to be most effective every place as being areas of hope.

I hope we will be able to fund all the rest of these centers because they really are effective tools in getting the job done.

Mr. SHRIVER. There is a chart there I notice on the floor showing what a center in Chicago looked like, in the Lawndale area of Chicago. I think last summer there were disturbances in Lawndale. It shows in a pictorial sort of department store setup how one of those centers operates. You can see they have Headstart classes, they have tutoring for youth, teenage kids. They have a program out there of rat eradication. They call it rodent and vermin control which is operated out of these centers.

They have building code violations where the people who work out of the center, the poor people look over the buildings, assisting the building department in the city that way. They have initial interviewing for Job Corps candidates. They have small business loan programs. They have recreational cultural enrichment summer programs, manpower programs, Neighborhood Youth Corps, Legal Aid and in one case in Chicago particularly they have about eight or nine of these; they have Upward Bound clubs in these centers for the kids who are upward bound in the college. They have an ongoing program the year around that operates a center like this.

So you can see it is a place which brings together a whole spectrum of services and activities. To the extent that it is something like this in the bigger city it becomes, as Ted just said, a social anchor, it is a social center—I will not call it a progress center, which is extremely valuable in the neighborhood the year around, not just a riot gun.

I was in one in Princeton, Mo., last week that was in a small frame-house that belonged to a private citizen there who gave it to the Community Action Agency as a center. In that center they had Headstart classes. They also had something I have never seen before. They had a whole room full of clothes, children's, women's, and men's clothes which had been donated by the people of the town, very small town, 1,400 people. The poorest people of the town could come to that center and get these clothes.

The whole thing was very inexpensive because the house had been given by a locally independent citizen. It was staffed I think by just one person, but it was serving for what that community apparently needed for the poor and for outreach to the poor. So they go all the way from a rather elaborate multistory thing like that to a private home in a town where you could not possibly know that it was an urban progress center or neighborhood center. It is just another house on the street.

Mr. GIBBONS. The charts that have been prepared by OEO for this presentation at this time are so outstanding I would ask unanimous

consent that our staff director be directed to work with OEO and include these charts in our hearings at the proper place. I don't want to have to get unanimous consent every time we have one of these but they are helpful in understanding the program.

Mr. SCHERLE. Mr. Shriver, or one of you gentlemen at the table, does self-help come under this neighborhood service system?

Mr. BERRY. Yes, sir.

Mr. SCHERLE. We have a project done by OEO in a locality where it takes a certain group of women, I think perhaps in a low-income bracket, maybe \$2,000 or \$2,300, and they have these women go out and solicit old clothing. They bring this old clothing back into the center and they have them sew patches on the clothing. They are paid for their labor in monopoly money.

Mr. SHRIVER. You mean the game called monopoly?

Mr. SCHERLE. They are paid in sort of script like monopoly money at the rate of \$1.25 an hour. They then are allowed to purchase back this clothing that they have repaired with the same type of money that they have been paid in.

Now, I can't, for the life of me, see how this can raise the dignity of the individual to the extent that down in my general locality we have no area whatsoever where if they were taught to sew, and of course this is what it means more or less, it is to try to raise their present economic position, where they can ever utilize this. But the most disgraceful thing is to pay these people for those services in play money.

Now the other project we have going down there, these same women are sent out to pick out old hens at 8 cents apiece.

Mr. SHRIVER. Old what? Hens?

Mr. SCHERLE. Hens.

Mr. SHRIVER. Chickens?

Mr. SCHERLE. Right, at 8 cents apiece and they are brought in and they are taught to be chicken pickers. Now I have proof for this. If you ask for it, I have it. It is a so-called self-help.

Mr. SHRIVER. Could you tell us where this is?

Mr. SCHERLE. Yes. It is in Red Oak, Iowa, Montgomery County.

Mr. SHRIVER. Yes.

Mr. SCHERLE. What more do you want?

Mr. SHRIVER. I thought you were going to say something more. If you don't want to say anything more, I will say something.

Mr. SCHERLE. I will go back to this. We don't have any chicken picking businesses in our locality. It irritates me to think that this money is being spent to try to raise the level of these people and all you are doing is humiliating these people to the extent you are not giving them anything. I think both these programs are completely outrageous. This is one of the reasons why you have fewer friends on this side of the aisle, as you perhaps know. So far as I am concerned personally, I think this OEO program needs a real readjustment. Many other people throughout the United States agree with me.

Mr. BERRY. If the Red Oak program is that demeaning, the responsibility for its low quality rests upon the people in the local community.

Mr. SCHERLE. You know, this is a good question. I am glad you

brought that out. I have sat here completely confused as to how many programs you do have or where the buck stops.

Mr. BERRY. We have as many programs as the bucks will permit, not that we think of, but, as I pointed out earlier, the programs that have been funded that have come from local communities requesting the funding of programs which they assessed as being meaningful to the people in their area, over 15,000 different components.

Mr. SCHERLE. I can tell you with the high literacy that we claim to have, and we do have, in the State of Iowa, this is demeaning to the intelligence of my State. Whether this is run on a local basis or not, I am not sure; but if you are trying to think of programs, you have two beauts here.

Mr. BERRY. We did not think up that chickenpicking program that you are talking about.

Mr. SCHERLE. It is a cottonpicking, chickenpicking program, if you tell me.

Mr. GARDNER. Will you yield to me? I would like to get away from chickenpicking for a second.

Did I understand you correctly to say, Mr. Shriver, that you need more funds today to be able to properly carry out your program?

Mr. SHRIVER. In the authorization request we are asking for 25 percent more money than last year, that is correct.

Mr. GARDNER. I wish to go back and refer to an article in the Los Angeles Times of December 26, 1966, in which Secretary of Labor Wirtz, referring to the anti-poverty programs, said that you were receiving all the Government financing that the administrators could possibly use. "The poverty program does not need more money," Wirtz said, "but more and better administrators."

I don't want to get you involved with Mr. Wirtz.

Mr. SHRIVER. No, I am delighted to be involved with him. I am all the time.

Mr. GARDNER. I realize that.

Mr. SHRIVER. He was not opposing the President's budget request, there is no question about that. I think he will be here on Wednesday or Thursday and testify in favor of the request for 25 percent more for this program. Second, he was not talking about our programs at all; he was talking about the local MDTA program run by the Labor Department, and not ours.

Mr. GARDNER. They are not connected with OEO?

Mr. SHRIVER. The only one connected with us is the Neighborhood Youth Corps.

Mr. GARDNER. You think you could use 25 percent more in funding and be able to handle it without any problem?

Mr. SHRIVER. Yes, sir.

Mr. GARDNER. The chart that you showed, which is a very excellent chart, what would be the cost of a program—I forget the name of it, in Lawndale—what would be the cost of a program like this in 1 year?

Mr. SHRIVER. We can get that for you, but my associate here says that a center like that costs approximately \$1 million per annum.

Mr. GARDNER. This would include building, facilities?

Mr. SHRIVER. Everything.

Mr. GARDNER. What percentage of that would be in salaries on a 1-year basis?

Mr. SHRIVER. I don't know offhand, but a large percentage of the work done would be salaried work by poor people. That is where you see that figure 22,540 poor people employed in these centers. That is a substantial portion.

Mr. GARDNER. For my own information, could you take this one project and break it down for salaries?

Mr. SHRIVER. Yes.

Mr. GARDNER. Thank you.

(The information requested follows:)

LAWNDALE URBAN PROGRESS CENTER, ANNUAL COSTS

Following are the approximate costs estimated necessary to operate the Lawn-dale Urban Progress Center, one of seven Urban Progress Centers of the Chicago Committee on Urban Opportunity, during this calendar year 1967. Estimated costs of operating all seven Centers during calendar year 1967 are \$8,881,000.

Total annual costs: Lawndale Urban Progress Center----- \$1, 268, 714

(14.3 percent of \$8,881,000)

Personnel salaries----- \$992, 208

(78.2 percent of total annual costs)

Nonprofessional salaries----- \$635, 352

(64.1 percent of total personnel costs)

(50.1 percent of total annual costs)

141 positions filled by residents formerly unemployed or underemployed:

65 community representatives-----	\$293, 280
9 information attendants-----	40, 608
4 stenographers-----	18, 048
8 senior clerks-----	36, 096
3 senior typists-----	13, 536
2 typists-----	8, 184
50 program representatives-----	225, 600

By category of activity:¹

Environmental and health services aids-----	6
Education service aids-----	4
Manpower services aids-----	4
Social welfare service aids-----	17
Recreation culture services aids-----	13
Center office services aids-----	6

50 professional positions----- \$356, 856

Fringe benefits (4 percent of salaries)----- 39, 688

All other costs (consultants, travel, space costs, consumable supplies, equipment purchase or rental, and other costs)----- 236, 818

¹ Five major categories of activity in each center include the following types of programs:

Environmental and health services: Housing relocation, building inspection, code enforcement, rodent control, tenant education, housekeeping and homemaking instruction, health education, lead poisoning prevention, family health centers, mental health and child evaluation (retarded children).

Education services: Head Start child development, tutoring, NYC and adult remedial education, Upward bound club.

Manpower services: Employment counselors and services, youth opportunity center (YOC), adult opportunity center (AOC), small business opportunity corp. (SBOC), school dropout counseling and guidance, CHIP (a pilot program identifying under or unemployed persons and providing follow-up counseling, education and placement).

Social welfare services: Legal services and education, homemakers and housekeepers emergency services, consumer education, senior center, public assistance liaison, STREETS (sponsored by Boys' Club, YMCA, et al.).

Recreation and culture services: Cultural enrichment and exchange, arts and crafts, drama.

Chairman PERKINS. Go ahead, Mr. Shriver.

Mr. SHRIVER. Are there any other questions about this part of the program, the neighborhood centers?

Mr. BERRY. As a couple of examples of self-help, though that may be supplementary, I wanted to bring to the attention of the committee and I apologize if one of these examples happens to be in the district of the chairman, but down in Big Sandy Community Action Agency the people wanted a neighborhood center and there was no physical facility in which to house it. They, on their own initiative, conducted bake sales and handicraft sales to raise the money to purchase the land and the materials, and with their own hands developed a center which would house a program which we funded.

In Raleigh County, W. Va., the people did the same thing.

In Rosenwald, Ky., a building which was occupied by the Community Action Agency for reasons which we do not know was dynamited. The local people raised the money to reconstruct a facility in which the program could be carried on. These are some examples that can be multiplied over and over again relating local community planning and desire to our willingness and ability to help them to carry on for themselves.

Mr. DELLENBACK. Mr. Chairman, may I ask a question as to procedure?

Chairman PERKINS. Yes.

Mr. DELLENBACK. Do I understand that before we proceed to the educational phase which is to be next that we are waiting for Mr. Quie to return?

Mr. SHRIVER. We would like to go after this is over to the migrant labor program, and then to the Indian program. Would you like us to do that?

Chairman PERKINS. Yes.

Mr. SHRIVER. Fine. Thank you very much, Don.

May I present to you, Mr. Chairman and members of the committee, Mr. Klores, who has been the director of our program for Indians and for migrants since we started our activities. We will start with the Indians.

Mr. BERRY. Parenthetically, I would like to explain to the committee the Indian programs are funded out of that portion of the money made available for 205 programs. They are funded as Community Action Agencies. The migrant programs are funded out of title III. So they are separate programs. They are under the operational and administrative direction of Mr. Klores.

Mr. KLORES. Thank you, Mr. Chairman. Unfortunately, I have to sit here today and tell this committee that the first Americans, the American Indians, are today the poorest Americans. Seventy-five percent of all Indians on reservations are below the poverty level. Seventy-five percent of all Indian housing is inadequate, is not decent, is not safe, is not sanitary. These are the Americans that we have put on reservations over a hundred years ago. Nearly 450,000 living in approximately 25 States.

When we started this program, we went out to see what was the real problem that these Indians faced, why with the expenditure of funds had not anything really been done to lift them out of poverty. I think

we have here an example of where community action and self-help was made a difference, because the American Indian was given everything but did nothing for himself. His tribal council was an elected body that had no function. The Indian could not sell his own land, could not do anything. He was considered in legal language incompetent. Yet there are 450,000 living in the United States who do not consider themselves to be incompetent. When we asked them: What do you want? What do you see coming out of the poverty program? Their first reaction was one of distrust that we were coming to provide them with more services, we were going to tell them where to go, and we were going to move them to Detroit, to Chicago, and move them off reservations, take their lands and put them in big cities where they would be poor and without friends.

We finally convinced them that this program was different, that this was their program to tell us what they were going to do and what they wanted to be done.

We had to do much convincing and many funny stories ensued; stories such as their going to superintendents and saying, "We have passed a resolution that we are in favor of Shriver and the poverty program. Get us the money." After turning down these types of resolutions and asking what they wanted, we found they wanted two things: they wanted the ability to tell us what kind of programs they thought made the most sense, and to run them. They also wanted to deal directly with Washington and not to be dealing with local offices and State offices and regional offices, and up and down the line.

We granted those two requests. It is the opinion of many people, both Indian and non-Indian, that a dent has been made and a start has been made by community action on the reservation.

Previously we have community action programs on several Indian reservations that comprise 80 percent of all American Indians living on reservations. We have gotten them to do something that they have not been able to do themselves, we have gotten them to do many things. First, we have gotten them to put together a viable group which they call the community action agency, which provides local government to a reservation. Heretofore, if you wanted to locate an industrial facility on a reservation there was no one you could go to, because there was no administrative experience, there were no people who really had the background of what it takes to put together a going organization. The community action agency today can provide this.

I met in my office about a month ago a gentleman from a large mis-sile company and he said—

I understand the Federal Government has all kinds of programs, all kinds of ways of helping industry locate on Indian reservations.

I said—

That is true.

He said—

I can't go to the Department of Labor and I can't go to HEW. I can't go to BIA, I can't go all over Washington just to put a plant on the reservation.

He said—

I am a businessman. I have to put a plant there that is going to make money. That is how I get my promotions.

I said—

I understand exactly what you mean. We don't want you to put a plant on the reservation because of social conscience, because we recognize your problem; but if you go to the community action agency director, a man paid out of OEO funds, on that reservation, he will have a list of all the benefits that any industry can get by going on a reservation, all the various programs such as on-the-job training by the Department of Labor, that can benefit your industry.

He said that was the first time in his history of dealing with the Midwestern Indians that he ever had the ability to go to one person for all the information.

I cite this as an example of what the community action agency can do. We have had other examples in which OEO as a new agency, without prior concern of ways of doing business, have been able to pull together other Federal agencies.

There is an interesting program of homebuilding. I mentioned before that 75 percent of all houses on reservations are not decent, safe, or sanitary. Seventy-five percent of the people are poor. How do you put this together? We have had programs on reservations in which OEO funded the administrative component, funded a few people to bring the program together. The Department of Labor provided manpower funds to train people into being carpenters, homebuilders, brick masons. These funds were used to provide expert training by union craftsmen. The Department of Housing and Urban Development, under their housing and assistance agency, provided the money for brick and mortar and lumber to put these buildings up. We have the Bureau of Indian Affairs providing heavy equipment. We have the Department of Health, Education, and Welfare, Public Health Service, providing sewerage. When it is all finished, we have Indians who build houses, Indians who live in those houses, and unions who give a job ticket or apprenticeship or master's license to the Indian who has finished a house, so that he can get out and get a job.

These are the types of programs that we find to be, as someone said some years ago, more bang for the buck than we have seen, because they can pull together various facets, they can bring industry on reservations, and they can help the Indians.

These are some of the programs.

I would like to conclude the Indian portion by reading a very short statement out of the testimony of Mr. Wendell China, who was president of the National Congress of American Indians and president of the Mescalero Apache Tribe in New Mexico. This statement was made on April 4 before the Clark subcommittee investigating the war on poverty.

Community action programs have given the Indian tribes a tool with which they can begin to identify, attack and solve their own problems in their own way. They have provided a training ground for future Indian executives, work on problem areas not being adequately met by others. Their ability to communicate with Washington has made action timely and effective. They have acquired flexibility to meet many of their problems which others have not been able to solve.

There are many other statements. There are so many that I would be embarrassed to read them all. I would hope that this committee could invite some Indians during their public participation.

Chairman PERKINS. Let me take this opportunity to compliment you on your statement and the great work that you have done on behalf

of the Indians in the community action program. I am most impressed with your testimony. We have tried to give increased educational opportunities for Indian children in the Elementary and Secondary Education Act and I believe we are meeting with considerable success. The fact is that you have reached so many and you have operated in an effective but different manner from the way governmental agencies normally operate in trying to reach the Indian, if I understood you correctly.

How much money have you expended on the Indian programs in the last fiscal year?

Mr. KLORES. In the past fiscal year, Mr. Chairman, we have spent \$11½ million in what is known as local initiative or versatile funds, and \$7½ million in Headstart, for a total of \$19 million.

Chairman PERKINS. A total of \$19 million? Did you work on and off reservations everywhere?

Mr. KLORES. Just on the reservation.

Chairman PERKINS. On the reservation only?

Mr. KLORES. Only.

Chairman PERKINS. How many homes were you able to build?

Mr. KLORES. We constructed in this fiscal year 90 homes with the one program I mentioned. In addition, on the Navajo Reservation we have brought up to the decent, safe, and sanitary level 1,000 existing homes.

Chairman PERKINS. How much money did it take to renovate those existing homes, and from whom did you get those funds?

Mr. KLORES. Those funds were local-initiative funds out of the community action program title IIA. That program is tied into a training program, so that the Indians may also learn a skill, a skill in the handling of tools.

Chairman PERKINS. Did you work with HUD or under some other program?

Mr. KLORES. We worked with them on the construction of the new homes—the 60 that I mentioned—and we are moving forward under a subcommittee set up under the Economic Opportunity Council to expand this program to other reservations.

OEO was prepared to move on to every reservation with this program. What is holding us up are funds from other agencies.

Chairman PERKINS. You constructed new homes and renovated several hundred?

Mr. KLORES. That is right, Mr. Chairman.

Chairman PERKINS. What is your program for the next fiscal year?

Mr. KLORES. In the next fiscal year we are asking for \$25 million. We expect to reach more Indians. We would like to go to the 100-percent mark. The problem is like in so many programs the last few are always the hardest because they are strung out.

An example is in California where they have maybe 10, 20, or 30 Indians living on what is called a ranchario.

Chairman PERKINS. What other Government agencies do you expect to assist you in connection with your housing program?

Mr. KLORES. We expect the Department of Housing and Urban Development.

Chairman PERKINS. For funding?

Mr. KLORES. We expect them to join us in what we call a joint program, not to give us money. They have not given us any of this money. They provide this money to the tribe and we set up the program. We have our meeting here in Washington. We make our announcements and grants at the same time so that the tribe can get started.

Chairman PERKINS. They furnish water and sanitation and things of that sort?

Mr. KLORES. The Department of HEW under Public Health provides the sanitation on all Federal reservations, and the Bureau of Indian Affairs provides the heavy equipment which they have on the spot, and land.

Chairman PERKINS. I am hoping that in some of the community action programs the directors in other parts of the country will take a leaf out of your book. Several years ago we had some programs where persons on the public assistance were able to get a loan or small grant from the Farmers Home Administration and do some renovating of the homes and in providing basic modern conveniences in the homes of some of the mining communities, but we were unable to get that program fully funded and have been unable to get it funded at all for the past 3 or 4 years. Your program is most interesting. It is a great credit to do something the way you have.

Mr. KLORES. Thank you, Mr. Chairman.

Chairman PERKINS. Mr. Scherle.

Mr. SCHERLE. I don't have any questions, but I certainly hope that everybody in this room had the opportunity to listen to your description of the plight of the American Indian here in America because this is a perfect example of what happens to people when they rely solely on the Federal Government.

Chairman PERKINS. Mrs. Green?

Mrs. GREEN. No, Mr. Chairman.

Chairman PERKINS. Mr. Dellenback?

Mr. DELLENBACK. If I may, Mr. Chairman. Again the type of question I have asked before: How many more establishments do you feel that you need to reach all of the Indian areas that you feel are in need of this type of help?

Mr. KLORES. I am sorry. How many more establishments?

Mr. DELLENBACK. Call them what you will, programs on individual reservations.

Mr. KLORES. We would have to go to about 150 reservations. I would say that in order to cover every reservation we would probably have to approach \$50 million.

Mr. DELLENBACK. \$50 million annually?

Mr. KLORES. That is correct.

Mr. DELLENBACK. Now, you will be in about half of that at this level if you are funded where you would like to be this year, \$25 million, and thinking in terms of that and also thinking in terms of what is in existence at the present time, how do you really measure the effectiveness of what you have done in reaching all of those who are in need of help? Are the programs which you have in existence now effective, and if you answer yes, what are the criteria by which you measure that effectiveness?

Mr. KLORES. The answer is "Yes," and the criteria we use are what has happened now that was not here before we started. We think that

an agency on the reservation that can go beyond Government programs and help itself is an accomplishment.

We are starting with a group of people that have been outside the mainstream of American life. They don't want to move. They don't want to be moved. They want their community to be as good as your community and my community. Now they are doing that. The examples are numerous.

An example in Arizona. The Pima Indians who decided that they were too close to Phoenix not to participate in the growth of the Greater Phoenix area and they just sat down and drew up a plan which they called by an Indian name. It means do or die, and their plan was to have 1,000 new jobs in 2 years. They now have created 500 jobs after 1 year.

Mr. DELLENBACK. So that they are on schedule.

Mr. KLORES. Yes. They wanted 170 new homes. They have 85. They are on schedule again. They have brought in electronic concerns. They have brought in clothing manufacturing. As you can see, they have brought in industry that requires people with patience, people with dexterity, who are willing to work long hours at sedentary work.

Mr. DELLENBACK. You realize that underlying really our analyses of our working with you lies the question of how do you make the dollars that are limited do the most, optimumly, hopefully, of everything that we want to have done. Now in these 500 new jobs, for example, have these people become self-supporting?

Mr. KLORES. Yes.

Mr. DELLENBACK. These 500 jobs have made them self-supporting so that we have 500 families or at least individuals who were not self-supporting before who have been made self-supporting by this program?

Mr. KLORES. That is correct.

Mr. DELLENBACK. And these 85 homes are not just minimal homes, they are adequate homes? They are all that we might expect to have?

Mr. KLORES. That is correct.

Mr. DELLENBACK. When we talk in terms of a \$50 million budget, are you talking about a \$50 million budget that will make all of the Indians self-supporting?

Mr. KLORES. No, when I talk about \$50 million, I mean reaching every reservation and establishing a community action agency and some service.

The first thing you have to have is an organization, to do anything. That is the prime objective. Then you have to have this organization provide some service or the people look upon it as a do-nothing organization, and that is what I mean by \$50 million.

There is a multiplier effect that anybody interested in economy should be concerned with, and I, for one, am; and that is that the Federal Government spends through the Bureau of Indian Affairs approximately \$250 million a year to take care of Federal Indian reservations. It is our hope that some day in the future these Indians will be so self-sufficient that they will say, "We don't need your help. We want to do it ourselves."

Mr. DELLENBACK. Are we able for many of the programs that CAP has introduced on many of the reservations so far to show any savings in this \$250 million Bureau of Indian Affairs expenditure level?

Mr. KLORES. I would say no, you couldn't, because the Bureau of Indian Affairs provide services such as schools. They provide services such as a police force and everything that a community provides itself.

First, you have to make the Indians self-sufficient so that they can tax themselves to provide these services.

Mr. DELLENBACK. Do you really see that as a goal out there? Do I read you correctly?

Mr. KLORES. I see that as a distant goal, yes, sir.

Mr. DELLENBACK. Where, if we stay with the \$250 million annual expenditure by the Bureau, that could be eliminated and we would make the Indians so self-sufficient that out of their own tax revenues they would take care of their schools, their police and fire, and so on?

Mr. KLORES. Yes, sir. That is what they want. They don't want to be moved, as some programs have tried to, into Chicago or Detroit or in any big city. They want to stay there and to move industry and everything there that makes that a community.

Mr. DELLENBACK. But so far you are not able to put a dollar value in the way of reduction of these other Bureau expenditures?

Mr. KLORES. No. I would say that you have to reach a point where they can start to tax themselves before you can start to move away. You can't take a police force away until they can provide a police force.

Chairman PERKINS. Mr. Pucinski.

Mr. PUCINSKI. Mr. Shriver, have you had an opportunity to look over H.R. 10682, the opportunity crusade?

Mr. SHRIVER. We have glanced at it, yes, sir. I wouldn't say that I made an exhaustive analysis of it.

Mr. PUCINSKI. Would you or any member of your staff be in a position to tell us whether or not the programs that they are carrying on now in these Indian reservations would be possible under the provisions of the proposed substitute?

Mr. SHRIVER. Mr. Berry.

Mr. BERRY. As I have read it, it does not make the provision that is presently in the act or charge the community action program with the responsibility of carrying on an Indian program.

Mr. PUCINSKI. In your own bill, H.R. 8411, at page 39, part A, the community action agency's programs in part C, you say that the community in which the community action is established and carry on a community action may be a county, city, multicounty area, and so on.

What is the difference in this proposed legislation from existing law dealing with these Indian reservations?

Mr. BERRY. No difference except that it highlighted the language and made it very clear what we have been doing as an administrative procedure.

Mr. KLORES. If I may, Congressman, that phrase "Indian reservation" was always in our community action program guideline. It was not in the legislation and the attempt is to make sure that the Congress realizes exactly what we are doing.

Mr. PUCINSKI. That is an interesting observation. It wasn't in the legislation. How did it get in the guidelines?

Mr. KLORES. The legislation stated that there would be a community action program, and we had to define what a community was in our regulation.

Mr. PUCINSKI. Wait a minute. Do I understand that you went ahead and set up certain programs and now you are coming to Congress and asking us to write into the books, legislation that will help you or make it possible for you to run the programs?

Mr. KLORES. No, sir.

Mr. PUCINSKI. Clear the record quickly.

Mr. KLORES. It is my understanding of the legislative process that Congress legislates in broad terms.

Mr. PUCINSKI. Too broad.

Mr. KLORES. And within these terms the agency must set up regulations. When Congress said you will carry out a community action program, and I don't have the legislation in front of me, it was up to us to define what a community was; was it a city, a State, a county, or a multicounty, or a Federal Indian reservation; and that is where the regulations came in.

Back in 1964 we sat down and said it could be a city, it could be a multicounty unit; it could be a county; and so on.

Mr. PUCINSKI. Forgive my failure to understand this, but in section 210 of the title that we are now discussing, regarding Indian reservations, it says:

The director shall encourage communities to establish public or private non-profit agencies to be known as Community Action Agencies. The Community Action Agency shall be responsible for and be capable of planning, coordinating, evaluating and administering a program known as a Community Action Program. The Community Action Program is a community action based and operated program.

And so on.

How does this language in this bill before us now, and applied to Indian reservations as part C of this, differ from what is in the law now, because I am trying to understand what is the change that you are proposing in H.R. 8311?

Mr. SHRIVER. I think you had probably better wait for an analysis of that until the general counsel returns, but substantively there will be no difference in the operation so far as the Indian programs are concerned if the new bill is passed than has been the actual circumstance under the old bill.

Mr. PUCINSKI. Do I understand then—and again I hope that we can use this testimony for that purpose to clear up any misunderstanding that may be here—that under this provision if there is now a community action board operating on an Indian reservation and doing a job, that under the proposed change to section 210, conceivably a private not-for-profit agency could substitute for this board?

Mr. SHRIVER. No. If there is a community action agency in existence now it has to be on a reservation, it has to be either a public or a private not-for-profit agency because that language was in the statute to begin with.

Mr. PUCINSKI. That is in the statute now?

Mr. SHRIVER. That was in the statute from the very beginning. Therefore, any existing community action agency on an Indian reservation has to be one or the other. It has to have already received approval, and therefore would not be subject to change unless there was some great inefficiency or ineffectiveness in the program which urged

or suggested it ought to be changed and we don't have any like that that I know of on the reservations now.

Mr. PUCINSKI. Does the present legislation, the bill on the books now, provide that the director shall encourage communities to establish private not-for-profit agencies to be known as community action agencies?

Mr. SHRIVER. The language which you read at the beginning is the language that is in the bill now, public or private not for profit; yes.

Mr. PUCINSKI. Do we have any private not-for-profit agencies running community action programs anywhere in this country?

Mr. SHRIVER. Yes, we have a large number.

Mr. PUCINSKI. What has been your experience with them?

Mr. SHRIVER. Well, it has been good and bad with them just as it has been good and bad with the others. The actual format is not the proof that one is going to be successful or unsuccessful. Right now for example the city of Philadelphia is changing from a quasi-public or half public operation to a private not-for-profit one.

Mr. PUCINSKI. On these Indian reservations, have they been public or private?

Mr. KLORES. The vast majority have been public. They have been the tribal council themselves. We could count the tribal councils on the fingers of one hand that have decided that they would prefer another group to handle it.

Mr. PUCINSKI. I was very much impressed with the testimony of your agency in this field, and I agree with the previous statement by members that certainly these people need a great deal of help. I couldn't help but wonder as you recited all of your achievements and accomplishments, what has the Department of the Interior been doing about this problem all this time?

Mr. KLORES. I am afraid I prefer that they answer those questions. I don't feel competent to go through all the things that they have done.

Mr. PUCINSKI. Let's rephrase it. Have they been doing anything?

Mr. KLORES. Yes, they have. They have been providing services such as schools, police protection. They have lost the program for hospitals. That is now under Public Health Service. They provide sewerage, roads, the management of Indian lands, wills, deeds, everything that your community and mine provides through its local government.

Mr. PUCINSKI. Do they work closely with your agency in coordinating these activities?

Mr. KLORES. We work with them, but theirs is such a mammoth program that they don't ask us where shall they put a school system. Yet we will take programs and try to dovetail them in some that they are providing. We will not duplicate their programs. There has been cooperation and that is one of the advantages. The Indians always said that if you wanted anything done, you had to go to Washington. This is true. This is where the decisions are made. We, being here, can call up the Bureau of Indian Affairs and say, "We would like to use a school on a particular reservation. Can you get us the approval?" And we get the approval very quickly, usually on the phone, and then a telegram goes down telling the superintendent we will be using the school. It is much faster than having the Indian leader go to the agency superintendent who then goes to his area office and so on.

Mr. PUCINSKI. Thank you very much.

Mr. SHRIVER. I think one of the things is that when people talk about the Indian and community action, it shouldn't be forgotten that the Indians have treaty relations with the U.S. Government. They are not States. They are independent nations, as they call themselves, within this Nation.

The Navajo Reservation, for example, is bigger than West Virginia and goes across three States so that when you are dealing with the Navajos, you are dealing with a semi-independent group of people living within the territories of States.

Mr. PUCINSKI. Why don't you then put all these appropriations in a foreign aid program?

Mr. SHRIVER. That is not so funny, really, as it sounds because the conditions on Indian reservations are very similar to conditions that one would run into with the Indians in Latin America, in Peru, or other places. In fact, many people who have served in Latin America working with Indians are now up here working with American Indians, and vice versa.

The Peace Corps is recruiting Indians from this Nation to work with Indians in South America. The Navajo language is very close to the language which the Indians in the mountains of Peru speak.

Mr. PUCINSKI. We ought to put this in foreign aid so that we will have an easier time to get this legislation passed.

Mr. SHRIVER. Do you think you will?

Chairman PERKINS. Mr. Dellenback.

Mr. DELLENBACK. I certainly don't wish to take the time of the gentleman from North Carolina, and I don't want to engage in a debate on the differences between the opportunity crusade and present OEO, but in view of what the gentleman from Illinois said and in view of the absence of Mr. Quie and Mr. Goodell, I would like to ask this question: You have indicated that you read the opportunity crusade and see no language dealing with the Indians, is this correct?

Mr. BERRY. In my first reading.

Mr. DELLENBACK. The testimony that has just been given us has indicated that, shy the amendments that are proposed in this legislation before us now, do you find any language relative to Indians?

Mr. BERRY. In the current bill?

Mr. DELLENBACK. That is correct.

Mr. BERRY. Not the bill, but the law or the proposed amendments.

Mr. DELLENBACK. In the law that is on the books at the present time, not the proposed amendments?

Mr. BERRY. The language in the existing law did not describe a community action agency. It merely defined the areas in which a community action program could be developed.

Mr. DELLENBACK. Right. Yet under the present language you are able to so define community action programs and communities that you are able to go onto reservations without express authority to go onto reservations except that which was implied in dealing with communities, is this correct?

Mr. BERRY. That is correct.

Mr. DELLENBACK. Does the opportunity crusade deal in terms of community action programs?

Mr. BERRY. It deals, it defines, as I recall the community action programs, in rural and urban areas.

Mr. DELLENBACK. Do you feel that under the definition that appears in the opportunity crusade, it would be necessary that you terminate your programs on reservations or that whoever was in charge of community action programs would find it necessary to terminate these programs?

Mr. BERRY. I think we could probably bring it within rural.

Mr. DELLENBACK. You are not implying then that under the opportunity crusade there would not be just as much opportunity to deal with these programs on reservations as is permissible under the present law?

Mr. BERRY. I think, Mr. Chairman, my response to that is that the element injected in the crusade bill providing for State plans for the development of community action programs within a State effectively would create a means of obstructing and carrying on programs with Indian reservations because in many States the State takes an adversary position vis-a-vis the reservation within their territorial limits.

Mr. DELLENBACK. You then feel that moving forward under the opportunity crusade as written in the bill which the committee is studying, would terminate these programs?

Mr. BERRY. It would constitute a deterrent and we would probably have to seek further clarification of congressional intent.

Mr. DELLENBACK. Fine. If there is such a gap that is present, we appreciate your calling this to our attention in this regard, Mr. Pucinski, because this certainly was not my understanding of what Mr. Quie and Mr. Goodell had intended.

Mr. PUCINSKI. I think as my colleague proceeds in these hearings and continues to compare the opportunity crusade with the existing law, he will find that we are going to have to have more and more amendments to the opportunity crusade. When we are all through, we will find that the opportunity crusade is similar to what we are doing now.

Mr. DELLENBACK. Mr. Chairman, again let me repeat what I said in the beginning. It is my understanding that the purpose of these hearings is to listen to the witnesses and not engage in intracommittee discussion. If what we are doing is engaging in intracommittee debate, let's understand the ground rules and go forward on that basis.

Chairman PERKINS. The gentleman from North Carolina.

Mr. PUCINSKI. Would the chairman yield on that statement?

We have gone this route before, and I think my colleague ought to know that the only reason I asked the questions about the opportunity crusade is that I don't want, when we go to the floor, someone to say that we have never discussed the opportunity crusade. I think that we will make great progress here if as we go along we will ask questions about H.R. 8311 and H.R. 10682, and I reserve my right to continue doing that. I don't consider this any intracommittee discussion. I think it is a perfectly legitimate role of probing to see where are the best formulas for making this program work.

Mr. DELLENBACK. Let the record be clear that counsel has just informed me that there is no State plan except for the bonus section involved in the community action program, under the opportunity crusade, and I think we ought to check this to be sure that the present authority, which is evidently that under which the community action

has developed a very desirable movement to go forward on Indian reservations, is possible under the opportunity crusade to the same degree that is present at the present time.

Chairman PERKINS. The gentleman from North Carolina.

Mr. GARDNER. Mr. Klores, could you give us any idea of the total amount of money that is being funded from various Government agencies including OEO on Indian projects now? I total about \$269 million between the Bureau of Indian Affairs and OEO.

Mr. KLORES. I am sorry. I couldn't give the full amount. I could provide it for the record. I would have to contact the other agencies. The other big spenders are the Public Health Service, which provides all the hospital and medical facilities on reservations, and Indians also participate in all other Federal programs to some degree, MDTA, Neighborhood Youth Corps, and so on.

(The information follows:)

The Bureau of Indian Affairs estimates that \$400 million is being spent on Indian projects by various Government agencies including OEO.

Mr. GARDNER. Can I refer to a survey or study made by the Human Sciences Research Institute, a corporation, for OEO concerning Indian projects? Could I have a copy of this report? Is it available?

Mr. KLORES. Yes; it is. I think that was submitted already, wasn't it, the HSR report on Indians?

Mr. GARDNER. I will ask you the same question I asked Mr. Berry previously. The report was critical in certain areas of the work that had been done in the reservation. Have you taken this report and now tried to pinpoint these areas to improve the situation in order that we may get the maximum amount for the funds spent?

Mr. KLORES. We considered that report and tried to implement those that we thought were worth while. That report went to great detail as you know about what the Indians thought they might get and how great their disappointments were when they found that OEO would not go along with just anything, that we protected the taxpayers' money and felt that there were certain programs that would not get them out of poverty. So in those areas where HSR felt that the Indians' spirit had been dampened somewhat, we looked to our bosses sitting here and said that the legislation and good common business sense means that perhaps we have to dampen a few spirits, but we have tried to implement those areas that we agreed with.

Mr. GARDNER. I wonder if you might go back and read it for me, because I think I was out of the room when you went into it. What is being done to try to provide long-term job opportunities for the Indians on the reservation. And again, I go back to the report which was most critical in this area, that nothing had been done to provide an economic base to reduce the poverty by putting these people to work.

Mr. KLORES. Yes; that was covered. I will be glad to cover it again for you. The community action agency has for the first time provided a staff of trained administrators who spend full time trying to bring industry into reservations, who try and pull together programs; and stop me if you have heard this example of a missile manufacturer that came to see me and wanted to locate a fabricating facility on a

reservation to employ 250 people full time, and when you are talking about 75 percent unemployment, 250 full-time people is a goodly number.

Up until the poverty program, he had to go to every Federal agency in town to find out who would provide the job training because he was a businessman and he was not going to move onto that reservation for any social conscience. He was going to move onto that reservation because he could show a nice profit to his stockholders.

And for the first time he could go to a CAP director, and this CAP director would tell him exactly what he could get, how much he could get from EDA, and MDTA; that EDA would build the facility, that MDTA would provide the job training.

Mr. GARDNER. You are now coordinating this?

Mr. KLORES. Through a community action agency; yes, sir.

Mr. GARDNER. And you have found it to be successful?

Mr. KLORES. Yes, sir.

Mr. GARDNER. I yield back the floor to my colleague.

Chairman PERKINS. Mr. Steiger.

Mr. STEIGER. Thank you, Mr. Chairman.

May I first inquire from the Chair, will we go from Indians into migrants for the next presentation?

Chairman PERKINS. That is the plan.

Mr. STEIGER. I wonder, Mr. Klores, if you would be willing to give the committee any idea, first of all, as to whether you have inspected the Fond du Lac community action program in Minnesota and what the problems are. From what I know about it, there have been some problems, and I wonder if you can give the committee any information on what the problems are and what action the agency has taken in overcoming them.

Mr. KLORES. As soon as we heard that there were certain problems with the executive director, the board, and the people working for the agency, not seeing eye to eye, with charges being leveled and so forth. We hear this by phone and this is what Mr. Shriver mentioned before, that when you talk about a community action agency getting away with something, it is virtually nonexistent. Every eye in the community is on it. People on the board all have different feelings and the phones in my office started ringing from all sides. Everybody has accusing everybody else, and the first thing I did was to pick up the phone and talk to our inspection division, and they had a man there.

Essentially what the problem was was a bitter disagreement of the board and the executive director. It seems the board was split with some people on the board who are from off the reservation who were non-Indians, and the executive director wanted to do things one way and they wanted to do it another way.

The tribal chairman was a strong-willed man, and what we have done is to insist that the board change itself, that the board put new people on, that they work out the problems, and we are watching it. We are watching it to see whether the new board still representative of the groups in the areas to be served will be running the program properly.

Mr. STEIGER. Do you have a report from your investigator on what was found?

Mr. KLORES. We have an inspection report; yes.

Mr. STEIGER. Can that be made available?

Mr. SHRIVER. Those are the only reports where, since they do contain a lot of confidential information and also sometimes, frequently, just gossip and the kind of a quibbling material that you pick up in a fast evaluation, we feel that those are the kinds that we should not make public because they involve personalities and reputations, and so on.

They are used usually only for our own personnel or management guidance. All the other reports of the agency are available.

Mr. STEIGER. Basically what you are saying is that you cannot make it available?

Mr. SHRIVER. Yes. Excuse me. I thought I said that. That is correct. Those reports in this agency and in other executive branch agencies they call inspection reports, and they are not generally available anywhere even to other branches in the executive branch.

Mr. STEIGER. Does this follow Ramsey Clark's new memorandum on the freedom of information?

Mr. SHRIVER. That is correct.

Mr. STEIGER. It does?

Mr. SHRIVER. I think you will find this agency has greater freedom of information than any agency.

Mr. STEIGER. As I understand the situation in that area of Minnesota, isn't one of the problems that there are fewer poor Indians than there are non-Indians?

Mr. KLORES. I think that what you are saying is that there may be fewer poor Indians on the reservation than non-Indians.

Mr. STEIGER. Correct.

Mr. KLORES. That may be true. However, I should mention at this time that when we fund a Federal Indian reservation, we fund a piece of geography and all the poor on that reservation, be they Indian, Caucasian, Negro, Mexican American, are served and must be represented.

Mr. STEIGER. That was my next question. You do, then, serve not only the Indians but the non-Indians?

Mr. KLORES. That is correct, absolutely.

Mr. STEIGER. Do you use the services or have you used the services of the YMCA in any of the Indian reservations on which you are now operating?

Mr. KLORES. We don't use any services. We fund the Community Action Agency, and they may hire or delegate other groups to perform for that. I don't know of any Indian reservation that has gone and delegated their program to a YMCA or used the YMCA.

Mr. SHRIVER. The Menominees were using them, but then they stopped being a reservation. Weren't they using the Y when they were a reservation?

Mr. KLORES. I don't know.

Mr. STEIGER. Did you give the number of reservations which you are now serving as compared to the figure on the board of 105 that you propose to serve in fiscal 1968?

Mr. KLORES. Yes, we are serving Indians on about 100 reservations now.

Mr. STEIGER. You are serving Indians on 100 reservations now with a budget of \$19 million, and you propose to serve 105 reservations with a budget of \$25 million.

Mr. KLORES. That is right. One of the problems, Mr. Congressman, in funding any group, and I am sure you have heard this in other programs, is that you have to start the program. On many of these reservations they have just had what we call a program development grant this fiscal year. That means they have been able to hire the staff director and perhaps a part-time secretary to start the program moving.

In addition, when you start going toward the reservations we haven't reached, your cost is much higher. You reach the reservations which are accessible first and this is natural in any program. Then you reach those that are in the outlands, those that have few in number. The cost is more to reach a distant reservation as you go down the program line.

Mr. SCHERLE. Mr. Chairman, may I ask one question?

Chairman PERKINS. Yes. I am going to recognize Mr. Meeds. He has been over there.

Mr. MEEDS. I will yield to the gentleman from Iowa for a question.

Mr. SCHERLE. I have always had a great appreciation for the craftsmanship by the Hopi, the Navajo and the Zuni Indians, in fact, particularly in their silverwork and turquoise. Can you tell me why the OEO is giving a grant to the Zuni Indians and mechanizing their craftsmanship that has been so valuable through the years which will ruin the very thing that has made them pretty famous?

Mr. KLORES. I will be glad to. You and I share the same appreciation for Zuni craftsmanship. I have spent some time on the reservation and the only problem I have on it is that my wife insists that I buy her jewelry when I go there, so I don't go very often, but we gave a grant of \$250,000 to the Zunis to increase their ability to make handmade jewelry. There is no mechanization involved now that was not involved in the past. The only mechanization involved is the use of what you call a buffing tool that they have always used. It is nothing more than a drill with a buffing head on it to polish stone.

These people asked for the program. The Zunis wanted the program because the very fact that they are Zunis doesn't make them an expert silversmith any more than someone who is Italian is an opera singer.

Mr. SCHERLE. Your wife will disagree with you.

Mr. KLORES. I don't think she will. She had better not. They wanted this program so that they could take their ordinary craftsmen who don't get very much for their jewelry when they go into town to make them expert craftsmen and Zunis are employing their own people to teach those in the journeyman level to become experts so that they can receive the same price for their jewelry because it will be expert jewelry. It will be a perfect product when it is finished. An awful lot of it as the Navajos call it junk jewelry.

Mr. SCHERLE. You mean the Navajos call the Zunis' junk jewelry?

Mr. KLORES. Exactly.

Mr. SCHERLE. That is not fair competition. What did you say the grant amounted to?

Mr. KLORES. \$250,000.

Mr. SCHERLE. That would buy a lot of buffers, wouldn't it?

Mr. KLORES. It provides training an expert craftsman and also a marketing outlet so that Zunis people can set up a market outlet to market their jewelry.

Mr. SCHERLE. These three craftsmen are all different, the Navajos, Hopis, and Zunis?

Mr. KLORES. That is correct.

Mr. SCHERLE. Are you going to provide the same grant for the Navajos and Hopis to make this thing entirely competitive if they so desire?

Mr. KLORES. The Hopis and Navajos have not asked for that and I don't believe they are competitive. They sell in different areas.

Mr. MEEDS. Are you going to ask the Navajos and the other tribe to secure a grant to do that?

Mr. KLORES. Congressman, I have found that the Moccasin Grapevine means that I don't have to communicate to anyone, that as soon as a grant is funded, I have people on the telephone asking what about theirs.

Mr. MEEDS. In other words, you are going to wait and let them initiate the type of program they want initiated?

Mr. KLORES. That is right. We publish a list of our grants. It is in the newspapers and a part of the local initiative of community action is that they should decide themselves.

Mr. MEEDS. That gets us into the question of how these decisions are made and what kind of program is going to be instituted on an Indian reservation. Do you tell them what they should do?

Mr. KLORES. Absolutely not. The tribal council meets or the Community Action Agency, and tries to outline what the problems are on the particular reservation.

Mr. MEEDS. Who composes this? How is this community action agency or this tribal council composed?

Mr. KLORES. If the tribal council runs the program, the members of the tribal council are democratically elected.

Mr. MEEDS. By the people they represent?

Mr. KLORES. By the Indians themselves.

Mr. MEEDS. Are there Federal employees on that board?

Mr. KLORES. No, there are not. At times they may ask the Bureau of Indian Affairs man to sit on the board as an ex officio member, but the employees of that board are not Federal officials.

Mr. MEEDS. They are $99\frac{4}{100}$ local people, are they not?

Mr. KLORES. I would say 100 percent.

Mr. MEEDS. And of the people who run the Indian programs, where a community action program is running, if a local community action agency is running the program on the Indian reservation, it is also composed of local people, is it not?

Mr. KLORES. That is right.

Mr. MEEDS. So that these decisions are made at the local level?

Mr. KLORES. Yes.

Mr. MEEDS. What, Mr. Klores, is the difference—and this is a very broad, general question. You can certainly take a lot of latitude in answering it. What is the broad general difference between the Office of Economic Opportunity programs for Indians or with Indians and the traditional Federal programs for and with Indians?

I notice a big difference and I want to find out if your observations are the same as mine.

Mr. KLORES. I think the main difference is that we go and fund a tribal council directly. We started out with faith in the Indian people that they can manage their funds as well as any American people could manage their funds, and I think our faith has proven justifiable. We fund the tribe directly. We don't put Federal officials on a reservation to do this for Indians. They do it themselves.

Also, we have set up a group here in Washington to handle the Indian program. We have not delegated it to our regional offices. That is another difference. We have staffed this group with people who have lived on reservations. The whole Indian division here at OEO is comprised of either Indians or people who have spent more than 10 years living on reservations. I might add that I have several requests from other Federal agencies who are trying to emulate this new approach and are setting up this same type of centralized Indian program here in Washington.

Mr. MEEDS. I have six Indian reservations in my congressional district, four of which have community action programs. For your information, and for the information of this committee and all the people in this room, this message is getting through to the Indians in my area, believe me. They like this program, and they like it because it is their program and they are running it, and they are free from historical paternalism, and I think that is precisely what this program is.

These are programs that they are initiating, programs that they are carrying out with their people, programs that they are making work, and they are also taking the blame for it if they fail.

I have heard nothing but praise and acclaim for the OEO. On the Indian reservations in my district, the big reason for it is because they have been allowed to do these things themselves and, as you said, you have started from the premise that they can do them, instead of the necessity of our reaching down from Washington, D.C., and telling them what to do. These people are getting that message and they are the better for it. It seems to me that we have sat here in Washington, D.C., and bemoaned the Indian problem for years and years and years and everyone agrees that the Federal Government ought not to be telling the Indians what to do, but ought to be letting them do things on their own to free themselves of this paternalism, and yet this is the first program that has come down the pike that has really done that.

I want to congratulate you. I think you have done a good job.

Mr. KLORES. Thank you, Mr. Meeds.

Mr. MEEDS. Thank you, Mr. Chairman.

Chairman PERKINS. Are there any further questions?

Mr. DELLENBACK. I was just going to ask whether the fact that housing was in larger letters than health on that chart meant that you pay more attention to housing than health?

Mr. SHRIVER. No; that was a matter of space.

Chairman PERKINS. Go ahead, Sargent Shriver.

Mr. SHRIVER. Yes.

Mr. Klores is just shifting his books.

Mr. KLORES. Ever since we started this migrant program people have asked me what are some good books to read about what is the

problem with migrants and what they can learn about them, and I always tell them to read Steinbeck's *Grapes of Wrath*, and they say, "That was written in the thirties," and I say, "Fine, because nothing has changed." I think that is true. Nothing has changed. The United States spent more on migratory birds than on migratory workers before the OEO Act.

The average migrant family earns about \$100 a year and when you do surveys to find what is happening and who is being employed you find that 364,000 children under 13 are working in the fields doing stoop labor. You find that children under 9 are doing stoop labor. You find that people are living in conditions which it is hard to believe in 1967 in this country, and you can look at all the pictures that you want to look at and yet until you go out to one of these camps you don't appreciate it because you can't smell them and you can't feel the flies and that is the big difference.

I don't see any reason to introduce this to the record, but I have coupons which people are paid to use in the company stores. They are not paid in cash. They are paid in script, and this is prevalent in many parts of our country.

I am not here to tell about the deplorable conditions of the migratory workers because we are not looking upon legislation to ameliorate these conditions. We don't really have to worry too much about ameliorating conditions because the migrant will not be with us too long. Every statistic put out by the Farm Labor Service, by the Department of Labor, shows that the need for stoop labor is gradually decreasing in this country.

Ten years ago today no one would have believed that you could pick tomatoes by machine. Yet today we have 70 percent of all California tomatoes being harvested by machine; in 1964 when this act came into existence only 4 percent. In 3 short years we have gone from 4 percent to 70 percent.

I am told by people in the farm machinery business that there isn't a crop today that can't be picked by machine when the price is right. The machinery is already on the drawing boards and I am sure Congressman Gibbons will attest to the fact that 25 percent of all Florida oranges are being picked by machine today.

So the migrants are being driven out of their stoop labor. It is not a pleasant picture to be a migrant and many people have come to us with studies. They want to know why do migrants migrate, and we have not funded any of those studies because we know why they migrate. They migrate because there are no jobs. They are not like the Lapps in Scandinavia or other roving bands. The problem that we have to face is that as automation comes in and the need for stoop labor decreases these people are going to go on welfare and they are going to gravitate toward the big cities and become problems all through America, and that is what we are trying to do. We are trying to be one step ahead of them so that we will make them taxpayers rather than tax eaters, that they can go to the cities or the rural areas and find employment because they have education, they have some way of being gainfully employed. The average stoop laborer can neither read nor write. He does not spend much time in a place to vote, to collect welfare, and these are the people that we are trying to reach.

The migrant stream is actually three separate streams. There is one that starts in Florida and works its way up the east coast as the crops ripen. It starts and it goes up to as far as Massachusetts and then comes back to Florida. There is one that starts in Texas and branches out through the west coast of the United States up through California and Oregon. And there is one that starts in Texas and goes up through the Middle West.

When we talk about migrancy, when we talk about children, we don't talk about the family farm. There is nothing wrong with a youngster on a family farm working to help his parents, working with his neighbors to harvest a crop and sitting down to three square meals a day. I want to repeat that we are talking about those groups who move on looking from place to place for a harvest and quite often get there and there is no harvest. We have tried to fund these programs through a combination of agencies. Using the flexibility that this agency has we have tried to go to whatever public or private group could do the most for migrants. As an example of our bipartisan support we have funded the Governor's office of New Jersey, Texas, and California to run the migrant programs because we thought they could do the best job.

In addition, we have funded private nonprofit groups in just about every State to do the same thing. We are presently operating in 36 States and have our public and private groups just about split as far as dollars are concerned.

One of our big programs, and our biggest, is the education program. We feel that if a man can't read or write in 1967 or 1970 he really can't work and we have tried to educate migrants starting from the lowest possible level and move them into training programs and here is where we try and tie in with the manpower training program of the Department of Labor so that they graduate from our program with some basic education and literacy and then move into further training programs run by the Department of Labor.

We have two types of educational programs. One is a full-time program in which people go to school 8 hours a day 5 days a week. Recognizing that these poor people cannot go to school 5 days a week 8 hours a day unless there is some form of bread on the table, we have provided a stipend. This stipend, in keeping with our economy drive, is always less than the stipend provided by the manpower training programs, not much less but somewhat less, so that we provide just the bare necessities.

We have 10,155 people who have graduated from those programs as of the end of the last fiscal year. Of that number 4,552 have found jobs paying more than what they received as migrant workers, 1,392 have gone into training programs such as MDTA or foundation training programs and 433 have passed high school equivalency tests so that they have a high school diploma and can walk up to an employer and say: "I am a high school graduate." A total of 6,377. The rest have had their education improved so that they can at least read, they can write.

As people have told me in Mississippi, they can know the difference between DDT and other insecticides. Instead of being the stoop laborer they can be the fellow who weighs it and writes down what the amount is on the job ticket.

We also provide day care programs for the children. One of the biggest problems in migrancy is what do you do with a 2- and 3-year-old when the family is out in the field doing stoop labor? The tendency had been to do one of two things, either to leave it in an automobile locked so it could not get out, which provided many, many gruesome details of children suffocating to death in the blazing sun, or to have an older child stay home away from school or out of the field and watch the younger child. We have provided day care centers for 13,000 children which do provide some amount of care, of cleanliness, of food so that these children are adequately taken care of while their parents are working.

In the field of housing we have as a demonstration put up 1,600 temporary units in the State of California, where they can be used all through the year by being moved from place to place where necessary to provide shelter. These are in public land and we provided those in fiscal year 1965 and 1966 for a total of 1,600 of those. We still maintain those.

In addition, we have run self-help housing programs, and these are the programs that the chairman alluded to a few moments ago that he was trying to get for his constituency. These are programs where farm families, farmworkers, can go to the Farmers' Home Administration and receive a loan to provide and build a home of their own. We provide up to \$25 in administrative cost, which means setting up a group that will teach them to be carpenters, how to build a house, how to apply for a loan, how to get an architect, all the various services including some of what we would call master tradesmen services that they can't do themselves.

Most cities have ordinances in which only a licensed plumber can bring the line up to a house. An unlicensed person cannot work in the street. This is what our \$2,500 does. Then they use the Farmers' Home Administration 40-year loans to buy the brick and mortar to build their homes. We have had situations in which a person took \$2,500 and borrowed \$7,000 and came out with a home that was worth \$12,000 or \$13,000. We have had people in various parts of the country, especially tax assessors who found this program to be wonderful because before they lived in a shack which was assessed at about \$1,100 and now they live in a house assessed at about \$12,000. This is the self-help program that has been run for migrants.

The total this year was \$33 million. Next year we are asking for \$27 million. It is not a decrease. The youth education which totaled \$9 million this year will be picked up by the Elementary and Secondary Education Act.

There are many stories of success but there is one that I find most interesting and that is a small program run by the Valley Migrant League in Oregon in which six people were taught to weld in an evening program and the cost of teaching them to weld was a little over a thousand dollars. Inside of 7 weeks these six people had more deducted in the form of taxes from their \$3.79-an-hour jobs than the total cost of the entire program. These are the kinds of programs that we are looking for and these are the kinds that we want to go forward with.

Thank you.

Chairman PERKINS. Mr. Meeds.

Mr. MEEDS. Thank you, Mr. Chairman.

Mr. Klores, I was interested in your observation that there is a decrease of from \$2 million to \$27 million this year in your budget request and you say this will be picked up in the budget of the Elementary and Secondary Education Act. Are you aware of whether or not this has been picked up?

Mr. KLORES. There are funds in the Elementary and Secondary Education Act to provide services for migrant children.

Mr. MEEDS. There was about \$10 million in the authorization last year and the appropriation came out at about one-tenth that.

Mr. KLORES. There are, I am told, \$32 million in the authorization this year. Excuse me. May I correct myself. There is \$32 million that they have asked for in the President's budget and I don't know at this point what the state of their bill is.

Mr. MEEDS. The Office of Education is asking \$32 million for migrant education?

Mr. KLORES. Migrant child education, that is correct.

Mr. MEEDS. And I hope we get it, but I just point this out or I am just asking you this. This is probably familiar to you. I am reading from a letter that was addressed to you by a group of people who established a migrant program and who are presently operating it very successfully, thanks to your help and the help of the Office of Economic Opportunity in an area which had never previously had a migrant program, even though they are the second largest migrant population area in the entire State of Washington. They never previously had a migrant program until this year.

This letter says, just quoting a part of it:

There are many faults with the angle of baby sitting of which you are no doubt well aware which are simply a continuation of the status quo. We know that these children are losing precious time in which they can be gathering pre-school and remedial education.

I am concerned that when you talk about day care with migrant children that are of an age sufficient to assimilate education, and that is pretty young, that educational programs will not be available to them unless you have this program, unless you have the money for education also. Would you like to comment on that? I hate to put you on the spot.

Mr. KLORES. We hope that the Office of Education will cooperate—I see no reason why they should not—and will provide through the school systems this kind of education when the child is ready for it.

Mr. LEVINE. Mr. Meeds, if I might add something to that, Headstart is continuing to fund migrant programs I understand. That is not cut off.

Mr. MEEDS. I know that. Do you have any concern or I should say do you feel personally that the educational systems of the various States including my own have adequately met this migrant problem in the past?

Mr. KLORES. Well, I wouldn't like to comment upon it in your State, Congressman, but just generally most State educational agencies have naturally looked after the taxpayers and this is the problem we face with this whole program. When we were ready for the first round of funds at OEO in 1964 whereas every other community action program

was deluged with applications we were out trying to find somebody to run programs for us. We were talking to many people. We get a lot of the same response late in the evening after people are relaxed and that was: "You know if we fund them and run these programs maybe the migrants will think that life is kind of good in this town and State and maybe we don't want that" and this is the problem we faced.

Mr. MEEDS. The fact is they are going to stay, are they not, and are staying in large numbers right now?

Mr. KLORES. They are staying and people just are not going back to Texas because there is nothing doing in Texas as I said in winter and if we don't find something for them to do and educate them to a point where we can have them as contributing members of American society they are going to be on welfare rolls.

Mr. MEEDS. What was the basis of the decision, if you know, to transfer this money or the request for money from OEO to the Office of Education?

Mr. KLORES. I don't know.

Mr. MEEDS. Sargent Shriver, do you know? Was it an administrative decision?

Mr. SHRIVER. I think that is all it was.

Mr. MEEDS. Had you had any complaint or disagreement with the manner in which the educational programs were being operated under OEO?

Mr. SHRIVER. No, sir.

Mr. MEEDS. As a matter of fact, it has been my observation that these OEO-sponsored programs were largely responsible for providing some impetus for the local education agencies to get off the dime and do some of this themselves.

Mr. SHRIVER. That is right.

Mr. MEEDS. Do you think that time has arrived at which we can step back now and say: "We have provided enough impetus. Let them go beyond it."

Mr. SHRIVER. No, I don't.

Mr. MEEDS. Then might it not be a good idea to amend this act to provide for at least as much funds as we have been previously using in the educational field for these programs which would be used primarily in the day care centers where these two aspects can be combined. As this lady points out in her letter: "You have a perfect opportunity here with the day centers to provide an educational experience at the same time and for probably not too much more money."

Mr. SHRIVER. It certainly would be money that was not wasted in my judgment.

Mr. KLORES. I don't think it would be wasted either. I think that there are people who look over the entire administration of this Government and are perhaps better able to make these decisions than we who are partisans are. Naturally everyone who is worth his salary feels that he can do a good job and I join them.

Mr. MEEDS. That is all I have, Mr. Chairman.

Mr. DELLENBACK. Mr. Chairman, as a preliminary, and in view of the comment that the gentleman from Illinois made earlier, perhaps we ought to have something spread on the record so far as the migrant and seasonal worker program is concerned that is now being run by

OEO. The opportunity crusade in its title VIII provides similar authority in the Community Action Division of HEW, and the authorization that it calls for in this particular same general area is some \$27 million which is exactly the authorization which is requested in the present bill, the amendments that we are dealing with so far as the amendments to OEO are concerned. I say that not in the way of argumentation, good or bad. I say it because I feel that this ought to go in the record to show that the opportunity crusade does look on this program that you have been talking about and recognizes that it has great value.

Mr. KLORES. Are you asking for comments or may I comment?

Mr. DELLENBACK. We are putting that in the record. You are certainly free to comment.

Mr. KLORES. Thank you. I think that the Department of HEW has done a wonderful job and other departments have done a wonderful job but I think anyone has to keep in mind that the Office of Economic Opportunity is really not tied to any pattern. I think if you look to the point that Congressman Meeds raised about the education money for migrants you will find that it goes through the State school systems. I am not opposed to that. However, OEO is not in its present legislation or in its history an agency forced to go through a school system. We question if it is the most desirable approach but where a State school system may be not interested in doing anything for migrant children we can go to private nonprofit groups.

I agree with you that this hearing is not the time to raise a debate on the opportunity crusade. I want to point out that this is my third agency. I have spent 9 years in the Government since I got out of school and I have never experienced an agency which has so much ability to move from one thing to another unfettered by redtape which would have to take 3 years to change and that is what I think the glory of this agency is.

Mr. DELLENBACK. Do you imply, Mr. Klores, that if this change were to be made with HEW that they would find themselves fettered and not able to deal with this problem?

Mr. KLORES. I would say that the HEW has traditions. They have regulation. I don't know how they would react to this program but this OEO was set up to deal with the poor and to move across any line necessary to help the poor and to be concerned only with the poor, and I think one thing this agency has dealt with is providing for the poor.

Mr. DELLENBACK. If Sargent Shriver and you and the others were to sit down and testify before us and be anything but advocates of your programs I would be deeply disappointed in you all but you put the finger on it yourself a moment ago when you talked about education and the debate was whether or not this ought to be moved out or left alone and you said those most deeply involved are not able to judge the activity. You were talking about one small phase of the program and the point that you made, however, is an extremely valid one. It may also be that you are lacking the objectivity to determine whether there ought to be another aspect as well.

I do have just a couple of short questions on this one, Mr. Chairman. You touch on the possibility of this ultimately phasing out, Mr. Klores,

or at least you indicate that the day of the migrant is passing, and I looked at the chart for fiscal 1967 versus fiscal 1968 and for a moment I really thought I saw that rare phenomenon in the budget, a phasing out. And then you corrected my misunderstanding in this regard by pointing out that it really involves an increase from \$33 million to \$36 million if we total the other. Do you visualize at any time in the near future this phasing out with the decreasing number of migrant workers?

Mr. KLORES. Yes. I think somebody said that we can, if we had the funds, get rid of poverty by 1976. I think the migrant and seasonal farmer are one of the poorest of the poor and I would like to phase them out economically and see them no longer needing our program. I don't see it in the immediate future.

Mr. DELLENBACK. Let's assume there were no rapid decline in the number but thinking in terms of the numbers that exist at the present time what budget would you see as the budget that would be necessary really to face the problem for the migrant and fund it in full on an annual basis.

Mr. KLORES. Bob, I think we talked about \$250 million at one time.

Mr. LEVINE. At one time we were that high. That I think was, considered soberly, a little higher than we should have thought.

Mr. DELLENBACK. You are not implying that it was not done soberly in the first instance? Never mind.

Mr. LEVINE. It was the first time we ever tried this sort of thing.

Mr. DELLENBACK. What figure would you set, Mr. Klores?

Mr. KLORES. Well, I felt that that figure was kind of sober. It is so far from where we are when we are talking from \$27 million to \$130, or \$200, or \$250 million that I am afraid the figure is as good as any.

Mr. LEVINE. The budget officer always stand between a program operator and a Congressman.

Mr. DELLENBACK. Both Congressman Meeds and I are from areas where a migrant worker is a real fact and not just someone we read about, so that I recognize some real needs in this area. The figure that you would set idealistically and hopefully would be \$250 million on an annual basis.

Mr. KLORES. I would say that if the resources of this Nation could be allocated to eradicate poverty that is the figure; yes.

Mr. DELLENBACK. That means that in the area of the migrant although you indicate that this is one of the poorest of the poor, actually we are doing 10 percent of what we would like to do at the present time as opposed to a considerably higher percent of the other programs on which we had testimony; is that correct? We are just barely scratching the surface in this area of the migrant worker and doing a little more than scratching it in some of these other budgetary items.

Mr. SHRIVER. That is correct, and we have testified on that subject in other programs last year. The reason among other reasons is that, for example, a program like Headstart is larger, reaching 32 percent and migrants reaching 10, is, first of all, as he explained a little while ago that it was very different to start migrant programs because there was not anybody who wanted to work with migrants so that a lot of new organization had to be brought into being to handle the problem. In the case of Headstart we were very fortunate in the first

year that we had a lot of what we now call unearmarked money so that when the community demand arose for Headstart we were able to meet it. Just by way of an illustration we originally projected about \$10 million for a Headstart program. In the summer of 1965, because we had the flexibility given to us by Congress we were able to take that program to an \$89 million Federal contribution that when coupled with the State or local contributions brought a \$100 million program into existence in less than 6 months. That was possible because we were able to exploit the openings.

A lot of these other programs would be substantially larger than they are if Congress had given us the money to exploit the openings but instead when you make a breakthrough and strike out to be able to go get it we had to sit back and hold back because we don't have the flexibility any more to exploit it, that has been taken away from us. That is why these programs are not as big as they could be or should be.

Mr. KLORES. In 1966 this was dramatized in the migratory program. The authorization was \$20 million and the statute permitted a 10-percent increase in any title because of the flexible funding. Mr. Shriver added \$5½ million to title II for all migrants so that our program went from \$20 million to \$25½ million, and then provided \$10 million from discretionary funds, so the \$20 million could be increased to \$35 million because there was discretion and we struck oil and found people who were ready to do it and suddenly the applications started to come in.

Mr. DELLENBACK. Thank you.

Chairman PERKINS. Mr. Pucinski.

Mr. PUCINSKI. Mr. Shriver, to refer to the statement made earlier comparing the provisions in the opportunity crusade and existing law. As I read the program which you are carrying out now you had considerable expertise in reaching these migrants. As you said, you developed this and it took you some time to set the right pace but you are now reaching these people and reaching them effectively, is that correct?

Mr. SHRIVER. Yes; it is. We are just not reaching enough of them.

Mr. PUCINSKI. It would seem to me that under the proposed substitute this whole activity would be turned over to the Secretary of Health, Education, and Welfare and we would be, in effect starting de novo on this whole thing, wouldn't we?

Mr. SHRIVER. I am not an expert on how they would think it ought to be run in the other programs. I suppose maybe Congressman Dellenback could tell you what they would do.

Mr. PUCINSKI. The reason I asked this is because in the bill before us, the administration bill, we improve and perfect your own operation but in the proposed substitute by the gentleman from Minnesota this whole program would be put it into HEW. I am hoping that somewhere along the line we are going to find out from the authors why HEW. But the fact of the matter is that because of the expert experience that you have gained in developing this, what I think is one of the most successful aspects of the poverty program, would be lost by transferring it to HEW. Would any of your witnesses care to comment on that?

Mr. BERRY. It is my impression as I read it that it would change somewhat the thrust of our efforts to get local community support for these programs because as the language seems to imply, HEW would conduct the programs, make grants for special programs that would operate on a mobile basis, in other words, create an instrument that would move with the stream. It would be a federally operated program rather than a locally generated operation and provide transportation to return them to their locality.

The greatest loss it would seem would be the loss of momentum because it would be, in effect, dismanteling a match or system that is now proving effective and moving it into a very tightly structured bureau operation.

As Mr. Klores has mentioned, the established agencies of traditional patterns, the echelons of operation that reduce this flexibility and mobility to aim in and zero in on the targets of need, more addressed to the lines of command and the generation of programs which takes much longer than exist in our agency.

Mr. PUCINSKI. Mr. Shriver, as to the additional language that you are seeking in the legislation dealing with migrant workers, could you tell us just briefly what this new language would do, how it would strengthen your program?

Mr. SHRIVER. I would like Mr. Klores to answer that, please.

Mr. KLORES. The present language of the statute talks about four areas: day care, sanitation, housing, and education. That was put in because, if memory serves me correctly, Senator Williams in 1964 had four pieces of separate legislation in the hopper and he tied them all together and the four of them were the ones I had mentioned. We have found that even though the areas are good we are precluded as an example in the strict construction of the statute from providing health to people in an educational program. We cannot give them physical examinations. Everyone knows that if you are going to put children or adults into an educational program someone should examine them. It is difficult to learn if you can't read because you don't have eye-glasses. These are the restrictions we are operating under especially in the health area of providing some of the small health benefits that would make the program a success.

Right now we have to try and find other ways to take care of it. We are not always successful. We have had people in programs in Mississippi and Alabama who could not read without corrective lenses and did not have those corrective lenses. We could not give them the examination under this statute even though they may have been able to buy the glasses if they knew what their problem was.

So it is a minor change permitting us to run the same kind of program for migrants that we would run under a community action agency.

Mr. PUCINSKI. Do we have any statistics on what has been the experience with children of migrant workers since they have been receiving help under this program?

Mr. KLORES. No, I don't think we have any statistics on what has happened to the children except that they have been able to go to school, which is something they had not been able to do in the past. We have taken a program such as the one in New York State in which we opened the schools in the summer when the migrants are there. That is when the kids need the schooling. In the summertime when

they are up in New York State naturally the schools are closed. We are running the program there. We have had programs for children in various other States. So that the success I think is that the children are going to school for the first time in their lives.

Mr. PUCINSKI. One final question: Could you tell us briefly what has been your experience with the day care centers? You provide day care for children. How do you do this?

Mr. KLORES. We provide a system in which a family on their way to the fields may leave their child in the center and the center can be anything from a church, a schoolroom, a donated facility, or a mobile unit and the children are taken care of from usually 5 and 6 in the morning until 7 or 8 at night because that is when migrants work. We don't provide a service from 9 to 5 or 8 to 4 which is of no use to them. The child is taken in. He is bathed. He is cleaned. He is fed. If he is an infant he is given a cot and then they move to the regular Headstart type of programs if they are old enough. This is what we are doing for the children.

Mr. PUCINSKI. Thank you.

Chairman PERKINS. Mr. Gardner.

Mr. GARDNER. Mr. Chairman, first of all I would like to ask for a clarification from the Chair. Is it my understanding that we finally agreed after our discussion this morning that OEO would submit a copy of their report concerning Operation Breakthrough.

Chairman PERKINS. It was the statement of the Chair that OEO would insert that in the record; that along with the investigation that you had made that OEO would have that opportunity.

Mr. GARDNER. Could I ask Mr. Shriver if this is his plan to introduce this report?

Chairman PERKINS. That is not pertinent. The Chair rules that that is not pertinent. He may want to respond to it and he may not want to respond to it.

Mr. GARDNER. Let me ask him another question going back a little bit, since we have had such a peaceful afternoon.

Mr. Shriver, I have been told or have heard from various sources that your employees at OEO are required to sign a statement that they will not in any way discuss any OEO matters until 6 months after they have terminated their employment with OEO. Is this true?

Mr. SHRIVER. I don't know of any statement that anybody signed. Maybe they are and I don't know it. I never signed one.

Mr. GARDNER. So it is not true.

Mr. SHRIVER. I don't know anything about it.

Mr. LEVINE. I have never seen one.

Mr. GARDNER. All I am asking is is it true or not?

Mr. BERRY. I think this is a misconception. There is no such requirement of any employee. I think if the General Counsel were here he would explain that in connection with research studies that are performed under contract for OEO they may not publish them sooner than 6 months.

Mr. LEVINE. Sixty days.

Mr. BERRY. Sixty days. There is a restriction on the right to publish and use materials that are produced with our funds until after a certain period of time.

Mr. GARDNER. Thank you.

Mr. BERRY. But there is no such rule as carries the import of your question.

Mr. GARDNER. I yield the balance of my time.

Chairman PERKINS. Mr. Steiger.

Mr. STEIGER. Mr. Chairman, thank you. The needs of the migrant worker without question are critical. I don't think any of us would argue with that underlying premise. I would have several questions, Mr. Klores, some of which involve my State and some of which involve other States. I saw the report in the Washington Post on May 30 in which it was reported by the Associated Press that the General Accounting Office said yesterday it has found fairly extensive evidence that Federal antipoverty funds were used in efforts to unionize farmworkers in Florida last year.

Mr. Chairman, if I may, I would like to ask unanimous consent that the report of the General Accounting Office on the situation in Florida made at the request of Representative Paul Rogers of Florida, be inserted into the record.

Chairman PERKINS. Is there objection?

Mr. PUCINSKI. I object.

Mr. Chairman, would not it be wiser to put that in the appendix of the record?

Mr. SHRIVER. That is already a public document in case nobody knows it.

Mr. STEIGER. I would have no objection to putting it into the appendix; no, sir.

Mr. PUCINSKI. I withdraw my objection.

Mr. STEIGER. There were a couple of things uncovered as I understand it from the GAO report. It was suggested that OEO recover the funds financed by OEO for the reimbursement for travel expenses that were used during these efforts. Has any effort been made to recover those funds pursuant to the GAO investigation?

Mr. KLORES. I am very happy that you have included the entire report in the record and not just the news articles because the Comptroller General in his cover letter in the report to Mr. Rogers states that it appears that certain employees of the grantee engaged in what may be considered political and union activities. And Federal funds were used to reimburse some of these employees for certain expenses incurred while carrying out these activities. He says also as will be noted in the bottom of the letter there are certain inconsistencies in the information obtained. That is why I am pleased that the entire report was put in the record and not just the news article which I think was a little distorted. We have sent these reports to the American Friends Service Committee and to the community action fund for their comments and that is the first step in what we do in any report. Those reports were given to Congressman Rogers first. They were never officially sent to us. We have just gotten our official copy and those reports went out and we asked for a reply in 30 days and we will take whatever action is warranted. We do not in these grants sanction union organizing activity. We feel that the American labor movement is sufficiently strong to unionize people if they so need it and that it is not our function to provide Federal funds in these grants to unionize farm laborers into a labor union.

Mr. STEIGER. I appreciate your response very much and the fact that the full report will go in so that we will have the benefit of it. If I understood what you said correctly, and if I did not please correct the record, your own *modus operandi* is to send it to the CAP agency and to the American Friends Service Committee for their comments so that at this time no action has been taken on the question of trying to recover any funds.

Mr. SHRIVER. That is the first step in recovering funds. That is the way you recover funds. In other words, they have the right to respond from their point of view to whatever is revealed in an audit or a general accounting office audit. In other words, they have the right to object before you so to speak to get something. That is the first step.

I might just mention in connection with it that our chief auditor, Mr. Cutler, who is here, pointed out to me that that investigation consumed the time of as many as six auditors at regional and headquarters levels for approximately 4½ months, and the estimated maximum amount that is involved may be approximately \$900.

Mr. STEIGER. Mr. Klores, I wonder in terms of the answer that you gave on unionizing activities, are there any specific safeguards which OEO writes into grant awards on union organizing activity?

Mr. KLORES. We have no standard policies for or against union organizing activity. However, every grant, every application for a grant is very carefully looked at including the work program. We are not just interested in money. We are interested in what they are going to do for the money and when we read a program and we approve it, there can be no change in that work program without our consent.

To this date we have not approved any work program that involved the organizing of migrants into a labor union.

Mr. PUCINSKI. Mr. Chairman.

Mr. STEIGER. May I, Mr. Chairman, ask unanimous consent to continue for just a few minutes. I didn't get to Wisconsin yet.

Is the United Migrant Opportunity Service of Waukesha the only agency in Wisconsin with which you fund for work with migrant workers?

Mr. KLORES. At the present time it is the only agency we have funded. That doesn't mean that if additional funds were provided we would say that everybody has to go through one agency. We at one time funded a small grant of some \$2,800 to Door County in Wisconsin to provide library services for migrant children and migrants.

Mr. STEIGER. Do you, at the present time, because of the fact you have listed a wide variety of groups involved such as State agencies, do any funding with local school districts and/or State educational agencies for the purpose of opening up schools during the summer for migrant children specifically?

Mr. KLORES. Yes, we do. As I mentioned, we fund one in New York that comes to mind right away in which we open schools. We fund programs in the State of California through Governor Reagan's office to provide education for migrant children. We fund a program through Governor Connally's office in Texas to open school districts not during the summer there because that is when the migrants leave, but to provide a special 6-month program for migrant children so that they may get in 6 months what the average child gets in 9 or 10 because they leave at the end of 6 months.

Mr. STEIGER. One of the criticisms that has been raised against the United Migrant Opportunity Service, called UMOS—

Mr. SHRIVER. I thought you were talking about my wife for a moment.

Mr. STEIGER. One of the complaints is the charge against it that it has tended to serve the purposes of trying to get the migrant worker out of the plant or field in which he may be employed for the purpose of putting him into school. I have had some correspondence with your office on that very point. In fact, the Krier Preserving Co. of Belgium refused to go with UMOS this year because they put down arbitrary guidelines on the participation of parents in schooling as a prerequisite for the children that were going to be served under this program run in Belgium, Wis. These people have since gone partially to title I funding, partially with the Department of Agriculture surplus food program, rather than UMOS because there was far more flexibility and because there was no requirement for parent participation.

I don't ask this really in terms of having you know how UMOS operates except to make the record and make the point that if we are going to work toward serving the migrant children, then you have to do that effectively and not necessarily always involve the requirement that the parents participate to the same extent.

Mr. KLORES. May I answer that question or that statement? The United Migrant Opportunity Service program, as well as all our programs, operates under the restriction of my office that no full-time adult education program be conducted during a harvest season because we recognize that agriculture in America needs hand labor today. My statements are about what is happening and we recognize that there is a need for hand labor today. We do not compete for hand labor. I don't say this is true of the company you mention, but there are many companies which refuse to have their employees engage in any program off or on hours. Once again I am not saying this is true of the company in Wisconsin.

Mr. STEIGER. It is not. They did use UMOS last year, as a matter of fact.

Mr. KLORES. Many companies don't want children engaged in any programs because children can be used in the fields, and the only program that is being run by UMOS for children is a day-care program in which we like to have parents participate, but it is not for drawing them out of the factory.

Mr. STEIGER. Thank you. I appreciate that.

Thank you, Mr. Chairman.

Chairman PERKINS. I am going to let the gentleman from Illinois ask a final question.

Mr. PUCINSKI. I listened to your colloquy on organizing labor with interest. I agree with the position you have taken. If some of these people want to ask questions about the labor movement as part of their good-citizenship training, would you not preclude your people from giving them answers on that subject?

Mr. KLORES. No, we would not preclude those questions.

Mr. PUCINSKI. The other question I have here is that it seems to me that this migrant program means just what it says, a migratory program. This is why you have made a success where others have failed. Wouldn't the programs become ineffective if you were to turn them

over to the States to operate because of the fact that these are people who move in and out of the State during the harvest season?

For that reason I was wondering if we are not much better off to leave it the way it is than to try to think of the proposal made in opportunity crusade. Isn't the migration of these people one of the soundest reasons for leaving it in your hands?

Mr. KLORES. You are correct, Congressman, the migration is the important thing. This is the reason we have seen fit not even to have this program delegated to a regional office because these people move throughout States, throughout regions. They start out in Florida, they wind up in Massachusetts. They start out in Texas and they wind up in Michigan.

Chairman PERKINS. Mr. Meeds.

Mr. MEEDS. Reading, Mr. Klores, from page 95 of the so-called opportunity crusade on line 20, "The Secretary is authorized to give grants under this part to encourage them to develop a program coordinated through regional arrangements or State compacts to provide minimum standards of housing, sanitation, education, transportation, and other environmental conditions."

I ask you if the Skagit County Migrant Facilities Group which is this year educating for the first time in the summer 350 young migrants who had never had this opportunity before in Skagit County, could have been funded if this language were in the present?

Mr. KLORES. I guess not.

Mr. MEEDS. If the people in Washington did not see fit to do it they would not do it, would they? The money would go to the State of Washington and you would have no authority to deal directly and immediately with the Skagit County Migrant Facilities Group?

Mr. KLORES. That is the way I read line 20.

Mr. MEEDS. I would like the record to show that there has never been a program authorized for Skagit County by the State of Washington before.

Mr. STEIGER. Would the gentleman yield?

Mr. MEEDS. Yes; I will yield.

Mr. STEIGER. I would hate to have the record go as muddy as it may have just been made. I think that the witness ought to refer to section 821 (A), "authorize the development and implement programs, guarantees, grants, to assist State and local agencies, profit and nonprofit institutions, and cooperatives."

Without knowing fully what the particular county program is in Washington, this would serve, I think, certainly the need that exists in Wisconsin.

Mr. MEEDS. I will just ask the gentleman if in section 821 he sees the word "education" any place?

Mr. STEIGER. I would not think it is necessary always to lay out specifically each and every program since I don't necessarily find the word narcotics listed on that chart and yet narcotics was a program authorized by the Congress under OEO.

Mr. MEEDS. I will ask the gentleman further if the word "education" is not used in the present act in that enabling legislation?

Mr. STEIGER. I don't have the present act before me.

Mr. MEEDS. If you will look at it you will find it.

Chairman PERKINS. I wonder if you can come back in the morning, Sargent Shriver? We will move along with the education aspect of the program.

There will be a lot of questions on the Job Corps. We will do our best to complete your testimony tomorrow.

Mr. SHRIVER. Thank you very much, gentlemen.

Chairman PERKINS. The committee will recess until 9:30 in the morning.

(Whereupon, at 5:10 p.m., the committee recessed, to reconvene at 9:30 a.m., Wednesday, June 21, 1967.)

ECONOMIC OPPORTUNITY ACT AMENDMENTS OF 1967

WEDNESDAY, JUNE 21, 1967

HOUSE OF REPRESENTATIVES,
COMMITTEE ON EDUCATION AND LABOR,
Washington D.C.,

The committee met at 9:50 a.m., pursuant to recess, in room 2175, Rayburn House Office Building, Hon. Carl D. Perkins (chairman of the committee) presiding.

Present: Representatives Perkins, Green, Dent, Pucinski, Daniels, Hawkins, Gibbons, Scheuer, Meeds, Ayres, Quie, Goodell, Bell, Gurney, Scherle, Dellenback, Esch, Gardner, and Steiger.

Also present: H. D. Reed, Jr., general counsel; Robert E. McCord, senior specialists; Louise Maxienne Dargans, research assistant; Benjamin F. Reeves, editor of committee publications; Austin Sullivan, investigator; Marian Wyman, special assistant to the chairman; Charles W. Radcliffe, minority counsel for education; John R. Buckley, chief minority investigator; Dixie Barger, minority research assistant; and W. Phillips Rockefeller, research specialist.

Chairman PERKINS. The committee will come to order. A quorum is present.

When we recessed last evening, we delayed the educational aspects of the community action program at the request of Congressman Quie. I presume he will be in right away. But we will be delighted to hear you this morning on Headstart, Upward Bound, Follow Through.

If there is any other phase of the community action section you would want to cover this morning, you go ahead in your own way. I presume the members will wish to interrogate you and your entire corps of assistants on all titles of the bill. I know they will have questions on the Job Corps. Maybe it will be better for you to present the remainder of your presentation before we commence the questions. However, we want you to work in your own way. You know how to present it better than we do.

FURTHER STATEMENT OF HON. SARGENT SHRIVER, DIRECTOR, OFFICE OF ECONOMIC OPPORTUNITY; ACCOMPANIED BY BERTRAND M. HARDING, DEPUTY DIRECTOR; DONALD M. BAKER, GENERAL COUNSEL; ROBERT A. LEVINE, ASSISTANT DIRECTOR, RESEARCH, PLANS, PROGRAMS, AND EVALUATION; THEODORE M. BERRY DIRECTOR, COMMUNITY ACTION PROGRAM; AND RICHARD T. FROST, DIRECTOR, UPWARD BOUND

Mr. SHRIVER. Thank you, Mr. Chairman.

If it is agreeable with you, we would like to start with Dr. Frost, who is at the end of the table here, who is the Director of the Upward Bound program, and has been since the beginning.

I thought following him we could either turn to the questions that people had last night about the health program—there were some questions about that—and then move from that to the Headstart program.

I am personally of the opinion that that will probably take up most of the morning. If it does not work out that way, we will be happy to go, after Headstart, to questions about the Job Corps or to questions about another item on community action, Mr. Chairman, called Training, Research and Development, and Technical Assistance, which you see there at \$79 million.

I think it would be inadvisable not to discuss a monetary item as large as that one in the Headstart presentation because I think members of the committee later on, on the floor, might be asked questions about a sum of money of that size. If the record disclosed no discussion of an item of that size it might be a little faulty; the record will be faulty.

Chairman PERKINS. The committee will have difficulty sitting this afternoon, but we will do the best we can. Go ahead.

Mr. SHRIVER. With your permission, Mr. Chairman and members of the committee, I would like to introduce Dr. Richard Frost, Director of Upward Bound.

Before coming to Upward Bound, he was president of Reed College in Oregon. He has a distinguished record there.

Mr. PUTCINSKI. Mindful of what the chairman just said about our having difficulty to get permission to sit this afternoon, because of the limited time, I wonder if we might ask Mr. Shriver and his associates to confine themselves this morning to those areas of the program that have been most frequently criticized so that we can hear their rebuttal to some of the criticism which I know, in many instances, is unfounded. I know it will save time and we will be able to make a better record here.

Mr. SHRIVER. Could I make a comment about that?

You take Upward Bound and Headstart. They don't get criticized at all. The only suggestion about them is that they be taken away from OEO. Legal services gets very little criticism. The neighborhood health centers get very little criticism. It is only community action that gets criticized—what we do is great. It is just us.

I think the thing to do is to get on with Upward Bound. Why don't you go ahead, Dick?

Mr. DELLENBACK. Mr. Chairman, before this next witness actually commences, may I, since he is a citizen of my State and a very respected citizen of my State, have a chance to say for the record that we from Oregon who are interested in education are very proud of Dr. Richard Frost. He is an outstanding educator and very fine citizen of what we consider a very fine State.

We are glad to have loaned him for a period of time to what is an important enterprise. We are delighted with the understanding that he is going to be returning to education in the State of Oregon. We are delighted to have you with us this morning, Dr. Frost.

Mr. FROST. Thank you, sir.

Mr. Chairman, I have the unpleasant duty to report to you that poverty high school students in the United States go to college at

only one-seventh the rate at which all high school students continue their education. There are about 1,400,000 poverty high school students in the United States, youngsters who live in poverty families or in no families at all. They go to college at the rate of about 8 percent.

The general college-going population, general college-going rate among high school graduates is between 50 and 60 percent.

This is the gap that OEO's Upward Bound community action program is trying to narrow. Upward Bound, as you know, sir, is the precollege preparatory program wherein we make grants to universities and colleges to recruit high school youngsters, usually about the 10th grade, and to stay with them in summers on the college campuses and tutor them during their academic years until they get to the college gate.

Mr. Shriver has called this program on one occasion or another a Headstart for teenagers. The purpose of it is to remedy poor academic preparation and poor personal motivation in secondary school and, thus, increase a younger's chance for acceptance and success in a college environment.

We began the program in 1965 with 18 pilot programs. They were, in our judgment, quite successful. Eighty percent of the high school graduates in those programs went on to college. Then we blew it up in full in 1966 and at the present time there are 220 colleges in the program and there are 20,000 poverty high school youngsters. These programs exist in 47 States, the Virgin Islands, Puerto Rico, and Guam.

In almost every case, this is a college taking high school kids on the campus in the summer for a 6- to 8-week intensive beef-up academic program, and during the academic year the Upward Bound institution continues to meet these students, returning them to the campus Saturdays, sending their own undergraduates out to tutor them, and through periodic cultural enrichment programs.

In 1965, as I said, we had 18 pilot programs with 2,000 students, spending \$2½ million. In fiscal 1966, \$25 million with 20,000 students. We are just through a funding period to begin new programs this summer. We have spent \$28 million and will have on board this summer 22,000 youngsters in every State and about 250 colleges participating.

The program for fiscal 1968 is on the chart, sir. We except about 30,000 students in a minimum of 280 colleges at a cost of \$35 million, as this chart over here shows.

I want to tell you for a moment, Mr. Chairman, something about these youngsters. Their average age is about 16 when they start in the program. They usually have finished the 10th grade. They are divided about 50-50 boys and girls.

The ethnic pattern that the colleges have recruited around the country is as follows: 51 percent Negro, 33 percent Caucasian; 7 percent Spanish-speaking; and 4 percent American Indian; and another category, 3 percent of "other," which is frequently oriental youngsters on the west coast.

An important feature about these youngsters is that less than half of them live with both parents. They come from family incomes that are below even OEO's poverty line, and their average grade when

they entered the program as high school students was "C." Three-quarters of them had averages of "C" or worse.

Clearly, Mr. Chairman, this is not the college-going population.

Now, when you bring such youngsters onto college campuses and work with them very intensively, the colleagues have apparently been very successful with them. As I say, in the summer of 1965 they had about 1,000 high school graduates in this program and 80 percent of them went on to college. In the summer of 1966, about 76 percent of their high school graduates went on to college, and this year we have the first big bulk coming around the track.

There are about 6,000 seniors in Upward Bound coming around the track this June to graduate, to stay in Upward Bound this summer and, hopefully, to go to college in the fall. We know that as of May 10, 57 percent of them were accepted already in college and 23 percent had applications still pending.

This is to be contrasted, Mr. Chairman, with the 8 percent of the non-Upward Bound poverty high school youngsters who normally go to college.

Now, one of the most important features of this program is, of course, to try to develop some effect on the colleges and how they might respond to youngsters of this kind. Unless the colleges can respond successfully to youngsters of this kind, the program would be a failure.

The news so far, Mr. Chairman, even if spotty, is very good. I would like to report that Western Michigan University in Kalamazoo has already admitted 18 of their Upward Bound students with full financial aid. The University of Massachusetts at Boston has promised to accept all their students at the university.

The president of Boston College has announced that Boston College will accept all their Upward Bound students. Loyola, in Chicago, will admit unconditionally any student who completes their Upward Bound program. Similarly, Xavier, in New Orleans, Southwest Texas State in San Marcos, Texas College of Arts and Industries, Western Washington State College, the State University of New York at Buffalo.

The list is very long, including the University of South Florida, Morehead State University in Chicago. And, good news, just yesterday, that the University of Minnesota will accept its Upward Bound students in its general education program.

This has been, for us, the real test as to whether these youngsters would finally get into good colleges. Apparently they can. They can with this kind of help.

Now, Upward Bound, as you know, sir, is in the community action package, and in our judgment it is crucial that it be there because it partakes of the very special advantages that community action can provide.

First, we found that the local CAA was often the catalyst which induced a college to apply.

Second, we found that the CAA has a number of resources that are very important to Upward Bound and to the college, such as health care for these Upward Bound students. CAA's were very helpful in recruiting so that the college need not depend solely on high school counselors. The CAA was often very helpful in the development of

our local public advisory committee. Every Upward Bound college has a local public advisory committee on which sit representatives of the CAA, usually of the local school districts with which the program is related, and in every case one-third of the membership of that committee are people who are OEO poor.

This committee has related a great many colleges to their own poverty neighbors for the very first time. The poor, I think, have much to say to higher education because higher education—and I want to confess this as a member of it—has historically maintained its reputation by rejecting people, and the poor have much to learn from the college about the long-range value of continued education.

Lastly, frequently Upward Bound is the poverty family's first contact with the war on poverty. They have a teenager; they are intensely interested in his problems and success. When they get him into Upward Bound, the CAA then has this family surfaced and can look at some of its other problems for which they may have and frequently do have a number of resources with which they can respond.

Mr. Chairman, I don't want to take any more of your time in open presentation. We think so far the program has been a success. We will be glad to answer questions about it.

Thank you.

Chairman PERKINS. First, let me compliment you on an outstanding presentation. I am personally most deeply impressed with your testimony, especially when you state that three-fourths of the students who come from the 10th grade are disadvantaged because they are "C" students or less.

You did further state that it was crucial that this program be in the Office of Economic Opportunity. My question is: Can you now reach this type of youngster that you have described, 1,400,000 poverty high school students in the United States, of which only about 8 percent go to college, if this program were transferred to the Office of Education?

I would like to hear your views on that. Why will it work better where it presently is rather than in the Office of Education?

Mr. Frost. Mr. Chairman, I believe at this time it is in the right place for the reasons I have stated: that the community action agency has particular and, in our judgment, indispensable resources to bring to the program, and community action is in OEO.

Second, the classic reason of OEO's single-minded concern for the poor. The U.S. Office of Education is a great agency with a variety of mandates, only one of which is to do something about poor youngsters. This program in the agency is exclusively concerned with poor youngsters.

Our own opinion is that when you mix this kind of non-performing, at present poor youngster, with a lot of other programs, he is the one that is going to be forgotten the soonest.

Lastly, because it is in community action the program has had flexibility in financing. I recall that in 1966 the agency estimated the demand at \$20 million. That was the budget, in quotes, that we worked with. It turned out a vast number of applications came in from colleges and Mr. Shriver could flexibly get another \$5 million into it and it became \$25 million.

Chairman PERKINS. You are telling the committee that with the program as presently constituted in OEO, you are in a better position to concentrate and zero in on this highly disadvantaged youngster who has never been reached before and to improve immensely his opportunities of going on to college, and you are in a better position than is the Office of Education because they have so many programs that they cannot as expeditiously reach this type of youngster?

Is that a correct summation of your statement?

Mr. FROST. Yes, Mr. Chairman. I believe that the mixture of flexibility of OEO and its single-minded purpose on the poor make it preferable to have it in OEO.

Chairman PERKINS. Are you in a better position to reach this so-called poor, disadvantaged youngster than the Office of Education? Are you closer to him?

Mr. FROST. Our community action agencies, I believe, are much closer to him. They are a great help in recruiting. High schools have enormous problems and work under great odds. The CAA's exclusive concern for the poor makes it, I think, more facile to recruit youngsters for this program without going just to high school counselors and asking them who they are. Those people are greatly overworked, as you know.

The CAA can take a variety of sources to recruit youngsters, VISTA people, neighborhood groups, police courts, a vast variety of sources. The CAA knows those people.

Chairman PERKINS. The CAA workers are in close contact with the school superintendents and the various supervisors in these areas all the time, where the Office of Education does not have local representatives in this area.

Am I correct in that?

Mr. FROST. That is true, Mr. Chairman.

Chairman PERKINS. Do you have any further supplemental statements you care to make as to why this should be in the Office of Economic Opportunity?

Mr. FROST. No, sir. I have stated three reasons. The purpose of OEO, the flexibility that OEO has, and the particular advantages that community action presents to the program would sum up my reasons for the hope that it stay in OEO.

Chairman PERKINS. Mr. Quie?

Mr. QUIE. Following this, it is hard for me to believe that the community action agencies of OEO are closer to the young people than are the teachers in the high school. They surely know who the young people are who have dropped out or are about to drop out. Who is closer to these people than the faculty in the high schools?

Mr. FROST. Mr. Quie, I don't know who is closer. I think a neighborhood group may be closer to a youngster who has dropped out of high school than the high school principal or counselor's office would be.

Mr. QUIE. What percentage of the children in the neighborhood or neighborhood group are close to him?

Mr. FROST. I don't know the answer to that. We recruit through athletic groups, through a great variety of indigenous neighborhood groups, whereas the Office of Education, I think, would be just more likely, more likely to recruit through the regular establishment that

they have worked with for a number of years, including the high school counselors. We do not ignore them in any way. They are always consulted, and must be.

Mr. QUIE. Is it better that we change the operation of the Federal Government so that every Federal agency will be operated by a single-minded individual, a one-track mind? Is that another way of putting it?

Mr. FROST. I did not understand your question, sir.

Mr. QUIE. You said one of the reasons why OEO ought to handle this program, rather than the Office of Education, is because they are single minded about the problem of poverty.

Do you think every agency of the Government ought to be operated by a single-minded individual? I asked also does it tend toward a one-track mind?

Mr. FROST. I think OEO's overwhelming concern for the part of the population which has been ignored so long augurs well for now to get some effective response from that part of the population; yes.

Mr. QUIE. Have you compared the success of Upward Bound with the Office of Education's program, Talent Search?

Mr. FROST. No, sir. You can't compare apples and pears. The Talent Search in the Office of Education has no academic training at all, as I understand it. The proposals that I have read as to Talent Search from the colleges indicate it is a recruiting program. It is a good one, a recruiting program.

It informs a vast variety of high school youngsters as to the availability of grants and loans, and so forth. But Talent Search has no academic training component as Upward Bound does.

Mr. QUIE. They both have the same purpose, however; to get the young people to college.

Mr. FROST. Yes.

Mr. QUIE. Is there any coordination between the two?

Mr. FROST. I personally believe that the clientele that each is serving may be quite different. I think the Talent Search is reaching for that obviously better performing high school youngster who is economically poor and could not go to college unless he got some substantial financial aid.

Upward Bound, obviously, the Upward Bound colleges, have reached for the youngster that was apparently less obviously bright and able to negotiate entrance to colleges, as the record shows. Three-quarters of the Upward Bound students have a high school grade average, when they get into Upward Bound, of "C" or worse, and that is not the college population of America, rich or poor.

Mr. QUIE. The answer is that you are not coordinated with that program because you feel you are dealing with a different clientele.

Mr. FROST. I think it is a different clientele. The programs complement each other well. We have always had representatives from our office sitting on the Talent Search panels that review proposals for Talent Search. We know which colleges in America have Talent Search grants and that have Upward Bound programs, and there is great interplay among them.

Mr. QUIE. How poor does a family have to be in order to get into Upward Bound?

Mr. FROST. The conventional OEO standard for—

Chairman PERKINS. Will the gentleman yield to me at this point?

Mr. QUIE. Yes.

Chairman PERKINS. I think it is most important to point out that there is no overlapping of agencies in OEO at present.

Mr. QUIE. The Office of Education is trying to coordinate these programs. But I would like to find out, do you base this on the income of the families rather than property holdings of the family?

Mr. SHRIVER. Could Dr. Levine speak to that?

Mr. LEVINE. Our poverty lines are based on the income of the families. I think in the application of that, clearly we are not going to take anybody rich—if we have a very rich person who has a negative income one year he does not get in a poverty program, which I think is the thrust of your question. What we look at, statistically, is the income, but somebody who accidentally for 1 year fits under the income line is not going to get into our program, because it is an accident.

There is some judgment used, in other words.

Mr. QUIE. What do you do in Upward Bound if it becomes known that a child comes from a family who happens to have for a year or two a low income but the property holdings of the family are quite high? Do you still continue to serve them?

Mr. LEVINE. You are sort of talking about the choice of particular youngsters in Upward Bound. I think you would go in Upward Bound, as in all our programs of this nature, for poor children in poor areas, income poor children in slums. You don't find people in slums, Mr. Quie, who have low income and high property holdings.

Mr. QUIE. We don't have slums in my congressional district and there are a large number of congressional districts who don't either. Yet Upward Bound programs operate there and the young people come from the rural area. In rural America there are some poor people and the parents have very little. There are others who have low income for some years but they have high holdings.

There are rural equivalent slums perhaps in the Southeastern United States and there are a few places in northern Minnesota but in my congressional district the people do not live in slums, rural or urban.

Mr. SHRIVER. Congressman Quie, I think that we rely not only on the numerical dollar income of people but also we place some reliance on the colleges that are operating these programs to the extent that if a youngster gets in, let us say, by mistake, and say his family has a \$10,000 farm or a Cadillac or two Cadillacs, that type of thing becomes fairly well known pretty quickly in the community.

Usually it becomes known so quickly that we get a blast in Washington for having permitted into the poverty program somebody who is not qualified financially.

Mr. QUIE. What happens when they are in the Upward Bound program and the blast comes to Washington?

Mr. SHRIVER. The interesting thing is that so far as I know, there probably are some cases, I don't know of any cases that have come up like that. There may be a half dozen or a dozen.

Mr. FROST. We have had a half dozen cases like that. I called the attention of the college to it and the college looked further into the

youngsters' families' assets. They did not throw the youngster out of the program but usually used its own money or some local contributions to support him.

Chairman PERKINS. Mrs. Green.

Mrs. GREEN. Thank you, Mr. Chairman. I don't have any questions. I do think there ought to be greater coordination between the Talent Search in the Office of Education and Upward Bound and the individual programs that have the same golden objectives that are carried on by individual colleges.

It seems to me that at some time, maybe not this year, although I think we ought to look at it this year, these programs ought to be coordinated. I think that, in fact I know that in previous hearings in the Special Subcommittee on Education, people from the Office of Education have said that these should become one program at some time in the near future.

I would think that we would get better results for the dollars spent if we looked and studied this possible coordination of the programs I think there is overlapping and duplication and I think the goals are pretty much the same.

I have no questions, Mr. Chairman.

Chairman PERKINS. Mr. Goodell.

Mr. SHRIVER. Could Dr. Frost comment?

Chairman PERKINS. Dr. Frost.

Mr. FROST. Mr. Chairman, I believe that the clientele so far is different enough to suggest that maybe they ought not to be amalgamated yet. Talent Search has no academic beefup or remedial work in it to my knowledge anywhere in America. These youngsters were not only not headed for college but probably headed for poverty. They will never make it in college unless they have this kind of major academic beefup.

Therefore, in my view Upward Bound has reached a somewhat different cut of American youngsters than Talent Search reaches.

Mrs. GREEN. I think there would be a difference of opinion on that. When we drafted the legislation, I think the gentleman from Minnesota will agree, that the purpose was the same, to identify the youngster of exceptional ability who did not have the money to go to college.

Mr. FROST. I believe we are in an important semantic difference here. The Talent Search statute, as I recall it, says demonstrated aptitude, and use the words "qualified youth." Most Upward Bound students in conventional terms would not have met either of those standards when they were first recruited.

Mr. GOODELL. How much community action money is going into Upward Bound?

Mr. FROST. In fiscal 1967, \$28 million and projected for fiscal 1968, \$35 million.

Mr. GOODELL. Is this entirely at the option of the Community Action Board to set priority in that area?

Mr. FROST. No, sir. The university may apply to us directly or the CAA may apply to us directly.

Mr. GOODELL. Money out of Community Action title II funds.

Mr. FROST. I did not understand.

Mr. GOODELL. Money coming out of title II, Community Action funds.

Mr. FROST. Yes.

Mr. GOODELL. I think the record indicates our basic agreement with the objective of Upward Bound. I think there is a legitimate question as to the best way to accomplish this, particularly coordinating it. You may be right on the technical language of the statute setting up Talent Search.

There is a very real question, however, whether we should have two or three programs at the Federal level operating in generally the same area.

As Mrs. Green indicated, the last 5 or 6 years on our Higher Education Subcommittee we have been very much concerned about finding the youngsters who have a potential to go further in their schooling and college or other postsecondary education.

A great many of the programs we have designed have been to find these youngsters and help them. It is not necessarily an argument for a separate program; the program objective itself is good.

Generally it would seem we would be better off with a well-coordinated program handled in one place, whether it is handled through the poverty office of OEO or through the Office of Education.

Chairman PERKINS. Before you came in, Dr. Frost made it very clear that there was perfect cooperation with the Office of Education and there was no duplication, that they were in a better position to zero in on the "C" youngster in the disadvantaged areas of the country.

The so-called Talent Search program did not in any way conflict with this program even though it had in one sense the same goals. There is no doubt in my mind that in the long run this program will be transferred to the Office of Education. But I personally think that until we get this program off the ground and continue to zero in and improve the college attendance of the disadvantaged youngster with a concentered effort and in coordination and harmony with other poverty programs they are in a better position to do the job than the Office of Education and with the perfect cooperation existing with Talent Search it would be better to let both programs continue.

Mr. GOODELL. Mr. Chairman, I have yet to witness an occasion where an administrator from a Federal agency did come up here and say they never had perfect cooperation with other Federal programs. We have seen this in every area.

Apparently in Headstart they think they have perfect cooperation in their preschool programs. Some of us know this is not actually the case when you get down to the administrative level.

I think the question is a very significant one here. If we concede that this program should eventually be a part of a coordinated program operated by the Office of Education, why should it not be now? There is an interesting myth that is constantly proclaimed in recent years, that the only place you can start a new program, the only place you can make a new approach, is in the Office of Economic Opportunity, that somehow this is a greenhouse. Little seeds grow in the Office of Economic Opportunity.

When you get the plants large enough so that they can survive, then we can transplant them to other agencies.

For some number of years prior to the creation of the Office of Economic Opportunity there had been innovation through other agencies of the Government. We have seen some spectacular and rather sensational and inspiring new programs started in these other agencies. I don't accept the immediate assumption that seems to be underlying everything that we talk about in the poverty program: that if we want a new approach it must come from the Office of Economic Opportunity.

Mr. SHRIVER. I want to say that we don't claim that we have perfect coordination in everything. So, since that has never happened before, I want to be the first to do it.

Mr. GOODELL. You do claim perfect coordination between Upward Bound and Talent Search.

Mr. SHRIVER. I wanted to cite one example where we did not claim perfect coordination but when it was not working we got rid of programs without pressure from anybody. Title I-C we transferred out of our agency because we felt the coordination could be effected better over in the Office of Education. We transferred that. Nobody forced us to do it.

We did the same thing with the Small Business Administration loans. We propose to do it with the Small Business Development Center. We did it with nobody forcing us to do it.

Mr. GOODELL. There have been a number of examples in OEO where the evidence of lack of coordination has been so overwhelming that you came forward and admitted it.

Mr. SHRIVER. We did come forward and admit it. We took the initiative of saying that somebody else should do it.

Mr. GOODELL. You claim to have perfect coordination, so far as Upward Bound is concerned, with other Federal programs.

Mr. SHRIVER. Let me repeat what Dr. Frost said, I think before you came in; namely, it was like comparing apples and oranges at this stage. Upward Bound is working with different clientele. He has effected in addition to that, I believe, pretty good coordination with the Office of Education.

But there is not a great need at this stage for elaborate coordination because the group he has been working with has been so untouched and nobody working in there at all that there is no overlap now.

Maybe there will be sometime in the future, but as of now there is not. Isn't that right, Dick? If it is wrong, say it is wrong.

Mr. FROST. That is right except in this one instance. Every Upward Bound graduate or alumnus will, of course, need financial aid. The Federal financial aid programs are, of course, in the Office of Education.

We are working just this month and next month very closely with those people, I must say very easily. There are very good people over there. I find them very easy to work with. We are putting the actual name of such a youngster who graduated from an Upward Bound program at such an such a place and has applied at such and such a college and while he has been accepted he does not have enough aid or something.

David Johnson from EOG in the Office of Education moves right then and there on that youngster's problem.

Mr. GARDNER. I still don't seem to understand the answer to Mr. Goodell's question.

Mr. GOODELL. Mr. Chairman, I will ask unanimous consent to proceed for 1 additional minute.

Chairman PERKINS. Go ahead.

Mr. GARDNER. I don't understand the answer you gave to Mr. Goodell's question. Could you possibly give a yes-or-no answer? Do you have excellent and perfect cooperation between the two departments?

Mr. FROST. Depending on which adjective is going to be used—

Mr. GARDNER. How about a simple yes or no?

Mr. FROST. Is there good cooperation, sir?

Mr. GARDNER. Yes.

Mr. FROST. Yes.

Mr. GARDNER. Is it perfect?

Mr. FROST. No, it is a 60-cent cab ride over there to their building. So it is not perfect.

Chairman PERKINS. Sargent Shriver, do you agree that you are in a better position to mount a massive attack on this youngster that you are presently reaching in the Office of Education and do you feel that until you get this program off the ground, it will take several years, just like we enacted the category approach under the NDEA bill several years ago and this year we have abandoned the category approach altogether, as I understand.

We will continue to concentrate until we bridge this gap where only 8 percent go to college of these "C" youngsters, or worse, that you are reaching at the present time in this great number of 1,400,000 poverty high school students.

The Office of Education had never made any effort to reach this group prior to your Upward Bound program and were not successful in reaching this group, am I correct in that?

Mr. SHRIVER. I don't know enough about the history of the Office of Education to be able to substantiate the last part of your statement, Mr. Chairman. Many people on this committee know more about that than I do.

Chairman PERKINS. They have made an effort but never made a massive effort.

Mr. SHRIVER. So far as I know a massive effort was not made. That is why we tried to inaugurate an effort, too, to reach these youngsters. I think the issue really is as to whether substantial savings, for example, to the taxpayer might be accomplished by such a transfer, whether substantial improvements in the program—maybe somebody should be running it better than Dr. Frost—I don't think so, myself, but I am happy to hear Congressman Dellenback speak so favorably about Dr. Frost. Dr. Frost has a man with him now, who is from western Washington State University who has run a very successful program in Upward Bound. I think the leadership, the staff, the costs, the success, let me say the results, of the program are extremely encouraging.

As a matter of fact, I would say they are verging on being extremely successful. I don't see what is gained at this stage by a transfer because these fellows are working on the poor and I think doing an exceptionally good job.

Chairman PERKINS. You have perfect cooperation with the colleges and universities.

Mr. SHRIVER. So far as I know, for example—I don't know, maybe Dr. Frost can tell what the attitude of the colleges has been about the operation of the program here. Maybe they are complaining, I don't know. I haven't seen the complaints. Maybe they don't like the way we are doing it. Maybe they want to get out. I don't know.

Chairman PERKINS. Do you want to comment on that, Dr. Frost?

Mr. FROST. Not only do they not want to get out but the number who wish to apply rapidly increases. I had the good fortune of having been a college official, myself, prior to coming here and having to put up with a fantastic, at least it looked to us, a fantastic array of problems from Federal agencies. We have in this agency, with the strong support of Mr. Shriver, kept this a fairly simple business. We have very few complaints from the colleges and no college in Upward Bound has ever asked us to look into the college question of moving the program to any other agency.

Chairman PERKINS. Mrs. Green.

Mrs. GREEN. Let me follow through on something you said a moment ago, Dr. Frost. In regard to the financial assistance for the graduates from Upward Bound, what is the procedure you follow? You said you went over to the Office of Education. Will you take it from there?

Mr. FROST. Yes, Mrs. Green. The youngster with the help of his local Upward Bound project director applies to colleges, usually nearby because it is costly to go elsewhere. Where they are applying we get reports. Where we notice a youngster who has been accepted, let us say, at Los Angeles State, but Los Angeles State has run out of its EOG money, we call David Johnson immediately, give Dave the name of the youngster and he, I understand, gets in touch with the administration people there and the financial aid people there.

What we have not done, and I would appreciate your advice on this, what we have not done, either of us, is earmark any EOG money or loans or any Office of Education money specifically for Upward Bound youngsters.

Mrs. GREEN. You gave me the example that they run out of EOG money. You call Dave Johnson. Dave Johnson does what?

Mr. FROST. He apparently gets them some more EOG money that he has because of some unused money in California or unused money in other states. He has flexibility to transfer unused money around.

Mrs. GREEN. You are saying that these youngsters, because of your program, have top priority for work-study funds and EOG funds.

Mr. FROST. I would like to think he would respond the same way to a call from a financial aid officer of any college in the State. He and I have agreed to not try to earmark and thus give the top priority to a lot of Upward Bound youngsters. There are a lot of poor in America and only a few are Upward Bound.

Mr. GIBBONS. Is it not more like following up an investment you have already made. You have made an investment of time and money in this youngster. It is not like there are surplus funds in one area and you transfer to another. It makes a good business sense to not let your investment fly out of the window because you have gone this far with it. That is about all that it really amounts to.

Mr. FROST. That is because we are talking about the youngster who has already been accepted and thus the investment is a sure thing if we can get him in.

Mrs. GREEN. Isn't that equally true with any youngsters in college? Isn't there an equal investment in a kid who is academically inclined and wants to work and has a chance to graduate, whether he comes from Upward Bound or works on his own, with his efforts and will-power without help from anybody.

I am really interested, if I understand what you are saying, that the Office of Economic Opportunity does enter in and asks for consideration for Upward Bound. We have an allocation of funds under EOG. We have an allocation under work study. Then we have the situation in which a Federal agency can call up a university and say, "We think special consideration should be given to this youngster."

If that is the way we are going to operate the program it seems to me there are some real pitfalls because some other kids maybe deserve the same kind of break. Maybe they deserve to have the same kind of person make a call for them and ask special representation for them.

I think it should be done by the university on the basis of what it considers good for the kids.

Mr. FROST. My guess is that the amount of money that Mr. Johnson moves around the universities for EOG's that go to Upward Bound students would be very small.

Mrs. GREEN. My understanding of the legislation is that we never intended to have any surplus funds for anybody to move around at his discretion. But I will look at the legislation again.

Mr. FROST. I would have to look at it again. My understanding is that if the University of Illinois does not use \$100,000 of EOG it can be moved around.

Chairman PERKINS. The usual provision of reallocation.

Mr. SHRIVER. Could I make a comment, Mr. Chairman?

Chairman PERKINS. Yes.

Mr. SHRIVER. I would like to say from my point of view I agree with Mrs. Green. I do not think that a special office like Upward Bound or officials down in Washington or someplace else should be making a special plea on behalf of a special group.

I think the college should make the grants as Mrs. Green said. I do think however with respect to the kids in this income group today it appears from the statistics that Dr. Frost has that about 8 percent of such kids go to college now. Upward Bound is apparently increasing the total number of such kids at that income level by a quantum jump. It seems to me therefore that it might be advisable for this committee to consider whether or not there should not be more money available through this committee to Mr. Johnson over there for this kind of kid whether he has been in Upward Bound or not.

I am not trying to get a special break, I think you are right, there should not be a special category. But when you have a big quantum jump apparently about to come into being, then maybe a larger amount of money is needed in Mr. Johnson's office to take care of this large number of poor kids who are competing for money.

But I agree, I want to make it very clear at least I agree, that Upward Bound kids as compared to other poor kids should not get a special break.

Mr. GOODELL. Who is the applicant for this money?

Mr. FROST. For the EOG money?

Mr. GOODELL. No, the Upward Bound programs.

Mr. FROST. Usually the colleges, either through a CAA delegate or straight to us.

Mr. GOODELL. The college makes the application?

Mr. FROST. Yes, sir.

Mr. GOODELL. The grant is made to whom?

Mr. FROST. Usually straight to the university where it was a delegate to the CAA.

Mr. GOODELL. Under our Opportunity Crusade concept of community action you would continue to have complete freedom in the community action agency to allocate funds to such projects as Upward Bound. But our special concern is the recruiting, the finding of these youngsters, and the special aid for these youngsters. Perhaps these are a legitimate responsibility of the community action agency.

But when you give grants to colleges for programs of this nature, you then are involved with coordination of all your student aid type programs which today are handled by the Office of Education. It raises the serious question as to whether the best place of coordination is the Office of Education.

Mr. DELLENBACK. Mr. Chairman, may I make a brief comment in view of the remarks that the chair made a few minutes ago before we get too far away from this in the record?

I would like to make a point that I don't think it is fair argumentation, on this bill or other Federal programs, to continually say that because something has been done in recent years, and it was never done before then, that it is therefore automatically certain that, if we were to change the program now to a department that had not done it before, that program would not be carried out effectively in that department.

There has been a fundamental difference made by the recent massive infusion of Federal moneys. I don't think it is a fair argumentation to indicate that OEO has done something in recent years with Federal moneys that were not available before then and to state or imply that if there were to be a transfer of this program to another Federal agency, because that agency did not carry out that program 10 years ago when this money was not present, it would not do it now.

Our question is what programs need to be carried out and in the light of 1967, and 1968, and 1969 what agency of Government can best perform that task. I don't seek to push it any further at this point except to make that point.

Chairman PERKINS. Mr. Hawkins.

Mr. HAWKINS. Mr. Chairman, I think it is a very excellent program, but I think there are a couple of things wrong with it. One, the money is much too inadequate. Last week I had to go out to Los Angeles because I had received 300 letters from one school in my district which is engaged in an Upward Bound project sponsored by the University of California at Los Angeles.

There are 40 students in this program. I received about 300 letters from other students at this school complaining they were not being given the opportunity that the underprivileged kids were being given. It is a very difficult thing to go before a group like this and try to explain to them just what is happening.

Of course I had to indicate that I thought the Republicans should be persuaded, not this Congressman, but the Republicans should be persuaded, and also some Democrats to support the program and to put up more money.

It seems to me also the coordination is wrong in some of the areas. Of the three high schools in my district, only one is really participating in the program. The other two are participating only inadequately. It is very difficult to explain again to kids in one high school how they are getting all the breaks and the kids in another are not getting the breaks.

There should be some type of distribution of money to the various high schools that are actually in the poverty areas.

Then there is a third problem which I think is a much more difficult one. If eight out of 10 kids are not going to college, that some encouragement should be given these young people to get them into vocational education or some other program. This, it seems to me, is the responsibility of the local community action agency to plan the various programs to meet the problem of the kid who becomes excited and thrilled at the chance to participate in a program to send him to college when he probably should go into vocational education. Because he sees another kid obtaining the benefit of a program, he wants what seems to be to him available.

I think that sometimes we are making a mistake in trying to persuade some of these people, some of these kids, to go into college who probably would be much better off to go into vocational education. This is a very pathetic thing, that merely because of the lack of coordination and the type of counseling that is being provided, and this I think is the problem of the local administration of the program, we are suddenly giving a lot of kids the expectation that everybody is going to be college bound.

Everyone wants it in a particular high school when probably this is not the best thing for that particular kid. I think that there should be another thought given to the way the program is being administered in some places, in certain parts of the country, and the lack of coordination by the local community action agency in that the various Federal programs that are available are not known by the various youngsters in these schools and merely because one program seems to be dramatic and most exciting, every kid in the high school wants to get into that particular program and not into a program which is perhaps better suited for that particular kid.

Chairman PERKINS. I agree with the gentleman that any lack of coordination of counseling or lack of complete counseling of students would be disappointing.

But I would think if counselors are available that that examination must be made in the school system before the school system can make the recommendation to the college about admitting them.

If not, they certainly would be derelict in their responsibility. I can see the gentleman's point.

Mr. HAWKINS. I agree with the chairman. I also know that counseling is not available to most of these kids. Most of them have not been counseled. Or if they have been counseled they have been counseled so inadequately by the counselor, who himself is so desperate to get kids

in the various programs, he does not perhaps make every youngster aware of the very programs that are actually available.

I think that should be the reason for the existence of the community action agency, to provide some kind of coordinated approach to the various problems from which youngsters suffer.

If they are going to try to put the pressure on a Congressman merely to get every kid in a particular program without at the same time taking into consideration that there are other Federal programs that also should be utilized, that they should make these youngsters aware of, then I think certainly this would affect the program.

I don't want my remarks to be considered as criticism of the Upward Bound program. It is an excellent program. But the point is that not every kid is upward bound. Every kid is not college material. To put him into college when he should be put into some other program is not fair to the youngster. Every system that works that way certainly is defective. In this particular instance the Jordan High School that I visited in my district is sponsored by the University of California at Los Angeles.

Obviously this institution is only interested in the college bound student. I am not criticizing the university but I am criticizing the system under which this result is achieved in that the high school involved should have sufficient counseling service or certainly the program should be better coordinated by the local community action agency so that all programs, and not just one of the Federal programs, would be made available to the youngsters.

Chairman PERKINS. Does the gentleman agree that over a period of years the educational agencies and colleges and universities throughout America and all the foundations throughout America have concentrated on the cream of the crop for college training and that this is the first massive attack to do something about the million and a half poverty high school students where only 8 percent of them go to college, and for that reason this program should remain in the Office of Economic Opportunity.

Mr. HAWKINS. Yes, I think it should. I think there is a very good reason for it. That is that there are certainly many youngsters who should go to college. That 8 percent is certainly inadequate. There are many others. I am all for increasing that number in those poverty areas going on to college, those who are college material.

But at the same time it seems to me that the "C" student who is really a "C" student who is thinking about getting into UCLA, for example, and making a success out of it and he is really a "C" student, and the better students have not been screened out, that we have done a disservice to this "C" student. He is not going to be able even to pass the entrance examination. He is going to flunk until he is put into what we call dumbbell English and he will be stigmatized.

Mr. SHRIVER. First of all, I would agree tremendously, overwhelmingly with his statement that more high school counselors are needed, not only in those schools but in all schools. There has been a great drive on to do it but still there is not enough money at the local level.

Secondly, I think there is the need for high school counselors to have a better understanding of the opportunities for poor kids and the places where poor kids should go, so inservice training in that respect is greatly needed.

However, the high school counselor job, as the Congressman knows, is not our job. There is a division I think in the Office of Education which is supposed to be doing precisely that. I would like to underscore what he also said, that his criticism is not directed at the Upward Bound program or OEO.

The failure is that of the high school counselor to give good counseling which is not our job. The final point I would like to make is on this community action program budget, Congressman Hawkins'—

Mr. HAWKINS. Before you continue with your statement, you stated this is not your job. I did not say it was. But it seems to me it is the job of the local community action agency. If, for example, counseling service is not provided which would in a sense separate the kids so that the kids who should really go to college is the one selected and the kid who should not is at least made aware of some other program which is more suited to him and therefore make this spot available to some other kid, maybe in the same high school to go to college, this certainly seems to me to be the type of coordination which is required at the local level by community action agencies.

In other words, I think they need to be the ones to discover these little problems of administration and suggest ways of changing them. But if they sit by and see these things happening, that all these slots are being used for kids merely because this program is available, they are not trying to suggest what should be done for this high school student, then there it certainly seems to me a fault of the local community action agency.

I know that in this instance we are 3,000 miles away from Washington and I am not trying to blame on OEO but I am saying that the local community action is so busy playing politics and political intrigue that they are not doing the simple job that it seems to me is required, to go to a school like this and point out that your counseling is weak and something should be done about it. Maybe this is not the role of the community action agency.

If not I would like to have a comment from you.

Mr. SHRIVER. That is the point I was trying to comment about. On that chart you will see about three-quarters of the way down where it says local planning and coordination \$18 million, we are trying to respond to your comment by pointing out that we are trying to beef up local planning and coordination of a local community action agency.

That is why that figure is in there. Let me add one other point. We have had unfavorable, so to speak, reaction when community action people go to local school boards and start telling local school boards what is the matter with the schools or counseling system.

In fact they don't like us telling them that, at all. When a local community action agency arrives at Watts and starts lecturing the high school on what a rotten job the counselors are doing, it is not received with great praise and hurrahs by the high schools.

Mr. HAWKINS. That is perhaps why some of the rest of us are doing it, because we can do it.

Chairman PERKINS. Mr. Pucinski.

Mr. PUCINSKI. If this Upward Bound program, as many of the other community action programs, were transferred to other agencies, could this activity be conducted, in your judgment, with the same degree of the high success you have had?

Mr. FROST. May we let the lawyers speak to that.

Mr. SHRIVER. We have proposed how we think it could be best done. We are here in support of the administration bill. Deviations from it with respect to this do not have our support. We have done the best we can to write the kind of bill we think would operate the program the best.

That is why it is the way it is.

Mr. PUCINSKI. The reason I ask that is that there would be a greater contribution of funds from local communities. The pie can be cut in only so many pieces and excellent programs like this would suffer.

Mr. SHRIVER. From my own point of view I think it is a serious drawback of the program if I understand correctly, Opportunity Crusade proposes that the local share again has to be substantially increased under that bill.

I say that because most local jurisdictions and Los Angeles I think would be one, feel that local taxes are as high as they possibly can be, especially the local property taxes.

I struggled with that for 5 years when I was on the Board of Education of Chicago. It was my belief we ought to be spending a great deal more money on education in Chicago then and it probably still is true but the local tax base can't take it.

Or at least they claim they can't take it. Therefore if you raise the burden on State and local government for programs like Upward Bound by raising local contributions I personally think it will hurt the programs.

Mr. PUCINSKI. Thank you very much.

Chairman PERKINS. Mr. Gurney.

Mr. GURNEY. Thank you, Mr. Chairman.

I am interested in this 8-percent figure that we have been talking about a good deal. As I understand the testimony, 8 percent now of the children from poverty income families go to college, is that right?

Mr. FROST. Yes, sir.

Mr. GURNEY. While that is a small percentage unfortunately it does amount to a rather sizable figure. If you multiply this by your figures of 1,400,000 as a matter of fact, it is 112,000 students who apparently are going to college this year from this group.

Obviously they are getting money from other resources than their own. I suppose a great part of the money also comes from the Federal Government, the Federal education programs, and again, I suppose, from the Office of Education.

Now you have made a heavy argument here that this particular program is better handled by your agency because you know the problems better. Let us admit for the purpose of argument that that is true.

Why should not all of the moneys that are now handled by the Office of Education to help out these 112,000 students, or a great percent of that number, be transferred to the OEO program? Would you advocate that?

Mr. SHRIVER. No, we don't. As a matter of fact, 2 years ago we transferred money—

Mr. GURNEY. Why wouldn't you, if you can handle it better?

Mr. SHRIVER. We don't handle the money. That is not what this program is.

Mr. GURNEY. Don't you handle Federal funds?

Mr. SHRIVER. What you are talking about is the financial aid money after the youngster has been accepted into a college, who should handle that. I said a little while ago that we think the college should handle that. Upward Bound is not in the business of trying to finance the freshman year or sophomore year.

What we are in the business of is finding poor kids who are performing badly, academically speaking, changing their motivation and getting them into college.

Mr. GURNEY. If your thesis is true that you can handle these programs better because you are better acquainted with the poverty group, and let us admit that for purpose of argument, I don't see why it does not follow that all college programs for students of the poverty group that are financed with Federal funds should be handled by the war on poverty program and not by the Office of Education.

Does the child's personality change when he gets out of high school and goes on to college, having come from a poverty group?

Mr. SHRIVER. Did you say, does it change?

Mr. GURNEY. It must be changed if it is handled from some other office than yours.

Mr. SHRIVER. As a matter of fact it does change.

Mr. GURNEY. In other words, there is a great cleavage and great change from high school to college and therefore you should handle the high school programs but the Office of Education should handle the college programs.

Mr. SHRIVER. I thought you said the student personality and motivation. Is that what you said?

Mr. GURNEY. The whole point here is if your agency should handle it, it is because it has a better expertise, it can do it better than the Office of Education because it is more acquainted with the special problems of the poverty group.

I say if the argument is true and I am not saying it is not, I am admitting for the purpose of argument it is true, it seems to me there should be a carry through by the Office of Economic Opportunity too to handle this special poverty class group that is going on to college.

Mr. FROST. Sir, I think we are saying that this particular kind of poverty high school student is more reachable by the machinery that OEO has. That does not mean all poverty students.

Mr. GURNEY. Let us pursue that because that is the next thing I am coming to. I think every man on this committee, Republican, Democrat, conservative and liberal, agrees with you that we want to help these people.

What we are not convinced about is that they are in a special category that only you can do the job and somebody else can't. Where are the differences in the students who are handled in Upward Bound and go on to college and those of this 112,000 that go on to college from the same income group?

Mr. SHRIVER. We ought to clear up that 112,000 figure for just a second, please.

Mr. GURNEY. Isn't that accurate?

Mr. LEVINE. I don't know where you got the figures.

Mr. GURNEY. That was testified to earlier this morning by Mr. Frost.

Mr. LEVINE. 112,000 poor kids?

Mr. GURNEY. No. That is my figure. And 8 percent of 1,400,000.

Mr. LEVINE. There are about 500,000 poor kids each year, in that general age range. Eight percent of 500,000 is 40,000. I don't know the source of the 112,000.

Mr. GURNEY. It is your figure, 1,400,000 in this group. What does the figure mean?

Mr. LEVINE. We may have had a figure in the college age group. There are about 500,000 in each year's age group. Eight percent of 500,000 is about 40,000. I am trying to figure out—I don't know where the other 112,000 came from.

Mr. GURNEY. The figure of 112,000 is 8 percent of 1,400,000 which is the figure you furnished or Dr. Frost did earlier in the testimony.

Mr. SHRIVER. That figure has not been furnished with respect to Upward Bound.

Mr. GURNEY. This is the whole poverty group in the country.

Mr. SHRIVER. The only time that a figure like that—

Mr. GURNEY. Excuse me, go ahead.

Dr. FROST. Sir, I would like to answer your original question if I may because it is a very important question. I would like to get the distinction clear. The non-Upward Bound youngsters who are economically poor, who go on to college, in my judgment would be high-performing youngsters so good that colleges would give their own resources and scholarships and so forth to them.

The Upward Bound youngsters on the other hand, three-quarters of them have C averages or worse in high school. This is not the conventional college going population. I think OEO can reach that strata somewhat more effectively. That is all I think I have said here.

Chairman PERKINS. The gentleman from Washington, Mr. Meeds.

Mr. MEEDS. Thank you, Mr. Chairman.

First, may I compliment Dr. Frost on his presentation of testimony and the operation of an excellent program. I also would like to compliment you on your choice of colleges.

For the record, Mr. Thomas Billings, who has become Deputy Director of Upward Bound, is a very esteemed member of the academic community in Western Washington College in Bellingham, Wash., where he has operated for over 2 years now an excellent Upward Bound program that has achieved phenomenal results in our area.

The first year, of the 50 people that they took from the local area in the group of people we are talking about, 45 of 50 returned and in the second year 49 of the 50 returned.

I am very much interested to see that this program is continued and would like to point out or rather ask in this instance if there is not a considerably higher demand or request for funds than we have been able to meet so far.

Is that not correct, Dr. Frost?

Dr. FROST. Yes, sir.

Mr. MEEDS. The figures I have are that there are 248 programs operated currently and that in this fiscal year you had to turn down 125 colleges or universities requesting funds for programs because you did not have them.

Dr. FROST. Yes, sir.

Mr. MEEDS. So there is a vast area of need here.

Is that right?

Dr. FROST. Demonstrated need, yes.

Mr. MEEDS. I would like to go back into the mechanics of this program a little bit to see if we can clarify some of the problems we seem to be getting into, such as whether the Upward Bound program ought to be operated by the Office of Education or the Office of Economic Opportunity.

First of all it is my understanding that there are two ways that these programs are initiated. One, by the local college or university who submits an application; is that right?

Dr. FROST. Yes, sir.

Mr. MEEDS. Or, two, from a local community action board working through a local college or university?

Dr. FROST. That is right.

Mr. MEEDS. There are any other ways?

Dr. FROST. No.

Mr. MEEDS. So that in contrast to Talent Search which is a program operated from the Office of Education we have an additional local factor here which is not present in the Talent Search, it seems to me. You can correct me if I am wrong. It seems to me that in this program you should have a working relationship between the local community action program and the local college or university. Is that right?

Dr. FROST. That is right.

Mr. MEEDS. Is that such a working relationship available under Talent Search, do you know?

Dr. FROST. I do not know. My understanding is that a college applies to Talent Search directly without reference to the local CAA.

Mr. MEEDS. As a matter of fact, it is generally and perhaps in all instances, I don't know, a contract between the college or university and the Office of Education?

Dr. FROST. That is right.

Mr. MEEDS. Not involving the local community?

Dr. FROST. That is my understanding.

Mr. MEEDS. So from this standpoint the program we are talking about, Upward Bound is more local in nature than is Talent Search, is it not?

Dr. FROST. On the surface the Upward Bound program clearly and formally involves more local resources.

Mr. MEEDS. Aside from the differences in the program that you described as apples and pears, to be consistent, those people who are asking for local control and local autonomy, it would seem to me should be more in favor of Upward Bound types of programs than in favor of Talent Search programs, where there is more local control, more local working between the community action board and local groups and college or universities.

Am I being inconsistent here?

Dr. FROST. No, sir. I could not compare these programs because I can't compare apples and pears and still can't. I think these are different programs. One is a kind of broadcasting program.

It is very important that poverty high school youngsters under-

stand that there are Federal scholarships. It is very important. Talent Search does that and in my views does a good job at that.

But Talent Search does not beef up any youngster who is not going to make it in college at the rate he is going.

Mr. MEEDS. It does not do anything more than provide him with the information and the counseling and pointing him toward this without involving him in the actual program.

Dr. FROST. That is right.

Mr. MEEDS. Do you have any idea of how many or what percentage of your programs involved in Upward Bound are over \$100,000 and what percent are under?

Dr. FROST. I would have to guess. The average is about 88,000, or 90,000 this year. But there must be a goodly number that are over 100,000.

Mr. MEEDS. Would you say 25 or 30 percent are over?

Dr. FROST. At least.

Mr. MEEDS. Are you aware that under the Office of Education the Higher Education Act from which Talent Search is presently funded there is a limitation of \$100,000 on any program under Talent Search authority, sir?

Dr. FROST. Yes, I am.

Mr. MEEDS. So if we were to transfer this program without making any further provision for the amount that a sponsor could spend, you would run into a limitation that would eliminate at least part of—25 or 30 percent of the programs?

Dr. FROST. It would be a severe limitation in many cases.

Mr. MEEDS. Thank you, Mr. Chairman.

Chairman PERKINS. Mr. Scherle.

Mr. SCHERLE. Dr. Frost, can you tell me how many branches and twigs funnel out from the trunk of this one single program?

Dr. FROST. How many branches and twigs that funnel out from one trunk of this program?

I don't quite understand the question.

Mr. SCHERLE. It is very simple. We are in this jigsaw beginning with Upward Bound, now how many other programs subservient to this but affiliated with yours do you control?

Dr. FROST. We don't control any programs. We make grants to universities and universities may have any number of complementary activities. I don't know about that.

Mr. SCHERLE. You mean there are no other programs affiliated with this Upward Bound except Upward Bound itself? There are no subprograms of any kind?

Dr. FROST. No sir.

Mr. SCHERLE. Is this affiliated with the CAP program then, the community action program?

Dr. FROST. Very much so.

Mr. SCHERLE. But it is not a separate entity?

Dr. FROST. Well, it is one of the national emphasis programs of the agency and it is related to the CAP's at the local level.

Mr. SCHERLE. How many various programs, and I mean overall in the OEO, are financed, handled, controlled by this program?

I am talking about all those you have listed and many more that you probably don't have listed.

Dr. FROST. You mean by community action?

Mr. SCHERLE. I am again talking about everything. Can you just give me a figure?

Mr. BERRY. You mean the figure in dollars?

Mr. SCHERLE. No, I want to know the number of programs that you are involved in, in welfare, in school, in Upward Bound, in community action, and you name it.

Mr. BERRY. In response to community planning and programing we fund, as national emphasis programs, Headstart, Upward Bound, Comprehensive Health Services, Legal Services. Those are the four major emphasis programs.

Mr. SCHERLE. This is a question that I asked Dr. Frost. How many branches from those four do you have? Now you have the MFY, which is one and you have a multitude of others that are individual programs and under one unit.

How many of those in total do you have?

Mr. BARRY. We fund 1,050 community action agencies throughout the country for a variety of programs with categories of service—as I said yesterday the total aggregate of variation of programs in the area of adults, young people, old people, families totaling some 15,000 different components of programs which local communities conceive as having a meaningful attack upon conditions of poverty.

They are funded through funds made available by Congress under title II, the community action program.

Mr. SCHERLE. My next question is, how many high school students have participated in the Upward Bound program so far?

Dr. FROST. There are currently 20,000 in the program, sir.

There will be 22,000 this summer. There have been in 1965, 2,000.

Mr. SCHERLE. How many are presently enrolled in institutions of higher learning?

Dr. FROST. In the 1965 group a thousand have graduated, 800 went on to college. In the 1966 group, the high school graduates in that group were about another thousand and 760 of them went on to college.

Mr. SCHERLE. What is the percent of dropouts?

Dr. FROST. Dropouts have been 4 percent.

Mr. SCHERLE. Mr. Chairman, without utilizing any more of my allotted 5 minutes—

Chairman PERKINS. Your 5 minutes have expired.

Mr. SCHERLE. Then I have a point of inquiry. Mr. Chairman, could you let us know what procedure will be used for the rest of the morning so that I can try to put my questions to fit into this jigsaw puzzle?

Chairman PERKINS. We will complete the interrogation of the witness and then follow through with Headstart.

Mr. BERRY. Mr. Chairman, I wonder if I could get on the record a clarification of the question asked by Congressman Gurney about the number of poor involved in the universe of poverty.

Chairman PERKINS. Without objection go ahead before Mr. Gibbons commences.

Mr. BERRY. The 1,400,000 or whatever figure you quoted is the figure of total high school students that are within the category of poverty. That is from grades 9 to 12. The clientele to be served by

Upward Bound are those students within the grades, usually the junior and senior grades, so that they would be subtracted from the 1,400,000.

We estimate that there are of the high school graduates who would be going on to college and would be on an annual basis involved as the target area for Upward Bound, 870,000.

The 8 percent therefore would be applied to the 870,000 or there would be a universe of 104,000 who might be going on to college, that 8 percent.

Mr. GURNEY. Thank you, Mr. Chairman, if I can comment, that is exactly what I understood the figures to mean. This is the point I was trying to make. There were a very considerable number of poverty war students going on to college by the very definition of witness Frost today.

These scholarships or grants are being handled by the Office of Education. The argument makes no sense to me that poverty war programs can handle this Upward Bound better than the Office of Education.

The argument defeats itself. Either it ought to be in the Office of Education or the programs in the Office of Education dealing with students that go on to college from this group ought to be in the poverty war program. I don't think the argument is a sound one.

May I ask one more question, Mr. Chairman, that I think has some relevancy in view of some of the answers?

Chairman PERKINS. Is there objection? The Chair hears none.

Mr. GURNEY. One thing did evolve at the end of our colloquy, Dr. Frost, when you replied to my question of what was the difference between the kind of students that you are handling and the other kind of students that go on to college from the poverty war class.

You said your students were in the lower grades, I think grade C you stated. Then if I understood you correctly you stated that this other segment of the 104,000 that went on to college was a difference between kind of student and if you did not say exceptional students I understood that would be duplication. Is that right?

Dr. FROST. This is my impression as a college official and college teacher. Well when the poor go to college and get financial aid it is because they are demonstrably good students.

Mr. GURNEY. Then I am simply going to ask—and I am sure that is your honest impression—then I am going to ask where did you get this figure and is this impression based on fact?

I recall from my own college experience many of the boys and girls attending college when I was going certainly from the poverty class and they were not necessarily Phi Beta Kappa, A or B students.

I don't think the statement is a correct one and I wish you would furnish for the record in what college level group, the percentage there in that class, A or B or otherwise, these other poverty stricken children are.

Dr. FROST. We will do that.

Chairman PERKINS. It may be submitted for the record.

(The document referred to follows:)

After an extensive search for statistical data which would respond to Congressman Gurney's question, we must report that such data are not now available.

We were unable to find any national studies of the college grade records of poor youngsters. Individual colleges were unable to furnish anything beyond "impressions," since they do not typically keep records of correlation between college

grades and poverty. The comments of College Admissions officers and registrations reveal:

- a. most poverty youngsters who are admitted to college have records of high academic achievement in high school, and
- b. that such youngsters continue this achievement once they are admitted to college.

However, these are merely "impressions," registered by a sample of College Admissions officers and registrations. They fall short of hard data and conclusive evidence. Similarly, the Office of Education has no such data.

A survey of research abstracts in the Encyclopedia of Educational Research failed to provide any substantial data on the college grades of poor students.

That such data are not now available does not mean that it could not be developed, but such development would require a carefully developed research design, financing, and time.

Chairman PERKINS. Mr. Gibbons.

Mr. GIBBONS. Dr. Frost, what grade level do you think is the best grade level to pick up the so-called Upward Bound students?

Dr. FROST. Our experience, sir, as you know, is brief but our judgment is that about the 10th grade is the best age level to pick Upward Bound students. We have found with one or two groups, particularly American Indian youngsters, that you probably have to start earlier than that.

They have staggering dropout rates that begin very early in high school.

Mr. GIBBONS. Actually you feel for most students you need them for at least 2 or 3 years in order to give them additional education and additional motivation, is that right?

Dr. FROST. That is right.

Mr. GIBBONS. As I understand the characteristic that you are looking for in an Upward Bound student, first of all this student is from an economically disadvantaged family and secondly he is from some background, while we know all poor people are not unsuccessful, he is from an unsuccessful family as well as a poor family. Is that right?

Dr. FROST. That is right. The description of the target is a student who has potential for success in college but whose present level of achievement and motivation would seem to preclude his going.

Mr. GIBBONS. These are students who would have been making low academic marks and probably would have scored pretty low on the SAT and SCAT tests, or things of that sort. Is that right?

Dr. FROST. No doubt about it.

Mr. GIBBONS. They would generally be overlooked in the hustle and bustle to get the children off to college, isn't that right?

Dr. FROST. That is true.

Mr. GIBBONS. The ingredient you seek to add is I think something that Mr. Quie touched on here. I know in my own area the high schools are large, they are rather impersonal, the schoolteachers really have little opportunity to get to know the family background, the economic background of the student because they see so many students every day, they are teaching perhaps a student for maybe 5 days a week, 1 hour a day, in a class of 30 to sometimes 80 in my own area, and they really don't know the students as well as they perhaps do in a smaller area like Mr. Quie's high schools are.

What you are seeking to add, as I understand it, is a personal touch through your community agencies, through your outreach work. You are trying to tie together not only economic poverty, the social poverty from an unsuccessful family, but you are trying to get the

personal touch of knowing that this child has perhaps the unrecognized potential of succeeding. Am I correct in that?

Dr. FROST. Sir, for most of these youngsters college has not really been in their universe. Their parents did not go. Their older siblings did not go. It was not part of their expectations. For the first time then it becomes a part of their expectations.

Now they have a very different target to shoot for.

Mr. GIBBONS. Mr. Shriver spoke earlier about the quantum jump that we are making in the category area that is going to require additional infusion of economic opportunity grants.

Could you give this committee any ideas as to what you think this quantum jump may be, the size of the quantum jump?

Dr. FROST. We have now 6,000 Upward Bound seniors coming around the track. Next year it will be 10,000 coming around the track. The pool that is out there in my judgment is big and could be reached. I have enormous confidence that the American higher education system if supported could reach this pool.

Mr. GIBBONS. You are talking about a jump of 700 to 1,000 up to 6,000, up to 10,000 and that type of progression?

Dr. FROST. That is right.

Mr. GIBBONS. Those are all the questions I have.

Chairman PERKINS. Mr. Dellenback.

Mr. DELLENBACK. Mr. Chairman, thank you. Time runs. So let me try to make these short questions, Dr. Frost. I hope I will get short answers to them. Do you have a figure as to the average per dollar student investment?

Dr. FROST. Yes, the Federal per-student cost per year is \$1,250 this year. An estimated \$1,150 next year.

Mr. DELLENBACK. So to take a student through Upward Bound from beginning to end, how much would you spend in 2 years?

Dr. FROST. Two years and a summer. So two times \$1,250 plus about \$800.

Mr. DELLENBACK. That is about \$3,300.

Dr. FROST. About \$3,300.

Mr. DELLENBACK. Do you have any studies that have been giving you information as to where you get any given percentages of your enrollees, that is, from high school counselors, from community action programs, or anywhere else? It has been indicated that one of the values to being under CAP was that this is the source of contact with the students.

Are actual selections made by colleges or universities?

Dr. FROST. That is right.

Mr. DELLENBACK. Do you have any background studies as to where they got their contacts?

Dr. FROST. We have a sample from 1966. It is a questionnaire that every Upward Bound student is answering this month as to where he first heard about it.

Mr. DELLENBACK. When that is forthcoming will you see that we have it for the record, please?

Dr. FROST. We will be glad to do that.

(The information requested follows:)

Nearly four out of five Upward Bound students first heard about the program through school contacts: 47% from a school counselor, 16% from a teacher. 10% from a principal and 8% from a school friend.

Although most of their parents looked favorably upon their being enrolled in the special academic program (80% according to the students), their neighborhood friends were much more skeptical (only 43% were reported to favor students' joining the program.)

Source: Questionnaire distributed by OEO to Upward Bound Project Directors, combined with data from the Syracuse University Youth Development Center.

Mr. DELLENBACK. Do you have any record at the moment as to the college performance of the Upward Bound students through the first year?

I recognize we can't talk about postcollege but do you have any sound figures as to what has happened with this first group?

Dr. FROST. I have it in the 1965 group.

Mr. DELLENBACK. May we do this in order to conserve time? May we have that for the record so that we can study it?

Dr. FROST. Yes.

(The document referred to follows:)

[Release at Upward Bound press conference, Nov. 30, 1966]

80 PERCENT OF FIRST UPWARD BOUND GRADUATES CONTINUE EDUCATION

Early indications of Upward Bound's success in reaching and motivating impoverished high school youngsters are that they respond as if the flood gates to knowledge had just opened, but the scars of poverty will not be quickly erased.

Dr. Richard T. Frost, OEO director of Upward Bound, projects that the several hundred thousand high school youngsters from impoverished backgrounds who now go to college at a rate of 8% could be motivated through Upward Bound to go at a rate of over 50%—higher than the college rate for all Americans, rich or poor.

Data from six of the first 18 Upward Bound demonstration projects show that 80% of the students continued their education, with 78% going on to college. Only 12 percent of these Upward Bound alumni dropped out during their freshman year of college, less than half the customary dropout rate for such students. (Previous studies put the dropout rate in predominantly Negro colleges at one-third the freshman class.) Although they were having a tough time competing academically, those students from the lowest economic status were those who most often improved their grade level in the second semester. Also, 20% of the Upward Bound students in college improved their academic standing in the second semester over the first semester.

Psychological testing of a representative sample of the 20,000 current Upward Bound enrollees shows a definite improvement in self-esteem and self-evaluation of ability, motivation for college, self-responsibility and interpersonal understanding. But attempts to measure a change in the student's alienation from society and positive plans for the future showed no significant change after a summer Upward Bound experience.

Student ratings of the Upward Bound programs indicate that low maturity students need structured educational settings; whereas high maturity students perform best in a more flexible classroom environment.

The teaching techniques that appear to produce the best results are: small classes and discussion groups where individual attention can be given and all students can be stimulated to participate; teachers who like and respect students who present a challenge and thus instill a sense of striving among students; almost full-time engagement in the academic process, with informal discussions, movies, cultural activities, individual tutorial sessions with college undergraduates, and evening session, all geared to stimulate the intellect; broad academic and personal freedom, with the student society imposing the rules; and use of teaching materials that are relevant to the type of student in the classroom.

"These techniques have been part of the national rhetoric among educators for a decade or more, but have been rarely practiced, as a package, anywhere," said **Dr. Frost.**

"Why not," asks Dr. Frost, "teach probability theory in mathematics via poker odds; and why not explore the fascinating process of genetics in a biology class by asking the question: 'What color would the American people be if Negroes and whites intermarried at random?'"

"We are not discovering spectacular 'new' techniques in Upward Bound," says Dr. Frost, "but we are proving that a lot of lip-serviced teaching principles really do work when put into operation."

MAJORITY OF SAMPLE UPWARD BOUND STUDENTS IMPROVED ATTITUDE AND MOTIVATION FOR COLLEGE

A 10% representative sample of Upward Bound students tested at the beginning and end of the summer phase of the on-campus program showed significant improvement in six psychological measurements:

1. Motivation for college;
2. Possibility of graduating from college;
3. Self-evaluation of intelligence;
4. Self-responsibility;
5. Interpersonal understanding;
6. Self-esteem.

The students, in 21 of the total 220 programs, were selected to represent all urban and rural, small and large Upward Bound projects, and all racial and ethnic backgrounds.

The 21 programs were chosen as a representative sample to evaluate the initial effect of the Upward Bound experience on the attitudes and motivation of the high school students enrolled in the pre-college program last summer (1966).

The study was performed by Syracuse University's Youth Development Center under contract to the Office of Economic Opportunity. Dr. David E. Hunt is director of the Youth Development Center's continuing evaluation of Upward Bound students.

Because the student's attitude toward college was so important, this factor was measured both directly and indirectly. The direct score, "Possibility of graduating from college," was based on the student's rating of this possibility on a scale ranging from "not possible" to "extremely possible." The students' own estimation of ability to graduate from college increased in 16 of the 21 programs.

The indirect score, "Motivation for college," was based on the number of students who mentioned college when constructing a story about future plans from scratch. The number who did mention college increased in 20 of the 21 programs between the beginning and end of the summer Upward Bound programs. Students' self-evaluation of intelligence, based on a rating of "Myself" on a scale ranging from "dumb" to "smart", increased in 18 of the 21 programs.

Self-responsibility (or internal control) scores, which were based on a scale of items such as "Becoming a success is a matter of hard work; luck has little or nothing to do with it," increased in 20 of the 21 programs. Interpersonal understanding scores, which were based on a scale of items such as "The best way to understand a person is to put yourself into his shoes to see how he looks at things," increased in 17 of the 21 programs. Self-esteem scores, which were based on items such as "I feel that I have a number of good qualities," increased in 16 of the 21 programs.

Scores on an alienation measure, using questions as "These days a person doesn't know who he can count on" showed no significant change. (It was expected that Upward Bound would cause a decrease in alienation.)

An attempt to measure the students' planning for the future, through such questions as "People should just live for today and let tomorrow take care of itself" also showed no significant change. Apparently, it takes longer than one summer to make significant inroads into these attitudes.

UPWARD BOUND PROGRAMS RATED BY STUDENTS

Highly structured versus flexible programs were measured for effectiveness in a questionnaire answered anonymously by students at the end of the summer

phase. The attempt was not to measure which programs are "best," but rather "which programs are more effective with certain kinds of students?"

This test, plus previous research, strongly indicates that low maturity students, need structured educational settings; whereas high maturity students perform best in a more flexible classroom environment.

Thus, the greatest increase in positive attitudes about Upward Bound occurred in structured programs with predominantly low maturity students, and in flexible programs with predominantly high maturity students.

Program flexibility was measured in the target programs by students' responses to questions such as: "When the students make suggestions, the program is changed; yes or no?"

To investigate the differential in program effectiveness, the 21 target programs were classified according to: (1) predominant type of student (low versus high interpersonal maturity); and (2) type of program approach (structured versus flexible).

Students in "matched" programs (structured/low maturity and flexible/high maturity) also showed the highest increase in five of the six student measurements: motivation for college; possibility of graduating from college; self-evaluation of intelligence; self-responsibility; and inter-personal understanding. Self-esteem was the only measurement that did not appear to have a causal relationship.

In the five student measurements of attitude and motivation where differential effectiveness was present, neither flexible nor structured approaches show any general superiority. It is only when the degree of "matching" student and program is pinpointed that program effectiveness can be determined. With this kind of information on each program, OEO can advise Upward Bound projects on changes needed to better reach their particular student body.

Source: Syracuse University Youth Development Center.

PROFILE OF 20,000 UPWARD BOUND STUDENTS

A large percentage of the 20,000 high school students enrolled in Upward Bound in the summer of 1966 come from families below OEO's minimum poverty level; and are severely handicapped culturally when compared with the U.S. high school population.

Indications of the level of deprivation of the more than 20,000 students enrolled in Upward Bound in the summer of 1966 are—

Mean family income: \$3,501.86 (OEO considers \$4,000 a poverty level for family of 6).

Size of family: 53% have 6 or more members in a family.

Parental guidance: 55% of students were living with only one parent (30% living with mother) or with no parent.

Comparison with a national high school sample graphically points up the deprivation of Upward Bound students:

[In percent]

	Upward bound	U.S. high school students
6 to 8 members in family.....	33	25
9 or more members in family.....	20	5
Living with both parents.....	45	82
Living with mother only.....	30	8
Education of parents:		
High school graduate:		
Father.....	31	48
Mother.....	43	57
Post high school education:		
Father.....	12	25
Mother.....	14	23

Older siblings of Upward Bound students have a high secondary school drop-out rate and extremely low college attendance record. Only 5% of older siblings are college graduates, while 30% of the older brothers, and 26% of the older sisters have already dropped out of school without a high school diploma.

STUDENT DATA FROM UPWARD BOUND

1. Total number applying to the 224 Upward Bound project schools: 34,529.
 2. Total number enrolled: 20,139.
 3. Mean age: 16.1 years old.
 4. Sex distribution:
- | | <i>Percent</i> |
|----------------------------------|----------------|
| (a) Male | 48.6 |
| (b) Female | 51.3 |
| (a) Caucasian | 33.0 |
| (b) Negro | 51.9 |
| (c) American Indian | 4.1 |
| (d) Spanish American | 7.3 |
| (e) Other (e.g., oriental) | 3.4 |

Upward Bound students were drawn from the largest metropolitan areas (40% lived in cities of over 100,000 population;) and the most isolated rural regions (25% lived in communities with less than 2,500 population.) Most attended densely populated high schools, with 55% reporting their high school enrollment in excess of 1,000 students. Eight percent attended schools with fewer than 300 students.

Nearly four out of five Upward Bound students first heard about the program through school contacts: 47% from a school counselor, 16%, from a teacher, 10 from a principal and 8% from a school friend.

Although most of their parents looked favorably upon their being enrolled in the special academic program (80% according to the students), their neighborhood friends were much more skeptical (only 43% were reported to favor students' joining the program.)

Source: Questionnaire distributed by OEO to Upward Bound Project Directors, combined with data from the Syracuse University Youth Development Center.

PROFILE OF UPWARD BOUND PROGRAMS

- | | |
|--|--------------|
| 1. Total number of Upward Bound projects | 220 |
| 2. Total number of students | 20,139 |
| 3. Total community action 205 funds in fiscal 1966 | \$25,949,165 |
| 4. Federal cost per program | \$117,096 |
| 5. Federal cost per student funded | \$1,243.06 |
| (a) Smallest (Princeton) | \$14,550 |
| (b) Largest (Texas Southern) | \$410,872 |
| 7. Average enrollment per program (students) | 88.22 |
| (a) Smallest (Princeton had 60—we financed 12) | 12 |
| (b) Largest (Texas Southern) | 337 |
| (a) In public institutions of higher education | 114 |
| (b) In private institutions of higher education | 96 |
| (c) In public secondary schools (BIA school in Alaska) | 1 |
| (d) In private secondary schools | 9 |

PROFILE OF UPWARD BOUND STAFFS

1. Total number of teaching staff-----	2,803
(a) Colleg-level teachers-----	1,101
(b) Secondary-school teachers-----	1,484
(c) Teachers from other sources-----	218
2. Total number of professional staff other than teachers-----	999
3. Total number of nonprofessional staff other than tutors-----	634
4. Total number of tutors-----	2,748
(a) Mean age of tutors: 20.8 years old	
(b) Median grade level completed: 15th grade (college junior)	
(c) Sex distribution:	
	Percent
(1) Male -----	50.3
(2) Female -----	49.6
(d) Ethnic composition:	
(1) Caucasian -----	64.5
(2) Negro -----	30.9
(3) American Indian -----	.7
(4) Spanish American -----	2.8
(5) Other -----	1.0
5. Ethnic composition of total Upward Bound staff:	
(a) Caucasian -----	67.5
(b) Negro -----	27.8
(c) American Indian -----	.5
(d) Spanish American -----	2.4
(e) Other -----	1.6
6. Instructional ratios:	
(a) Teacher: Student ratio (<i>not</i> figured in "full-time equivalent")-----	1:7
(b) Tutor: Student ratio (accurate)-----	1:7

PROFILE OF UPWARD BOUND COMMUNITY ADVISORY COMMITTEES

1. Total number serving on advisory committees-----	3,451
2. Ethnic composition of committee members:	
	Percent
(a) Caucasian -----	61.4
(b) Negro -----	31.1
(c) American Indian -----	2.3
(d) Spanish-American -----	4.0
(e) Other -----	.9
3. Percent of committee members who meet OEO poverty criteria-----	33.2
4. Sex distribution:	
(a) Male -----	67.8
(b) Female -----	32.1

Source: Questionnaire distributed by OEO to Upward Bound project directors.

UPWARD BOUND STUDENTS COMMENT

"I'm Thrilling Proud to be an American"

A student, whose father is disabled and whose mother received practical nurse training through Federal aid to support the family, writes: "All this could only happen in America. I'm thrilling proud to be an American."

A student from Webster College writes: "I'll have to condition myself for school in September. I've gotten in the habit of asking questions and the teacher I'm getting will give me an 'F' if I ask a question."

One Upward Bound student wrote in an essay: "This program has presented without any beating around the bush the facts of life. It doesn't try to scare you, nor make life seem like peaches and cream. It confronts you with everything, and how important our education is. Since I've been here I've realized what life is, and how much work you do there can be just that much fun."

A youngster who had lived in several foster homes and says she knows "how a pup feels that has been dropped out on the highway in strange unfamiliar surroundings," wrote to Sargent Shriver: "We suddenly realized we were important, that we were not just those poor kids from poor homes but actually we were people. Someone cared, someone thinks we are worth working with and most of all, we found out we, too, are citizens. Citizens of the greatest country on earth, with a government that takes time to think of the needs of each individual and make sure he has his right to be a citizen and an individual. I would like to thank you, the President and the United States of America for my experiences with Upward Bound. Upward Bound not only taught me and the others the values of higher education, but also a love, respect and tolerance of our fellow man."

A student from Chicago, Illinois, writes: "Up until my first week in Upward Bound I didn't care anything about school and very little about other things. Upward Bound has introduced me to a whole new life. For the first time I really care, I'm interested and I want to make a place for myself in the world. And this change is because of all the wonderful people in Upward Bound . . . We learned more, much more than the people who started Upward Bound ever bargained for. We learned we are people who can really succeed but only if we want to and that a major key to that success is education."

Another Upward Bound student told her counselor: "We have always been poor and people have looked down on us. I had planned to quit school next year if it gets as dull as it was last year. Everyone expects me to. None of my family have ever graduated. I had never thought I wanted to go to college cause it was completely beyond my imagination. I have changed my mind since I came here. I would do anything—just anything to get to go. Everyone here treats me as if I really do belong. I am going back to my high school and really work now. It is not hard to get school work when there is a good reason for it."

MR. DELLENBACK. What do you consider the optimum goal of this program both in numbers of students and in dollars in the fiscal years in the future?

DR. FROST. The program, if it works well, has a ripple effect, a demonstration value.

MR. DELLENBACK. You are one question ahead of me. I was going to ask you about the ripple.

DR. FROST. One has to ask whether you need to reach the whole number of high school students. I think 200,000 to 300,000 of high school youngsters should be reached.

MR. DELLENBACK. Do you have expectations of what the budget would be?

DR. FROST. Currently you multiply that figure by \$1,150 per student.

MR. DELLENBACK. Do you estimate it will remain then at that level? How much in the future would that dollar figure rise per student?

DR. FROST. I don't think it will rise. I think it will stay about the same.

MR. LEVINE. As we start decreasing the number of poor people I think the figure will drop. The total number of eligibles will drop, since poverty is one of the standards of eligibility.

MR. DELLENBACK. For the foreseeable future this would be your expectation as to numbers and as to dollars?

DR. FROST. I believe so.

MR. DELLENBACK. Where do you feel this program should eventually go? Twice in the earlier testimony you indicated, as I read you, Dr. Frost, that for the present this should be under OEO. Is there implicit in this statement that at x period in the future, then, it should move into some other department?

DR. FROST. My own view is that our long-range goal is to get rid

of this program. The American high school and American college should be able to do this job.

They have enormous things to do and this should be a high priority one of them. They have not been able to do so.

Mr. DELLENBACK. You do not anticipate for the immediate future, however, that there would be any elimination of the need for Federal funds?

Dr. FROST. No, there would not.

Mr. DELLENBACK. Where then should eventually that funding be handled? I may be reading more into your earlier remarks than you meant. In two instances when you were asked whether it should be under OEO or not you stated, I believe, that for the present, as of now, it should remain under OEO.

Dr. FROST. I think it is a young program that is working in the "poverty patch," if you will, where education at all levels, and I want to confess as an educator, has never done a good job. It is working well where it is. The clients don't object to its location, nor do any of the colleges.

I would like to think it could stay up undisturbed in this new business it is in until somebody feels it could be easily transferred and without any difficulty for it.

Mr. DELLENBACK. You did not mean to imply at some time in the future you expected or would hope that it would go somewhere else?

Dr. FROST. I don't have any thinking about that. I don't think it should be disturbed at the moment. I think it is too young for that.

Mr. DELLENBACK. You indicated earlier that there were 125 applications for this type program this year that you are unable to support?

Dr. FROST. That is right.

Mr. DELLENBACK. How many of these would have been adequate programs?

Dr. FROST. Our panels judged 70 of them to be good proposals. Our 1968 projection would accommodate those 70.

Mr. DELLENBACK. The other and last question I would ask under the time limit is to comment on this ripple effect. You indicate that sometime between 200,000 and 300,000 students would be covered by this program.

You mentioned a statistic earlier about 500,000 students a year coming into the overall group. I suppose there would be a million students potentially eligible under present levels of poverty, which would mean that you would seek a program handling only 22 percent of these. Would you expect the ripple effect to take care of the rest?

Dr. FROST. I think the ripple effect of this will be surprising, particularly at the higher education level. The signals we are getting from admission officers, faculty committees, on admissions is that they are willing to take these kids who normally they would not have risked, and see what they can do with them.

I can assure you, having taught such youngsters, they are going to have fun.

Mr. DELLENBACK. Would this ripple effect be in interesting these youngsters who would not otherwise have thought about this and also in making funds available from other sources.

Dr. FROST. I am sure it will. Where an older brother goes to college in a family where no one has ever gone, they will go to college.

Mr. DELLENBACK. You see the ripple effect as taking effect both with increasing interest where interest did not exist before and also in making funds available from other sources, whether that be from other levels of government or from private sources.

Dr. FROST. That is true.

Chairman PERKINS. Mr. Dent.

Mr. DENT. No questions.

Chairman PERKINS. Mr. Daniels.

Mr. DANIELS. No questions.

Chairman PERKINS. Mr. Steiger.

Mr. STEIGER. First of all, Dr. Frost, I want to make sure that we are not going to leave the record somewhat unclear. Nowhere in the Opportunity Crusade do I find a \$100,000 hypothetical limitation on Upward Bound which was suggested by the gentleman from Washington, Mr. Meeds.

His question to you was about the Talent Search limitation of that figure. Do you have any basis for making a statement that there would be a severe limitation if the transfer were made from OEO to OE?

Dr. FROST. Sir, I thought I was responding to his quoting of the present law, the higher education bill.

Mr. STEIGER. On Talent Search?

Dr. FROST. On Talent Search.

Mr. STEIGER. Not on Upward Bound as it is proposed in the Opportunity Crusade?

Dr. FROST. I did not recall his saying that.

Mr. MEEDS. My question was on the basis of the present law in the Higher Education Act which is what Talent Search is under now.

Mr. STEIGER. You directed the question in such a way as to make it appear that Upward Bound would be limited by that same figure. That is not correct.

Mr. MEEDS. No. Upward Bound is not limited by that figure. I am sorry if the question had that connotation.

Mr. QUIE. Would the gentleman yield?

Mr. STEIGER. Yes.

Mr. QUIE. I have an excerpt from the testimony on the Talent Search program and he says it is supported by an appropriation of \$4 million.

Mr. STEIGER. I thank the gentleman from Minnesota.

You have a benefit-cost-ratio of 1.7 to 1 to 2.8 to 1 range. On what basis do you make that ratio?

Dr. FROST. I will let the economists answer that.

Mr. LEVINE. The basis of the estimate is known data on the advantages in lifetime earnings of somebody who goes to college over somebody who does not. The reason for the range is that obviously the program is so young we don't know yet how long the kid will stay in college.

Mr. STEIGER. In other words, that figure does not represent a true cost-benefit ratio study?

Mr. LEVINE. It is a true benefit-cost study, yes, sir. I have a piece of paper on it that I will be glad to submit to you and your committee or whoever wants it.

Mr. STEIGER. I would appreciate your submitting it for the record. I would make the point that if it is not done in as detailed and as

complete a basis on the Job Corps cost-benefit study by Dr. Cain it tends then to be frankly very hypothetical.

I would for one have some serious questions about the benefits of trying to "snow" the committee or the public or anybody else on the basis of putting it on a chart.

Mr. LEVINE. We are not trying to snow the committee, Mr. Steiger. We have done a study using the methodology which Mr. Cain commenced for our program on benefits and costs. For Upward Bound, it has been done more recently. I have a short piece of paper. A longer piece of paper is being worked up. It is done in the same kind of detail and essentially with the same kind of data with this difference, that on Job Corps we have people who have gone through Job Corps and we know what has happened to them.

On Upward Bound we have people who have gone through Upward Bound but no people who have gone through enough college to know what is going to happen to them. The first indicator of the benefits of Upward Bound are not complete yet because the time has not elapsed.

Mr. STEIGER. If it is true that the benefits are not yet complete, you are really making a very hypothetical study. I still would say that then the figures that are on this board are not reasonable.

Mr. LEVINE. It is hypothetical; 1.7 to one is at the lower end of the range. If the thing does not work out as well as it might, 2.8 is the upper end of the range.

Even the lower end of the hypothetical possible range looks pretty good.

Mr. GURNEY. Would you please advise us on the committee where the benefit figures come from? How do you calculate it if you haven't had any graduates yet who have earned any money?

Mr. LEVINE. We do know the benefits of keeping a kid from dropping out of high school, which some of these kids were kept from by this study. We do know the benefit of 1 to 3 years' college attendance. We do know the benefits of completion of college.

Mr. GURNEY. You say from 1 to 3 years. You mean that you have records of people who have gone to college for 3 years and then obtained a job?

Mr. LEVINE. There have been national studies on this over a long period of time; yes, sir.

Mr. GURNEY. But not in this program?

Mr. LEVINE. No. Not in this program. We are using data on the effects of college on a college student's earnings.

Mr. GURNEY. That is the information I was trying to elicit.

Mr. STEIGER. May I have 2 additional minutes?

Chairman PERKINS. Without objection, it is so ordered.

Mr. SHRIVER. Congressman, I will not take any of your 2 minutes. I just want to say this. Many Congressmen on this committee have asked us repeatedly to present that evidence which it is possible now to have, especially cost-benefit evidence.

This agency is the first agency in the social agency of governmental programs to have cost-benefit studies at all. Now since we are the first to be doing it, the evidence is not going to be perfect, since we are first. Since the programs have not been in existence long they can't be conclusive or provable in a final sense.

But just as you feel perhaps that evidence which is available should not be submitted, other Congressmen on this committee have asked us specifically and repeatedly to present that evidence.

So we are not trying to snow you. What we are trying to do is respond to a request from your colleagues that what is available be made available to the Congress.

Mr. STEIGER. I would never argue that the information is not available. I am delighted Dr. Levine will make available to the committee the basis of the figures on this chart so that we will have an opportunity to study it.

I do want to try to clear up the number of children that we are talking about. In your presentation on page C27 you use the figure 760,000. Dr. Levine uses the figure 87,000.

May I inquire as to which one is correct.

Mr. LEVINE. I did a back-of-an-envelope calculation to help answer the previous question. The figure Mr. Berry used is correct, except that it is the figure for 2 years. I believe Mr. Berry can answer that.

Mr. GIBBONS. Mr. Chairman, this is just for a unanimous-consent request. I ask unanimous consent that we may insert at this point in the record a document that has just been handed to me, benefit-cost of the Upward Bound program, furnished to me by OEO so that the record will properly reflect the details of the cost-benefit ratio studies.

Mr. QUIE. Reserving the right to object may I ask the question, is this information gleaned from a number of evaluation studies of Upward Bound or is this an evaluation study of somebody whom you have contracted with?

Mr. LEVINE. This information is gleaned from some of the data Mr. Frost has cited about the percentage of youngsters that went to college and the dropout rate and so forth, applied to the national statistics I referred to in answering Mr. Steiger, concerning the effects of college on future earnings of these youngsters.

Mr. QUIE. Has there been any evaluation study made or contracted with any one for evaluation of Upward Bound?

Mr. FROST. Yes, we have two. One, we are tracking the graduates from the original 1965 group. Secondly, a much bigger one to make an elaborate analysis of the ongoing Upward Bound program and the youngsters that are in it with Syracuse University.

Mr. QUIE. Are either of those two reports ready?

Mr. FROST. A good interim report on the first one is ready. Last year's report is ready and we will furnish either or both.

Mr. QUIE. I would ask that this be made available to the members of this committee. I withdraw my objection.

Mr. STEIGER. Reserving the right to object, on this cost-benefit preliminary examination study was any attempt made to do any other kind of studies of other programs so that we can have an accurate cost-benefit ratio study of whether or not the money is as effectively spent in one area versus another?

Mr. LEVINE. You can have other accurate cost-benefit studies. You have one on Job Corps. I have given you one on Upward Bound. I have another one on family planning.

Mr. GURNEY. Mr. Chairman, reserving the right to object, as I understand the data we have here is based upon the average data taken

for all college students in the United States that go 1, 2, 3 years and then leave college and obtain employment. Is that correct?

Mr. LEVINE. Yes, sir.

Mr. GURNEY. In any of these studies that you say you are doing, are you making any studies that are confined to the poverty-class group of students that we talked about earlier in the neighborhood as I understand it, somewhere upward of 100,000 a year who go to college?

Mr. LEVINE. Yes, sir. The data that go into these studies about what a program is doing are confined to the poverty-class students that are in the program.

Mr. FROST. We are building a control group of just such youngsters and we will be able to have that although we won't have it for many months.

Mr. GURNEY. This is all college students.

Mr. FROST. I was talking about all poverty high school youngsters some of which will be in Upward Bound and some of which will not be. Let us see what happens to both.

Mr. GURNEY. Not in your program but all poverty students in college whether they are in your program or some other program or in any program, is data being obtained covering all the students in college as classified in the poverty class?

Chairman PERKINS. Does the gentleman still object?

Mr. GURNEY. I think it is important to get an answer to this.

Mr. GIBBONS. If, Mr. Chairman, there is going to be objection to putting this little four-page report in, I will withdraw my request. I don't know, maybe I will try to put it in the Congressional Record, something like that. I don't think it is worth arguing over. This is something that Mr. Scheuer has continually asked the Office of Economic Opportunity to develop.

If there is that much objection I will withdraw my request.

Mr. Chairman, I have another unanimous-consent request that is a little controversial and I want to make it.

I ask recognition to make a unanimous-consent request—

Chairman PERKINS. Go ahead.

Mr. GIBBONS. I make a unanimous-consent request to put in the record a UP story—

Mr. QUIE. I object.

Mr. GIBBONS. I don't blame you.

Mr. DENT. Mr. Chairman, the gentleman should be permitted to explain.

Mr. GIBBONS. This is a UP story. Maybe it lacks credibility or something, but this is a story involving an interreligious committee against poverty, sort of an ecumenical group, I guess, that had some observations about the opportunity crusade.

I would ask unanimous consent to put it in the record. It is from a pretty reasonable group of Protestants and Jews and Catholics. It is very short.

Chairman PERKINS. Sargent Shriver told me that he had a dinner engagement today at 12 o'clock. I thought by agreement of the committee that we should run along here until 1 and perhaps let Sargent Shriver introduce his associate to make a brief statement on either Headstart or Follow Through. Had you rather that we just recessed and come back here at 1 o'clock or do you want to be here all during the testimony?

Mr. SHRIVER. I want to be available at the committee's request or the committee's pleasure. This is not an appointment at 12 o'clock of my making as you know, Mr. Chairman. It is another appointment where I am trying to accommodate a colleague of yours, of all of you, who has a guest here he asked me yesterday to have lunch with him.

Chairman PERKINS. Is there any objection to going along without Mr. Shriver present?

Mr. QUIE. The only thing I have to say is that I have some more questions to ask about Upward Bound. I want them to be in context in the record. If he is going to make a presentation of individuals in OEO who are going to give testimony on Headstart and Follow Through, may that appear after the questions are completed?

Mr. SHRIVER. Mr. Chairman, we could continue without my being here on the Upward Bound and Congressman Quie could get his questions asked first. I will leave if that is agreeable to the committee.

Chairman PERKINS. The only thing is that we will finish Upward Bound in about 10 minutes and we will not utilize the time between now and 1 o'clock.

Mr. GIBBONS. Mr. Chairman, at such time when the House convenes I want to make a point of order that the House is in session.

Mr. PUCINSKI. Mr. Chairman, I move that a document entitled "Benefits and Costs of the Upward Bound Program Prepared by the OEO, Describing a Preliminary Examination of the Upward Bound Program Yields the Following Benefit-Cost Ratios," be placed in the record at this time.

Mr. QUIE. Do we have a quorum?

Mrs. GREEN. I don't have any objection to this but if this is going to be done then I will ask that some other material be placed in the record immediately following.

Mr. PUCINSKI. Reserving the right to object, Mr. Chairman, I have no objection to the lady putting it in the record. But there is a motion before the committee.

Chairman PERKINS. We are sitting here as an ad hoc committee. Two members under the rules will make a quorum for the purpose of taking evidence. It would be my interpretation of the rules that the majority present, we have now more than two members, could make a determination of that kind. I would hate to think that we are going to continue to object to matters that any member should have the privilege of submitting.

Mr. QUIE. Will you yield? The way this all arose, the gentleman from North Carolina, Mr. Gardner, wanted to submit for the record the report of the investigation of the minority counsel on the registration of elections held there. Refusal to put in the record yesterday what he asked for I think would bring out the same kind of objections to other material.

Chairman PERKINS. I think yesterday when the gentleman from North Carolina made that request that I suggested that the other group be permitted to respond, the Office of Economic Opportunity be permitted to respond. The gentleman from North Carolina was permitted, maybe in your absence, Mr. Quie, to insert in the record the investigation that was made in Durham, N.C., and the Office of Economic Opportunity was permitted to respond.

So I don't think we have any difference.

Mr. PUCINSKI. I will withdraw my motion and ask unanimous consent that this document be placed in the record at this time.

Chairman PERKINS. Is there objection? The Chair hears none. It is so ordered.

(The document referred to follows:)

BENEFITS AND COSTS IN THE UPWARD BOUND PROGRAM

(By Judith A. Segal)

Upward Bound presents to underachieving high school students from poor families the opportunity to reorient their goals toward a college education. The program attempts to broaden the horizons of these students who have poor school records, but intellectual potential, by giving them special counseling and tutoring to improve their school work and by sending them each year they are in Upward Bound to a summer (8-week) residential program on a college or university campus. The participants in this program would ordinarily have a double strike against them as far as obtaining a college education is concerned: they are too poor to pay for college themselves; their grades are too low to gain acceptance to most schools or to provide a basis for outside financial help. The educational institutions operating Upward Bound programs assist each participant in getting financial assistance to attend college.

Upward Bound began in 1965 as a small pilot program. In 1966, it funded a program for almost 20,000 students and in 1967, one for almost 22,000. The program has picked up a small number of its participants in the 9th and 10th grades, but most of its participants are in the 11th and 12th grades, or have just graduated high school. It is the policy of the program to keep a student in the Upward Bound program from the time he enters until he has completed the 8-week residence program in the summer following his graduation from high school.

The experience of the program thus far has demonstrated that although a one year stay in the program can change students' attitudes toward their own future, a longer stay in the program is probably necessary to convince these students that it really is possible for them to participate in the benefits of a higher education. The program in the future is going to be oriented toward picking students up earlier in their high school career.

The Upward Bound program is based on the simple assumption that poor persons or those from poverty-stricken families can get out and stay out of poverty if they obtain the marketable skills that post-secondary education can give them. It should be noted that the program has the potential to keep many of its participants, who would otherwise drop out of high school, in school until graduation, which in itself is an effective step toward moving them permanently out of poverty.

BENEFIT-COST RATIOS

A preliminary examination of the Upward Bound program yields the following benefit cost ratios:

TABLE I

	Benefit-cost ratios					
	High school graduate over high school dropout		1 to 3 years of college attendance over high school graduation		College graduate over high school graduate	
Percent.....	3	5	3	5	3	5
Benefits.....	5,881	3,776	7,570	4,204	12,050	7,359
Costs.....	2,319	2,319	4,580	4,495	4,345	4,234
Benefit-cost ratio.....	2.54	1.63	1.65	.94	2.77	1.74

The benefit-cost ratio of one is a convenient benchmark for determining whether the program is preferable on efficiency grounds to the simplest alternative of a transfer payment. The ratios for all three types of "success" situations examined are over one when discounted at 3 percent. When they are discounted at 5 percent, the ratio for college attendance over high school graduation is slightly under one. If 5 percent is accepted as the conventional discount factor, then a 2 percent growth rate in earnings over the future working careers of Upward Bound participants justifies the use of a 3 percent rate.

The difficulty of quantifying all the costs and benefits of a program and the precedence of equity over efficiency issues may restrict the applicability of this type of approach. A program to provide an "equal opportunity" to education is by definition one which will put equity considerations first. Nevertheless, even where equity is a primary consideration, it is useful to have a method of evaluating efficiency in order to compare alternative "equity" programs or to find the cheapest way to achieve a certain "equity" goal.

The significance of a cost-benefit analysis lies in the way in which costs and benefits are measured. The conceptual framework of this measuring process may be the individual participating in the program, the agency administering the program or society as a whole. For this analysis of the Upward Bound program, the measurement of costs and benefits is from the point of view of society. Transfer expenditures (transactions which are made simply to transfer the cost from one individual or institution to another within the society) are neutralized, and education expenditures are not limited to tuition. In addition, since Upward Bound has had little time to establish any empirical success rates or "average" participant characteristics, success rates have been hypothesized, and the grade, sex, race, and geographical distributions upon which the calculations of costs and benefits are made are based on the characteristics of the 1966 and 1967 Upward Bound programs.

The following discussion indicates some of the restricting assumptions of this analysis. Table II shows the individual cost and benefit items which have been included in the above benefit-cost ratios.

TABLE II

	High school graduate over high school dropout (88 percent of participants)		1 to 3 years of college attendance over high school graduation (44 percent of participants)		College graduate over high school graduate (22 percent of participants)	
Percent.....	3	5	3	5	3	5
Benefits:						
Increase in lifetime earnings.....	5,083	2,978	6,772	3,406	11,252	6,561
Stipend, room and board while in U.B. program.....	798	798	798	798	798	798
Total.....	5,881	3,776	7,570	4,204	12,050	7,359
Costs:						
OEO grant.....	1,919	1,919	1,919	1,919	1,919	1,919
Wages foregone while attending summer program.....	400	400	400	400	400	400
College costs.....			2,261	2,176	2,026	1,915
Total.....	2,319	2,319	4,580	4,495	4,345	4,234

BENEFITS

The benefits of a continued education are difficult to measure. The kinds of satisfactions obtained from a fuller participation in the productive and pleasurable activities of society cannot be measured quantitatively, but should not be overlooked. It is conceivable that for many people these satisfactions are as important as those benefits which can be measured.

The most obvious measurable benefit of further education is increased earning power. The bulk of the benefits in this study consist of an estimate of the future net earnings that could be obtained by an individual on the basis of a marginal increase in his education.

These potential earnings are based on data on earnings of males only. Comparable data for females are unavailable. Since approximately half of the Upward

Bound participants are females, it is important to recognize that the application of these benefit-cost ratios to the total population of Upward Bound is possible only when some assumptions are made about the relevance of the earnings benefits to female participants.

Significant differences in earnings occur according to racial and geographic differences. The earnings in this analysis are weighted by the white-nonwhite, North-South distribution of the program's participants.

As higher levels of "success" are reached by the participants in this program, the benefits accrue to fewer and fewer of the original Upward Bound participants. The benefits of a high school graduate over a high school dropout accrue to 88 percent of the participants. The benefits of college attendance accrue to 44 percent of the participants, half of these who graduate high school. The benefits of college graduation, under our assumptions, can be expected to go to 22 percent of the original participants, that is, to half of those who start college. The benefit in each of these cases is the marginal increase in earnings gained by a marginal increase in education. The benefits of the high school graduate are compared to those of the high school dropout, and the benefits of those who attend or graduate college are compared with those of high school graduates.

In estimating the benefits of the increased number of high school graduates which Upward Bound could produce, it is assumed that the program can reduce the high school dropout rate of its participants from 38 percent to 10 percent (with an additional 2 percent dropout rate for the program itself).

Experience of the 1966 program indicates that about 80 percent of the program's participants will probably be accepted by a college or university. In light of the difficulties involved in obtaining financing for these students, this analysis has assumed that slightly more than half of them will attend college for at least 1-3 years. This is close to the average rate of college attendance for high school graduates in general, a reasonable assumption in light of the fact that whereas these students do face more obstacles to college attendance than the average high school graduate, Upward Bound is designed to overcome these obstacles and give the program's participant the same opportunity as the average student to attend college.

The average college dropout rate of 50 percent (half of these dropouts occurring the first year) is used to estimate the benefits available to individuals who become college graduates as a result of the Upward Bound program, but who would probably have not graduated college otherwise. Twenty-two percent of the original Upward Bound participants are assumed in this analysis to graduate college.

Other benefits of the program include a small stipend paid to participants and their room and board during the summer residence program. These are transfer payments and are included in the benefits to balance their inclusion in the grant costs.

COSTS

The costs which have been measured in this analysis are the OEO grant, the wages foregone by Upward Bound participants while they are attending the summer programs, and the costs of a college education for those who attend college. Although OEO provides only the first of these funds, other costs must be invested to produce the various benefits that can be expected to arise from the program.

The OEO grant cost per participant is based on the 1967 funding operations. The 1967 per capita grant is the highest thus far as a result of the two previous years' experience which demonstrated that additional costs would have to be covered. The grant is weighted by the proportion of participants in each grade. Eighty-one percent of the participants are in the 12th grade or have completed the 12th grade. As the number of participants in the early grades rises, the longer stay in the program will increase grant costs. It is likely that it will also mean that a higher percentage of participants reach college and college graduation. The present analysis includes higher success factors for students picked up by the program early in their high school career than for those picked up later.

Foregone wages are calculated for participants during attendance at summer programs. There is no restriction on students working during the regular school year. Hypothetical wage rates of \$1.25 for Northern students and \$1 for Southern students are used, and differential unemployment rates are used for white and nonwhite students. Wages foregone while participants are attending high school or college have been figured into the net life-time earnings benefits.

College costs are based on the total use of resources required for attendance at an institution of higher learning, including room and board. The method used to calculate these institutional costs overstates them. However, the ignoring of incidental costs of a college education which do not show up in academic institutional costs, from which these costs were calculated, probably serves to provide some balance for this overstatement.

Mrs. GREEN. May I ask permission to introduce similar material along the same lines?

Chairman PERKINS. It is so ordered.

Mr. DENT. I want to reply to the gentleman from Minnesota that this article Mr. Gibbons wants to put in in my 5 minutes I will read into the record. Will you recognize me for 5 minutes?

Mr. QUIE. I don't think it will be necessary. If the information that the gentleman from North Carolina wanted in the record is placed in the record I have no objection to the gentleman from Florida placing in the record anything that a bipartisan or bireligious group wants to put in the record.

Mr. GIBBONS. I renew my unanimous consent request that the UPI article be put in the record.

Chairman PERKINS. Mr. Quie is recognized.

Mr. QUIE. I have no objection.

Mr. GIBBONS. Will you yield to me? I ask unanimous consent that this little old short UPI statement that I have here be placed in the record at this point.

Chairman PERKINS. It is so ordered.

(The information referred to follows:)

WASHINGTON—Protestant, Catholic, and Jewish religious leaders today voiced strenuous opposition to a move by Republicans in Congress to dismantle the Office of Economic Opportunity (OEO) and distribute poverty-fighting among regular Government agencies.

A strong stand in favor of maintaining the OEO, and expanding its appropriations was taken by the Interreligious Committee against Poverty (ICAP) at a meeting here.

The committee is a joint agency of the National Council of Churches, the National Conference of Catholic Bishops, and leading Jewish organizations. Its presiding cochairmen, Catholic Bishop Raymond J. Gallagher of Lafayette, Ind., told a news conference the interfaith group also opposed proposals in Congress to increase the amount of matching funds which must be put up by local groups receiving a Federal antipoverty grant.

He said the leaders also expressed concern about "apathy in our own religious communities" about the war on poverty and agreed to "work more effectively with our own constituencies to continue active and aggressive support of anti-poverty efforts."

He said ICAP agreed to conduct a thorough investigation of reports made public last week by a team of New York doctors, of widespread hunger verging on starvation among poverty groups in Mississippi and some other areas of the rural South.

Bishop Gallagher said that the religious leaders did not feel that the OEO and its programs are perfect in all respects, but he said "the most glaring trouble with them is grossly inadequate funds."

Mr. QUIE. When Mrs. Green's subcommittee held hearings on the Higher Education Act the question of Upward Bound and Talent Search came before it. Mr. Muirhead of the Office of Education was testifying. Commissioner Howe stated:

So far as the cooperation is concerned we work rather closely as you would expect with the Upward Bound program in the Office of Education, hopefully leading to the sort of continuous program of assistance to those youngsters first

of all their identification and encouragement, and through the Upward Bound program providing them with some sort of remedial program if such a program is needed so that they can cross the threshold of college entrance.

He gave the impression by that statement that they are working hard to coordinate these two programs but with different clientele. Also Mrs. Green asked Mr. Muirhead:

Let me ask you, under the law do you have authority to do everything that is being done under the Upward Bound program?

Mr. MUIRHEAD. We do not.

Mrs. GREEN. What do you not have the authority to do?

Mr. MUIRHEAD. We do not have the authority, for example, to run a summer institute program to help a group of young people who have not had mathematics instruction in secondary schools where the Upward Bound program could do just that.

I think we should not be condemning an agency of Government, namely the Office of Education, for not doing the job when they have not been given legislative authority to do it. The legislative authority was so broad in the Economic Opportunity Act that under title II you were permitted to do it. I commend you for utilizing that authority for an Upward Bound program. I very strongly support the idea of helping people who have the innate ability to go on to higher education but who had an inadequate secondary education and are unable to qualify.

The question is whether this could be done by the Office of Education rather than limiting Upward Bound to the Office of Economic Opportunity.

Mr. FROST. I think it is unfortunate to characterize our view of Talent Search as condemning the Office of Education. I don't think any of us here had intended to do that. They are operating what I think is a very important broadcasting program so that the poor in much larger numbers than Upward Bound will know of the availability of financial aids. It is a good program. It is a good complementary program.

Mr. QUIE. The other question I had—was it through Upward Bound that a contract was made with Howard Jones in Northfield, Mass., head of a private secondary school, on a demonstration project to utilize a private secondary school?

Mr. FROST. Yes, sir. It was through the earliest Upward Bound pilot ideas in 1965. I could elaborate on this if you would like.

Mr. QUIE. I would like to know why it was not continued as a demonstration program, and how would it fit in to utilize private secondary schools?

Mr. Jones indicated a desire to participate in this program. It was a grant from OEO—207 to a galaxy of independent prep schools, some 104 of them called independent schools Talent Search, of which Howard Jones, I believe, is the president. It financed full-year scholarships for poverty youngsters to go to prep schools. It started them typically as ninth graders. So we had ninth, tenth, 11th, and 12th grade. The cost of it, in the judgment of OEO, is about \$10,000 a youngster to get him to the college door.

We think we can do pretty well the same thing through Upward Bound at about \$3,300 a youngster. So we are phasing out that demonstration.

The second and probably better reason is that as a demonstration it has demonstrated that you can take a youngster from poverty into a first-rate prep school and full-time work the year around and get him into college. A very high percentage of those kids have gone on to college.

So the demonstration has been concluded in our view. Now we do not wish to cut off our support for youngsters currently in that, somewhere in the pipeline.

So, our grant this week or next will be to continue only those OEO-supported youngsters who are already in the program. The political problem in a sense has been why don't we add lots of new youngsters. We continue to support the old but not adding any new. The reasons are two.

The demonstrations are clear and secondly it is a very expensive program.

Thank you. One last comment. Going back to the question of whether the Upward Bound and Talent Search programs should be together, I would like to read into the record another answer to a question put by Mrs. Green and answered by Mr. Muirhead. She said:

Why not follow through on the Education Act by bringing some coordination on this level and have Upward Bound program do just that.

Mr. MUIRHEAD. It seems to me that is a logical step to take. I am of the opinion Upward Bound has done a fine job where it is and has started a ferment where it is needed. But we do work closely with them. I think ultimately that the three particular programs I am suggesting, counseling, Upward Bound program, financial aid program, should be together some place.

I share the views of Mr. Muirhead that this ought to be done.

Chairman PERKINS. Mrs. Green.

Mrs. GREEN. I would like to go over some of the figures you have given us. What do they represent? What is the 8 percent of?

Mr. FROST. Eight percent of the poverty youngsters who graduate from high school and go on to college.

Mrs. GREEN. What percent of the total high school graduates go on to college?

Mr. FROST. Anywhere from 50 to 60 percent, depending on how you define college, Mrs. Green.

Mrs. GREEN. Would you define it the same way as the 8 percent?

Mr. FROST. The 8 percent one we defined as a 4-year institution or accredited institution.

Mrs. GREEN. Nationwide how many go to college?

Mr. FROST. About 55 percent.

Mrs. GREEN. In your testimony before the committee you gave it as 65 percent. The Office of Education in its study of youngsters who are starting the fifth grade and the ones who would enter college, gives the percent as about 38.

Mr. FROST. Thirty-eight percent of the fifth graders will one day go to college?

Mrs. GREEN. Of the youngsters who start out in the fifth grade, 38 percent will enter college.

Mr. FROST. Of all fifth graders one day enter college?

Mrs. GREEN. Yes.

Mr. FROST. I am not surprised to hear that.

Mrs. GREEN. And only 19 percent then complete college.

Mr. FROST. Of those fifth graders?

Mrs. GREEN. Yes.

Mr. FROST. I am not surprised to hear that, either.

Mrs. GREEN. Of the Upward Bound youths, your 76 percent is a part of the 8 percent, if I understand the chart.

Mr. FROST. No, it is beyond the 8 percent.

Mrs. GREEN. You take 20,000 kids out of the 8 percent.

Mr. FROST. No. The 8 percent go now. We get another to go?

Mrs. GREEN. And then of your 20,000, 76 percent are accepted in college.

Mr. FROST. Right.

Mrs. GREEN. I am curious as to how you can make any judgment on the cost-benefit ratio when the program is only 2 years old and you don't know how many are going to go on and finish college.

Mr. LEVINE. That is the reason for the range, rather than the single number, Mrs. Green. The 1.7 is the number for the benefits for those kids who just get into college and stay 1 to 3 years. The variation from 1 to 3 years is not very much. Subsequent variations come as they graduate.

We say if they get into college and don't graduate, then the number is 1.7. Were they to graduate, the number would go up sharply.

Mrs. GREEN. Is the benefit the same for any youngsters that go to college?

Mr. LEVINE. The benefit estimate is the same as it would be for any of our youngsters.

Mrs. GREEN. Would you explain that?

Mr. LEVINE. The estimate of the benefit to a youngster from going to college is the same for one of these youngsters or for another youngster. But to get a benefit-cost ratio, we have to divide that benefit by a cost. What we divide it by is based on the Upward Bound program cost.

Mrs. GREEN. Is the percent of the youngsters who stay in college who have been Upward Bound, about the same as other students who have never been in Upward Bound?

Mr. LEVINE. That is Mr. Frost's testimony.

Mr. FROST. Staying power? Is that what we are talking about?

Mrs. GREEN. Yes.

Mr. FROST. Of the group that went in in 1965, 53 percent of them are back for their sophomore year, which they are now finishing up. I will know shortly how many survived that sophomore year.

Mrs. GREEN. It looks as though they are going to stay in college at about the same rate as the other students that go to college.

Mr. FROST. At the kind of colleges they went to; yes.

Mrs. GREEN. Did you take that into consideration in giving the cost-benefit ratio?

Mr. LEVINE. That will help determine the figure between 1.7 and 2.8; 1.7 assumes they get in. We could have a 100-percent dropout rate soon after getting in, but the youngsters who get into college, and last a year, have substantially increased earnings over those who don't get into college.

If you ask about the subsequent dropout rate before graduation, the smaller the percentage that drops out, the larger percentage that

stays in, the closer that number will get to 2.8. It is still within the 1.7 to 2.8 range, whatever the Upward Bound experience of keeping the kids in college to graduation.

Mrs. GREEN. You are figuring on \$3,300 cost as part of this.

Mr. LEVINE. Actually, we are figuring somewhat more. In order to do this kind of calculation, we figure the cost to the economy and the college as well. The Upward Bound cost is \$3,300.

Mrs. GREEN. I was interested in the logic. If I understand it correctly, the benefit-to-cost ratio for youngsters who have never gone to Upward Bound and who go to college will be higher than the benefit-to-cost ratio for Upward Bound students.

Mr. LEVINE. That is right, because they would not include the cost of Upward Bound, so, therefore, would be divided by the lower number. Therefore, the ratio would be higher.

Mrs. GREEN. The cost-benefit ratio is so good for Upward Bound, that when you take any kid who does not get to Upward Bound, the cost-benefit ratio would be very high.

Mr. LEVINE. The point is that the benefit for these kids, these youngsters, they would not have gone to college at all. Therefore, the benefit for—

Mrs. GREEN. How do you know that?

Mr. LEVINE. By the data. I am sorry. Well, 8 percent of the kids in this general income age group go to college. In fact, this 8 percent is primarily the really top achievers among the high school youth; whereas, Upward Bound takes, as Mr. Frost testified, much lower achievers. I won't say none of these kids would have gone to college, but a very small number would have gone to college.

You take a youngster in this program, of the huge preponderance that would not have gone to college and otherwise, the benefit to the economy of his lifetime production, given that he went to Upward Bound, is roughly this much higher than his production would be had he not gone to Upward Bound.

Mrs. GREEN. This would be true among the five other million that do not go to college. I am not quarreling with the objective of the program. I think we ought to identify these poverty kids and I think we ought to make college available to them.

Mr. LEVINE. Mrs. Green, I am not trying to put a benefit-cost analysis as a "snow job," or as being the be-all or "end-all of evaluation." What it is is an indication to us that in fact in economic terms the program is a good investment. This is not the only justification for a program. I don't think I would say this, therefore, proves the case for all time.

Mr. SCHUEER. If there is any burden of guilt there, I ought to bear it because I have been perhaps the one member who has been insistently pressing and urging OEO to develop these cost-benefit figures.

May I ask a question as to why you say the benefit to society is equal as between the low high school achiever whom you are helping with Upward Bound and the normal high school kid that goes to college?

It seems to me if none of them went to college the high school chap would have an earning experience far superior to the low achiever, and you are not lifting them from an equal level to an

equal level. You are lifting the low achiever who goes into Upward Bound from what would have been a far lower base.

It seems to me that as your costs are greater, so are your benefits correspondingly greater. You are picking him up from what would have been a far lower level of achievement simply because he is an underachiever in high school.

Mr. LEVINE. You are right.

Chairman PERKINS. Mrs. Green has one question.

Mrs. GREEN. For the record, it has been my impression that under the Talent Search, under the higher education bill, they have made grants for the identical purpose for which you made grants. I have talked to Dr. Muirhead. He does confirm that they have made grants to colleges and universities for academic work in terms of tutorial services, remedial work, and so on.

So far as I can see, the program which you have is identical to the program that is in the Higher Education Act, that they not only give the grants for the early identification of the very bright college students, but they also provide the money to give them academic training so that they will be better equipped to go to college.

Mr. FROST. Mrs. Green, it is the same Mr. Muirhead with whom OEO agreed that he would operate through Talent Search an important broadcasting program without academic summer components and Upward Bound would operate the ones with summer component academic training.

Mrs. GREEN. I do not intend to argue the point. I think the record ought to show that Talent Search is doing the same things as Upward. They have made grants although I thought you to say, if I understood you a while ago, that they did not, because this was the purpose of the legislation when we passed it.

It is an important point. If there is duplication, then I think the committee should consider whether this program should be coordinated and whether we could get more kids helped.

Chairman PERKINS. Mr. Scheuer?

Mr. SCHEUER. May I ask, Mr. Levine, have you applied this cost-benefit analysis to any of the other on-going programs in poverty legislation?

Mr. LEVINE. Yes, sir. We applied it to the Job Corps. We applied it to Family Planning and the study is available, if the committee wants it. Because we tried to do it conservatively, and we tried not to do a "snow job" on it, these are the ones where we have benefits that we can estimate to do an honest study of this sort.

Mr. SCHEUER. Do you think you have enough information to do it on the Headstart program?

Mr. LEVINE. I think probably not.

Mr. SCHEUER. How about on just health and nutrition programs? I am going to advert to the perfectly fantastic and horrifying article in last Saturday's New York Times by Nan Roberts discussing the hearings on the Senate side, of severe hunger and a continual slow rate of starvation, and total absence of medical care in Mississippi.

I wonder whether, as a background for this, you might have any idea of the cost-benefit implications of giving health and nutrition care to kids to determine how they function in school?

Mr. LEVINE. In order to do the studies, we need data. On nutrition, where I would love to have a study of the type you mentioned, for the reasons you mentioned, we all are pretty sure of this point: that malnutrition, both prenatal and child nutrition, has substantial effect on future performance.

The data measuring this are not available. We are sponsoring a study with Temple University to do a measurement of this sort. You have to have a measurement before you can do a cost study.

On health we don't have that either, because the programs are too new. We have done something which is a lot less meaningful on health programs. We have computed what we call an opportunity value cost ratio, the opportunity value being the value of the same package of services on the open market compared to our health centers.

As I say, I don't want to put that up as a benefit-cost ratio. It is something much simpler.

Mr. DELLENBACK. May I be sure that I understand these various studies? The study that was made on the Job Corps was made outside of the Department?

Mr. LEVINE. No, sir. I don't know if we gave that impression. The study made on the Job Corps was done by an economist on my staff who is on a year's leave from the University of Wisconsin.

Mr. DELLENBACK. He was an employee of your staff?

Mr. LEVINE. Yes, sir.

Mr. DELLENBACK. This study which, at Mr. Gibbons' request, was introduced earlier today, the cost of the Upward Bound program, was also made by a member of your staff?

Mr. LEVINE. That was made by a member of my staff.

Mr. DELLENBACK. The third study, Family Planning, was also made by your staff?

Mr. LEVINE. Yes, sir.

Mr. DELLENBACK. I think that is one of the relevant factors. The idea of entering these in the record is an excellent idea so long as it is clearly understood by whom they were made, as well as the other qualifying remarks you have made.

Mr. LEVINE. I can only profess the honesty of myself and the staff.

Mr. DELLENBACK. I am not quarreling with that. I am saying it is important that we not only enter the study in the record, but we understand clearly by whom it was made and under whose auspices. I do not mean to impugn anything so far as the studies are concerned.

Mr. LEVINE. I would be glad to bring in the staff members to talk to the committee.

Mr. DELLENBACK. Do you have any studies made outside the staff, made by outside universities? You indicated earlier you are having a study made by Temple.

Mr. LEVINE. We have lots of studies that are being made this way. They are not cost-benefit studies at this stage.

Mr. DELLENBACK. The study that Dr. Frost referred to earlier that is going to be made as to the performance of the students is being made by an outside organization, Dr. Frost?

Mr. FROST. Syracuse Youth Development Center.

Mr. DELLENBACK. I asked Dr. Frost to make it available. Could I have unanimous consent to have it made part of the record when we receive it?

Mr. Chairman, when Dr. Frost supplies us with the study being made in conjunction with Syracuse University relative to the college records, success or failure of the Upward Bound students, may we have unanimous consent to have that entered into the record?

Chairman PERKINS. Without objection, that will be done.

Mr. BAKER. This study is now going on. I think we would earnestly hope that the hearings are completed before it is done. It may be a matter of months.

Chairman PERKINS. In that case, the Chair will rule against the request.

Mr. DELLENBACK. It will be made available to us as soon as it is available?

Mr. BAKER. Yes.

Chairman PERKINS. Unless there is an interim report that is available. Do you have an interim report?

Mr. FROST. Yes, sir. That is what I agreed to put in the record.

Chairman PERKINS. Without objection, that will be done.

(The report referred to follows:)

CHARACTERIZATION OF 1966 SUMMER UPWARD BOUND PROGRAMS

January 1967

Characterization of Upward Bound Project
Project Director: David E. Hunt
Assistant Project Director: Robert H. Hardt

Syracuse University
Youth Development Center
Syracuse, New York

Characterization of Students, Programs, and Impact
in 1966 Summer Upward Bound Programs

I. Objectives of Summer Characterization Project

The objectives of the Summer Characterization Project were derived from the purpose of the program as stated in the Upward Bound Guidelines for 1966:

"Project UPWARD BOUND is designed to give more youngsters from low-income families an opportunity for post-high school education. It should remedy poor preparation and motivation in secondary school, and thus increase a youngster's promise for acceptance and success in a college environment. In brief, it is a pre-college preparatory program designed to generate the skills and motivation necessary for college success among young people from low-income backgrounds and inadequate secondary school preparation."

A. Overview of Programs

Following the 1965 pilot experience in which 18 pre-college Upward Bound programs enrolled 2,061 students, the Office of Economic Opportunity approved grants for 215 programs in 1966 which enrolled 18,958 students in the summer programs. Upward Bound programs typically begin by enrolling students for an eight-week intensive educational effort conducted on college campuses during the summer. After the completion of this phase, academic year follow-up programs are conducted in cooperation with the student's high school to assist the student to maintain the momentum gained during the summer. Programs were conducted in all but three of the fifty states, usually on a college campus, although in a few cases the locale was a private preparatory school. In order to facilitate the "follow-up" phase students usually came from a geographical area within 50 miles of their program. In several of the programs which enrolled students who were high school graduates, the summer phase was designed as a "bridge" linking the student's high school experience and fall enrollment as a freshman in the college conducting the program. This report deals specifically with the

summer programs, the students enrolled in these programs, and the impact of the programs upon the students.

B. Specific Objectives

1. To characterize the students enrolled in the Summer Upward Bound programs in order to understand what kind of students were selected and, wherever possible, how they compared with high school students in general.
2. To characterize the Summer Upward Bound programs in order to understand what kind of programs were run, and to provide the basis for studying differential program effectiveness.
3. To characterize the impact of summer programs upon the attitudes and motivation in areas related to college success both in terms of the general effects produced during the summer and the differential effects produced by certain kinds of programs which enrolled different kinds of students.

It was assumed in developing these objectives that the effect of programs on students' academic accomplishment would be evaluated during the academic year phase.

II. Method

A. Overview of Strategy

In some cases the measures were based on the total population of either summer students or summer programs. In other cases, the measures were administered only to those students enrolled in 21 target programs selected to represent the total population of 214 programs.

Student characteristics were based on: (1) responses of all summer Upward Bound students to a Biographical Questionnaire, and (2) responses of students enrolled in the 21 target programs to the Pre-Program Student

Questionnaire. Program characteristics were based on (1) ratings made by site visitors at a majority of summer programs and (2) responses of students in target programs to the Program Climate Questionnaire. Program impact was based on the change in scores between Post-program Student Questionnaire and Pre-program Student Questionnaire responses of students enrolled in the 21 target programs.

B. Selection of Target Programs

In order to obtain a ten per cent representative sample, 21 target programs were selected from a pool of 42 randomly selected, but regionally representative, programs. The 21 programs finally selected for the target sample were initially representative of the total population on a number of characteristics as indicated in the following tables. (Students in target programs were also similar to total students as indicated by response to Biographical Questionnaire as shown in Appendix 10) The number of total programs in the tables is 214 since one of the 215 programs was an academic year only program enrolling students who had earlier been enrolled in six different summer programs.

Table 1
Regional Distribution of All Programs and Target Programs

<u>Region</u>	<u>All Programs</u>	<u>Target Programs</u>
I	48	4
II	38	5
III	22	2
IV	38	3
V	23	3
VI	21	2
VII	24	2
Total	214	21

Table 2
Sex of Students in All Programs and in Target Programs

<u>Sex</u>	<u>All Programs</u>	<u>Target Programs</u>
Boys only	16	2
Girls only	7	1
Both	<u>191</u>	<u>18</u>
Total	214	21

Table 3
Number of Students Authorized in All Programs and in Target Programs

<u>Number of Students</u>	<u>All Programs</u>	<u>Target Programs</u>
Less than 50	29	2
50 - 74	68	6
75 - 99	61	6
100 - up	<u>56</u>	<u>7</u>
Total	214	21

Table 4
Residential-Commuter Status of All Programs and Target Programs

<u>Residential-Commuter Status</u>	<u>All Programs</u>	<u>Target Programs</u>
Residential	204	18
Commuter	9	3
Mixed	<u>1</u>	<u>0</u>
Total	214	21

Table 5
Source of Application in All Programs and Target Programs

<u>Source of Application</u>	<u>All Programs</u>	<u>Target Programs</u>
Delegate Agency	28	4
College or School	<u>186</u>	<u>17</u>
Total	214	21

Table 6
Number of Total Programs and Target Programs which had
Upward Bound Program in Previous Summer

<u>Last Year Status</u>	<u>All Programs</u>	<u>Target Programs</u>
No Program Last Year	203	20
Program Last Year	<u>11</u>	<u>1</u>
Total	214	21

Table 7
Number of All Programs and Target Programs in Negro Colleges

<u>Type of School</u>	<u>All Programs</u>	<u>Target Programs</u>
Non-Negro School	181	18
Negro School	<u>33</u>	<u>3</u>
Total	214	21

C. Measures

1. Biographical Questionnaire. (See Appendix 1). A four-page questionnaire consisting of approximately 40 items was developed to provide basic information on educational and family background as well as some indication of educational aspirations for each Upward Bound student.
2. Pre-program Student Questionnaire. (See Appendix 2). This questionnaire was a composite 32-page paper-and-pencil test which consisted of measures relevant to the purposes of Upward Bound. The measures may be considered in three categories: Dispositional measures indexing fairly stable characteristics which were not expected to change, Primary change measures of attitude and motivation expected to change if program is effective, and Secondary change measures, either because the measure was in an exploratory stage or because the measure was less central to the goals of the program.

Dispositional measures

- a. Paragraph Completion Test (Appendix 2, pp. 1-6) to provide an index of Conceptual Level (CL) or interpersonal maturity (Hunt, 1966). A major reason for including this measure was that CL has been found to be related to students' differential responses to different educational environments (Hunt, 1966). This test consisted of six topics, e.g. "What I think about rules...", to which the student was instructed to write three or four sentences during a three-minute time period.
- b. Sub I scale (Appendix 2, pp. 14-16) which measures the degree to which the person is functioning at a very low CL, or low level of interpersonal maturity (Hunt and Dopyera, 1965). High scores on this scale are associated with delinquency (Hunt and Hardt, 1965)

and poor school performance. This test consisted of an 11-item forced choice scale on which the responses were made in relation to a line drawing in which one person was making a statement, e.g. "You are doing poorly" and the student selected between two alternatives, "What would you think? (a) He should say what he thinks or (b) He should mind his own business."

Primary change measures

- a. Story completion test (Appendix 2, pp. 7-8) was included to provide an indirect measure of motivation for college in a similar fashion to that used by French (1958). This test consisted of the student's responding to the introductory part of a story, e.g. "Joe (Jane) is having a cup of coffee in a restaurant. He (she) is thinking of the time to come when..." by writing a completion to the story in four minutes. The student also estimated the length of time taken up by the story.
- b. Importance and possibility of college graduation (Appendix 2, p. 13) was included as a direct measure of motivation for college. The student rated both the importance and the likelihood of college graduation on a five-point scale.
- c. Semantic differential (Appendix 2, pp. 18-23) was included to assess student attitude using those ratings scales which had been previously found useful (Osgood, Tannenbaum, and Suci, 1957) with some additions. The students expressed his attitude toward relevant concepts, e.g. "College" by rating it on several dimensions, e.g. "good-bad", "dumb-smart".
- d. Interpersonal flexibility, or interpersonal understanding (Appendix 2, pp. 27-28 items 28-48) was included to measure the interpersonal aspect of Conceptual Level, or the capacity to look at others with

- different perspectives (Hunt, 1964). This measure consisted of 21 items, e.g. "The best way to understand a person is first to put yourself into his shoes to see how he looks at things," to which the student responded on a 4-point agree-disagree scale.
- e. Self-esteem (Appendix 2, pp. 25-27 items 2, 4, 8, 11, 14, 16, 18, 21, 24, 27) indexes the person's present level of self-adequacy (Rosenberg, 1965), and consisted of ten items, e.g. "I feel that I have a number of good qualities."
 - f. Internal control, or self-responsibility, (Appendix 2, pp. 30-31 excluding items 4 and 15) is defined as the degree to which a person sees himself controlling the outcome of his experience (Rotter, 1966), and is measured by an abbreviated 13-item scale, e.g. selecting the alternative "Becoming a success is a matter of hard work, luck has little or nothing to do with it" rather than "getting a good job depends mainly on being in the right place at the right time."
 - g. Future orientation (Appendix 3, pp. 25-27 items 5, 7, 10, 12, 15, 17, 19, 25) or one aspect of achievement motivation, is a measure of the degree to which a person is willing to postpone immediate gratification for future reward (Strodtbeck, 1958) measured by a 9-item scale, e.g. disagreeing with the item "People should just live for today and let tomorrow take care of itself."
 - h. Alienation (Appendix 2, pp. 25-27 items 1, 4, 9, 13, 20, 22, 23, 26) measures the degree of a person's distrust and disengagement from others, as measured by an 8-item scale, e.g. "These days a person doesn't know who he can depend on." The five-item anomie scale (Srole, 1956) combined the three items

from the "Faith in people" scale (Rosenberg, 1965) because they were very highly correlated. In contrast to all other measures, alienation, as an index of program effectiveness, was expected to decrease.

Secondary change measures

- a. Occupational aspiration (Appendix 2, p. 10). Each student wrote four occupations he would like to be working at if things went well and four which he would settle for three to five years after high school graduation.
 - b. Self-anchored ratings (Appendix 2, pp. 10-11). Each student rated (1) himself three to five years after high school graduation, (2) the average person in his school after the same period of time, and (3) going to college, each on a 15-point "ladder" scale (Cantril, 1965).
 - c. Plans (Appendix 2, p. 12) Each student wrote in a few sentences the way he planned to reach his occupational goals.
 - d. Activity and occupational preferences (Appendix 2, p. 24 and p. 29). Each student selected the two most important and the two least important of a list of eight activities and eight characteristics of jobs.
3. Program Rating Scales. Site visitors made ratings on five components (Program Organization, Program Control, Program Warmth, Program Flexibility, and Program Commitment) which were described in a manual (see Appendix 3). Ratings were made on a 5-point scale.
 4. Program Climate Questionnaire (PCQ) was a specially developed 11-page instrument (Appendix 4) to measure characteristics of Summer Upward Bound programs. Students responded anonymously to 86 statements e.g. "When the students make suggestions, the program is changed" on a

four-point scale ranging from "Definitely true" to "Definitely false".

PCQ items were classified and scored in eight program component scales: Flexibility, Autonomy, Individuation, Student Evaluation, Warmth, Supportiveness, Group Harmony, and Staff Harmony (Appendix 5). PCQ also included the student's free response about which features of the program were most valuable and suggestions for changes, as well as ratings of students in program and specific program characteristics.

5. Post-program Student Questionnaire was a shortened (22-page) version of the Pre-program Questionnaire which omitted certain measures not expected to reflect change, e.g. Sub I scale. A 20-item vocabulary test was also included.

D. Procedure in Administering Measures.

1. Biographical Questionnaire was administered during the first week in 213 of the 214 programs by a member of the local staff, and required approximately 30 minutes.
2. Pre-program Student Questionnaire was administered to students in each of the 21 target programs during the first week of the program. Questionnaires were administered to groups no larger than 50 students by a member of the Characterization Project staff in a two-hour period. Students were told that their responses would be treated confidentially and would not be seen by anyone on the local staff.
3. Program Rating Scales were completed by site visitors at the time of, or immediately following, the two-day site visit. Rating scales were available for 161 of the 214 programs.
4. Program Climate Questionnaire (PCQ) was administered by a Characterization Project staff member during the last week of the summer program to students in the 21 target programs who completed it anonymously in about 30 minutes.

5. Post-program Student Questionnaire was completed immediately following the PCQ, and required about 90 minutes.

E. Procedure for Scoring Measures.

1. Biographical Measure. Responses were coded, punched, and analyzed by proportions of students in program. Proportion of response to each item were recorded not only for each of the separate programs, but also by each of the seven regions, for a ten percent random sample, and for the total target sample.

2. Pre-program Student Questionnaire

Scoring Dispositional Measures

- a. Paragraph Completion Test. Each of the six responses was scored on a scale from 0 to 4 using a revised version of the manual of Hunt and Halverson (1964). Conceptual Level (CL) score was obtained for each student by calculating the mean of the highest three scores (Schroder, Driver & Streufert, 1967). Inter-rater reliability among raters ranged from .66 to .84. Scores of the more experienced rater were used in calculating CL.

To classify individuals as low, intermediate and high CL, the following procedure (similar to that employed earlier by Hunt, 1966) was used.

	<u>CL Score</u>	<u>Per cent of Students</u>
Low	1.3 or less	32.0
Intermediate	1.4 - 2.0	37.2
High	2.1 and more	30.8

The proportion of high CL students was later used to classify programs according to predominant type of student.

- b. Sub-I Scale was scored on a scale from 0 to 11 (See Appendix 6). The median Kuder-Richardson coefficient for Sub-I Scale was .73.

Scoring Primary Change Measures

- a. Story completion test. Each of the two stories was scored for whether the student mentioned college in the story. Inter-rater agreement was 94 per cent.
- b. Importance and possibility of college graduation. The importance and possibility scores were obtained directly from the students' response: "If graduation from college is:

Extremely important,	give 5 points
Very important,	give 4 points
Fairly important,	give 3 points
Slightly important,	give 2 points
Of no importance,	give 1 point "

The possibility scale was as follows:

"If graduation from college is:

Extremely possible,	give 5 points
Very possible,	give 4 points
Fairly possible,	give 3 points
Slightly possible,	give 2 points
Not possible,	give 1 point "

Thus, each student obtained both an importance and a possibility score.

- c. Semantic differential. On the basis of intercorrelations, four dimensions (pleasant, nice, polite, and good) were combined into an evaluative index for each of the six concepts (See Appendix 7 for intercorrelations). The evaluative index was computed by assigning a value from 1 (bad) to 7 (good) to each of the student's four responses so that the range was from 4 to 28. Kuder-Richardson coefficients of the evaluative index for the six concepts

ranged from .71 to .90 with a median of .86. In order to obtain a measure of self-evaluation of intelligence the student's rating of "Myself" on the "dumb-smart" scale was recorded (range 1-7).

- d. Interpersonal flexibility was scored using the key in Appendix 6. Since each item was scored from 1 to 4, the possible range was from 21 to 84. The median Kuder-Richardson coefficient was .56.
- e. Self-Esteem was scored using key in Appendix 6. Possible range of scores was from 4 to 40, and median Kuder-Richardson coefficient was .67.
- f. Internal control was scored according to the key in Appendix 6. Scores ranged from 0 to 13, and the median Kuder-Richardson coefficient was .50.
- g. Future orientation was coded for disagreement with all nine items: 3, 5, 7, 10, 12, 15, 17, 19, and 25 (Appendix 2, pp. 25-27). Total scores ranged from 9 to 36, and the median Kuder-Richardson coefficient was .72.
- h. Alienation was scored for seven items (1, 9, 13, 20, 22, 23, and 26 on pp. 25-27, Appendix 2) on a four-point scale coded for agreement in all seven cases and on one item (4 on p. 30, Appendix 2) coded for alternative b. Therefore, total scale scores ranged from 8 to 30, and the median Kuder-Richardson coefficient was .58.

Secondary Change Measures

- a. Occupational aspirations. Each of the occupations was coded according to three scales: Education required (from 1 to 8), Mental Skill required (from 1 to 9), and Status (from 1 to 7). These three scales were summed to obtain an overall aspiration index (ranging from 3 to 24) for each occupation, e.g. aspiration

index for architect = 22, for auto mechanic = 13. A mean score of the indices for the four high occupations and for the four that the student would "settle for" were both calculated.

c. Self-anchored ratings for self, other, and college was the score (from 1 to 15) at which the student rated each of these concepts on the "ladder".

d. Plans. The student's statement of plans was scored for the degree of integration from a score of 1 (totally unrelated to stated goal) to 7 (maximum integration of mean toward goal attainment).

Plans were also scored on a 3-point scale for the degree to which college was included.

e. Activity and occupational preferences. Each item was scored by subtracting the frequency of "least important" mentions from the "most important" mentions.

f. Program Rating Scales. Five ratings as made by site visitors on a five-point scale were used.

g. Program Climate Questionnaire. The items on PCQ were scored according to eight subscales (See Appendix 5)¹. Number of items and Kuder-Richardson coefficients follow:

1. PCQ was developed especially for characterizing Summer Upward Bound programs, and the a priori scales were based on pilot work in five nearby programs; current results are being analyzed to increase the homogeneity and discriminative precision of the scales.

<u>Scale</u>	<u>Number of items</u>	<u>K-R</u>
Flexibility	10	.64
Autonomy	15	.66
Individuation	13	.72
Student evaluation	10	.80
Warmth	14	.64
Supportiveness	14	.74
Group harmony	13	.80
Staff harmony	5	.65

5. Post-program Student Questionnaire. These measures were scored in the same way as the Pre-program Questionnaire.

III. Results

A. Student Characteristics

1. Biographical Questionnaire. Results of responses of all students to each question are contained in Appendix 8, and the National Profile is presented in Appendix 9. Responses of students in the target programs were similar to the total population (ten per cent random sample) as indicated in Appendix 10.

2. Dispositional Measures.

- a. Conceptual level. The results for Conceptual Level (CL) are presented in Table 8 by target programs and by total group. The overall CL mean of 1.90 is significantly lower ($< .01$) than that of 2.02 obtained in a sample of boys attending a suburban high high school indicating that the Upward Bound student is somewhat lower in interpersonal maturity than a middle-class sample.
(Hunt and Dopyera, 1966)

Table 8
CONCEPTUAL LEVEL (INTERPERSONAL MATURITY) SCORES
Program and Total Mean Proportions and Scores

Target Program Number	CL Score	Proportion of CL			Low Maturity Score (Sub I)
		Lo	Medium	Hi	
11	1.82	35.7	36.8	27.7	3.81
12	2.18	12.8	30.7	56.3	1.74
13	2.03	19.5	39.6	41.1	2.18
15	2.06	20.0	27.3	52.8	2.51
21	2.12	8.1	40.8	51.0	2.24
22	1.80	25.1	62.5	12.5	2.84
23	1.74	46.8	28.7	24.6	2.28
25	2.17	12.1	40.4	47.5	2.05
27	1.90	33.5	33.5	33.5	2.34
31	1.57	49.3	33.3	17.3	2.22
32	1.82	38.8	25.2	35.9	1.65
41	1.88	34.3	35.8	30.0	2.20
42	2.04	23.8	38.1	38.1	4.71
43	2.07	24.1	35.2	40.8	1.72
51	1.83	42.4	27.3	30.3	2.11
53	1.87	27.7	50.8	21.6	2.86
54	1.78	41.7	38.9	19.4	3.07
61	1.83	29.4	48.4	22.2	2.24
62	1.60	50.5	31.0	18.3	2.48
71	1.69	42.3	37.6	20.3	2.37
73	2.07	12.6	44.8	42.5	2.03
TOTAL	1.90	32.0	37.3	30.8	2.46

- b. Self-Esteem. The pre-program mean on self-esteem for the students in the target sample was 27.94 which was significantly lower ($< .001$) than the score of 29.21 reported by Rosenberg (1965) for 1678 New York State high school students indicating that the typical Upward Bound student is initially lower than a random sample of high school students in self-esteem.
- c. Internal control. The mean score of the Upward Bound group on Pre-program Internal Control was 9.29 (on a 13-point scale) which was unexpectedly higher ($< .001$) than that reported for a national sample of 1000 high school students in the Purdue Opinion Poll sample whose mean was 8.57 (Franklin, 1963).

B. Program Characteristics

1. Program Rating Scales were available for 161 programs. Table 9 presents the correlations between the program scales.

Table 9
Intercorrelation of Program Scale Ratings

	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
1. Organization	.20	.45	.47	.57
2. Control		.17	.06	-.02
3. Warmth			.61	.64
4. Flexibility				.78
5. Commitment				

With the exception of Program Control, the dimensions show a fairly high interrelationship which probably indicates a general evaluative factor. Program Control ratings should probably be

interpreted with some caution because some site visitors experienced difficulty in rating this dimension. In some cases, it was not completely clear that a low rating simply meant, as the manual suggested "if the program permits the students to determine their schedules and activities entirely or allows the students to be completely on their own" which was intended to be descriptive and might occur in a variety of patterns, i.e. democratic-reflective, unstructured-permission, etc. However, generally the ratings appear to provide a reasonably accurate profile of each program rated along these dimensions.

2. Program Climate Questionnaire. The correlations between the eight scales are presented in Table 10. Responses to PCQ will be further analyzed for possible future use, but for present purposes, it is noteworthy that flexibility and autonomy are highly related, and these scores will be used in a later section as a major program characteristic.

The correlation between site visitor ratings and PCQ for flexibility was .40 and for warmth, .43. Means and standard deviations for 21 target programs are in Appendix 11.

Table 10

INTERCORRELATIONS OF GROUP CLIMATE QUESTIONNAIRE SCORES

	2	3	4	5	6	7	8
1 FLEXIBILITY	80	76	56	68	68	56	46
2 AUTONOMY		87	56	83	78	56	71
3 INDIVIDUATION			56	83	80	67	63
4 EVALUATION				74	82	76	71
5 WARMTH					91	77	77
6 SUPPORTIVENESS						87	83
7 GROUP HARMONY							64
8 STAFF HARMONY							

N = 335

C. General Impact of Summer Programs

Impact of summer programs was measured by comparing the mean score on the Post-program Student Questionnaire with the mean score on the Pre-program Student Questionnaire based on those students for whom both measures were available. For most cases, the number of students was 1622. In all instances except alienation, it was expected that an increase in score would indicate positive program impact. Note was also taken of the number of 21 target programs which showed an increase on each change measure.

Primary Change Measure Results (See Table 11)

1. Motivation for college. This index increased from 22.2 per cent to 33.1 per cent, an increase of 10.9 per cent which is significant ($< .01$). Motivation for college increased in 20 of the 21 target programs (See Appendix 12 for mean scores by target program).
2. Importance and possibility of college graduation. Importance of graduation from college score did not increase significantly primarily because the pre-program mean score was very high (4.53 on a 5-point scale).

The possibility of college graduation increased from 3.71 to 3.90, an increase that was significant ($< .01$), and was observed in 17 of the 21 target programs.

3. Attitude measures. The pre- and post- scores on the semantic differential evaluative index are summarized in Table 12. In all cases, there was a slight decrease in the score. The most likely explanation for this otherwise puzzling trend is that since the pre-program measure was actually administered during the first week of the program, these very high initial scores probably reflect the students' initial enthusiasm to the program. This initial very high level (e.g. 25.88 on a scale ranging from 7 to 28) made it almost

Table 11
Change in Total Mean Scores of Primary Change Measures

Measure	Pre-program Mean	Post-program Mean	Differences	t	Significance Level	No. of Programs with Positive Change
1. Motivation for college	22.2%	33.1%	+10.9%	50.65*	<.01	20
2. Importance of college graduation	4.53	4.58	+ .05	1.72	not significant	12
3. Possibility of college graduation	3.73	3.92	+ .19	5.58	<.01	17
4. Self-evaluation of intelligence	5.12	5.29	+ .17	4.29	<.01	18
5. Interpersonal flexibility	57.64	58.31	+ .67	3.54	<.01	17
6. Self-esteem	27.94	28.30	+ .36	2.67	<.01	16
7. Internal control	9.29	9.67	+ .38	5.13	<.01	20
8. Future orientation	26.64	26.60	- .04	--	not significant	10
9. Alienation	18.77	18.94	+ .17**	--	not significant	12**

* = Chi Square

** = Scores are expected to decrease

N = 1622

impossible for the scores to increase at the post-program administration. Therefore, the most reasonable conclusion would seem to be that the program sustained the high level of attitude which was initially produced.

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Table 12
Mean Attitude Scores

	Pre-program Score	Post-program Score
1. Attitude to summer program	25.88	24.96
2. Attitude to college	24.34	23.96
3. Attitude to teachers	25.36	24.98
4. Attitude to myself	23.02	22.83
5. Attitude to kids in program	23.39	22.59
6. Attitude to kids back home	20.90	20.60

4. Self-evaluation of intelligence. The mean score for self-rated intelligence increased from 5.12 to 5.29, an increase of +.17 which was significant ($< .01$), and occurred in 18 of the 21 target programs.
5. Interpersonal flexibility. The interpersonal flexibility scores increased from 57.64 to 58.31, an increase of +.67 which was significant ($< .01$), and occurred in 17 of the 21 programs.
6. Self-esteem. This measure increased from 27.94 to 28.30, an increase of +.36 which was significant ($< .01$), and occurred in 16 of the 21 programs.
7. Internal control. These scores increased from 9.29 to 9.67, an increase of +.38 which was significant ($< .01$), and occurred in 20 of the 21 programs.
8. Future orientation. The post-test mean scores of future orientation of 26.60 was almost identical to the pre-test mean of 26.64, so that no change was evident; increases were observed in approximately half, i.e. 10, of the 21 programs.

9. Alienation. Alienation scores were expected to decrease in successful programs but there was no significant change. The pre-test mean was 18.77 and the post-test mean was 18.94, with decreases occurring in only 9 of the 21 programs.
10. Proportion of students changing on primary measures. In addition to considering change in terms of total group and by programs, the occurrence of change was also considered by calculating for those primary measures which showed significant change the proportion of students (out of the total 1622) who increased, stayed the same, or decreased on the measure. Those results are summarized in Table 13.

Table 13

Primary Change Measure	Proportion of students who:			Net Increase
	Increased	Stayed Same	Decreased	
1. Motivation for college	20.6	69.9	9.5	11.1
2. Possibility of college graduation	32.5	47.4	20.1	12.4
3. Self-evaluation of intelligence	32.2	46.5	21.4	10.8
4. Interpersonal flexibility	50.7	10.6	38.8	11.9
5. Self-esteem	46.3	15.1	38.7	7.6
6. Internal control	47.2	22.1	30.7	16.5

Secondary Change Measure Results

1. Occupational aspirations. The occupational aspiration index for those jobs a student would like if things go well for him did not change significantly, nor did the occupational aspiration index for the jobs he would settle for.

2. Self-anchored ratings. The rating of oneself in three to five years after high school (as indicated on the 15-point ladder) increased from 10.12 to 10.71, an increase of +.59 which was significant ($< .01$), and the increase occurred in 18 of the 21 programs. However, the ratings of the average person in high school also increased from 7.42 to 8.29 ($< .01$) which occurred in 19 of the 21 programs. The rating of college on the 15-point scale increased slightly from 11.63 to 11.77, but this was not significant.
3. Plans. Neither the index for degree of integration in planning nor the college index showed significant increases, the former increasing +.03 and the latter remaining the same.
4. Preference for activities, occupational characteristics and summer goals.

Students were asked to select the types of program activities they felt would be most useful in helping them to achieve their goals. From the eight item list students initially placed highest priority on "studying and serious reading," "lectures and classes," and "informal talks with staff." While at the end of the program these activities were still the most highly valued, some interesting shifts had occurred. "Informal talks with staff," "field trips," and "bull sessions with students" were all given higher valuations at the end of the program than they received originally. Thus, over the course of the summer, students discovered that the informal aspects of the program had greater benefits than they had originally anticipated.

Early in the program, students were asked to select the main goals which they wished to realize during the summer. They assigned high priority to "improving study habits," "learning how to apply to college," and "meeting new and interesting people." At the end of the program, students were asked to report which goals they felt had been realized. They indicated that they were most sure they had achieved those goals they valued most highly.

D. Differential Impact of Summer Programs.

An observer of different Upward Bound programs is quickly struck by the variety and approach among programs. However, it is not simply a question of which kind of program among these different approaches is better than others, since the effectiveness of a particular approach will depend upon the kind of students in the program.

Evaluation procedures frequently attempt to identify the "best" programs without considering the variety of students in these programs. In the present view, the issue is not "Which program is best?", but rather "Which programs are more effective with certain kinds of students?" Some earlier work investigating the differential effectiveness of educational environments upon culturally disadvantaged students found that a highly structured classroom environment was most effective for students of low Conceptual Level while a more flexible classroom environment was most effective for students of high Conceptual Level (Hunt, 1966).

In order to investigate such differential program effectiveness, therefore, the 21 target programs were classified according to (1) predominant type of student (low vs. high Conceptual Level or interpersonal maturity), and (2) type of program approach (structured vs. flexible). The use of the structure-flexible dimension as the major program characteristic was justified not only by the theoretical basis of its earlier importance (Hunt, 1966), but also because program flexibility--autonomy was found to be one of the most important dimensions along which the 21 programs varied. Because of the high relationship between flexibility and autonomy ($r = .80$), these two dimensions were combined to provide an index of program flexibility. Programs were divided by splitting them into a low group with scores averaging 50 or below (bottom 11 programs) and a high group with flexibility--autonomy scores greater than 50 (top 10 programs). Next, the programs were independently

classified according to the proportion of high CL students in the program (See Table 8) by splitting them into a low group where less than 30% of the students were high in CL or interpersonal maturity (9 bottom programs) and a high group with 30% or more of the students high in CL or interpersonal maturity (top 12 programs). Each program was then considered as being either structured or flexible and as enrolling predominantly low or predominantly high CL students. According to this classification, there were 4 programs in the Structured-Low CL category; 7 programs in the Structured-High CL category; 5 programs in the Flexibility-Low CL category; and 5 programs in the Flexibility-High CL category. It should be emphasized that this use of a median split classification was very general and therefore, the descriptions of structured-flexibility and low-high CL should be accordingly regarded as general, and relative to the present sample of 21 programs. (See Appendix 13)

On the basis of a conceptual systems change model (Hunt, 1966), greater effectiveness was expected for structured approaches in the programs with predominantly low CL students and for flexible approaches in programs with predominantly high conceptual level students since both these combinations are considered to be "matched". Low CL students, because of their relatively concrete orientation, should function best and be more likely to change when the program approach is clearly structured, well organized, and the students know what to expect. By contrast, high CL students who are more inquiring and more independent, should function best and be more likely to change in a reflective environment which is more flexibly attuned to their independent orientation. Therefore, the Structured-Low CL group and the Flexible-High CL group were generally considered to be "matched" while the other two groups were considered to be "mismatched".

In order to investigate the occurrence of differential program effectiveness, seven change scores were considered. Change in attitude to the summer program and those six change measures which increased significantly (Table 11) were analyzed in this fashion. Results are summarized in Table 14. Analysis of variance was employed in order to determine whether the positive changes brought about were attributable to (1) program structure alone, (2) student CL alone, and (3) match between program structure and student CL (interaction). Table 14 presents the mean scores of the 4 combinations and the mean scores for programs classified according to program structure, student CL and matching.

When change in attitude to summer program is considered, the change is greater for students in "matched" programs than in "mismatched" programs, confirming the assumption of matching. Put most simply, students like a matched program better than a mismatched program.

The differential results of the six primary change measures which showed a significant overall change, reflected considerable evidence for differential effectiveness. In the case of three measures (motivation for college, possibility of college graduation, and interpersonal flexibility), the "matched" programs show significantly greater change ($< .05$) than the "mismatched" programs. In the case of two measures (self-evaluation of intelligence, internal control) there is a strong tendency ($< .10$) for the matched programs to produce greater change than mismatched programs. For these five measures in which differential effectiveness was observed, only one instance of a main effect produced by program approach or type of student was observed (effect of program structure upon possibility of college graduation). In the other four measures it is only when one considers the degree of matching of student and program that one is able to pinpoint what determines for effectiveness. By contrast, change in self esteem apparently

Table 14
Effect of Student Conceptual Level and Program Structure on Primary Change Measures

Program Grouping	Change in attitude to summer program	Change in motivation for college	Change in possibility of college graduation	Change in self-evaluation of intelligence	Change in interpersonal flexibility	Change in self-esteem	Change in internal control
1. Low CL - Structured	+ .30	12.02	.25	.17	.99	.34	.53
2. Low CL - Flexible	-1.07	11.36	.20	.14	.23	.09	.32
3. High CL - Structured	- .91	6.21	-.01	.04	.57	.70	.26
4. High CL - Flexible	- .30	11.52	.30	.30	1.00	.19	.50
Total Low CL programs (1+2)	- .46	11.65	.22	.15	.57	.20	.41
Total High CL programs (3+4)	- .66	8.42	.12	.15	.75	.49	b.36
Total Structured programs (1+3)	- .47	8.32	.08	.09	.72	.57	.35
Total Flexible programs (2+4)	- .68	11.44	.25	.22	.61	.14	.41
Total Matched programs (1+4)	- .03	11.74	.28	.24	.99	.24	.51
Total Mismatched programs (2+3)	- .98	8.36	.08	.08	.43	.44	.28
Effect of CL	F --	F 1.14 >.10	F 1.37 >.10	F --	F --	F 1.18 >.10	F --
Effect of program structure	--	--	3.63 <.05	1.08 >.10	--	3.30 <.05	--
Effect of matching (interaction)	5.45 <.05	3.19 <.05	6.96 <.025	1.73 <.10	3.16 <.05	--	2.75 <.10

is more likely to occur in structured programs generally than in flexible programs ($< .05$) with no evidence for differential effectiveness as a result of matching.

IV. Summary and Conclusions

A. Student Characteristics

The typical Upward Bound student was sixteen years of age, in the tenth grade, and came from a family whose average income was \$3,341. Compared with the national average, the Upward Bound students were less likely to be living with both parents and the father was less likely to have received any post-high school education. In terms of academic accomplishment, there was great variation between programs but the general trend seemed to indicate that the typical student was slightly below average in academic achievement.

Compared to a sample of suburban high school boys, the Upward Bound students were lower in Conceptual Level. Compared with a large sample of New York State high school students, the Upward Bound students were lower in self-esteem. However, compared to a national sample of teen-agers they were higher in self-responsibility. Whether or not this rather surprising finding reflects some special characteristic of the internal control scale will require further investigation.

B. Program Characteristics

The enormous variation in summer Upward Bound programs was in part captured by the results of the Program Climate Questionnaire. A major source of variation was the degree of flexibility provided for the students in the program.

Although some revisions may be made in the instrument based on factor analysis and site visitor reports, the results from the PCQ seem to be sufficiently encouraging to warrant recommending its use in all summer 1967 programs. The feedback of such results to project directors should be valuable in helping them to appraise the strengths and weaknesses of their particular programs.

C. General Impact

The summer Upward Bound programs produced significant increases in (1) motivation for college, (2) importance of possibility of college graduation, (3) self-evaluation of intelligence, (4) interpersonal flexibility, (5) self-esteem, and (6) internal control or self-responsibility. Whether or not these increases in academically relevant areas will be sustained and transformed into increases in academic accomplishment remains to be seen, but they give considerable encouragement in terms of the effects produced by a relatively short term program. No significant increases were noted on the measures of (1) importance of college graduation, (2) future orientation, and (3) alienation.

D. Differential Impact of Summer Programs

The increases described above were generally more likely to occur when the program approach was geared to the predominant type of student in the program. Students preferred a "matched" program and in the case of five of the six primary change measures which increased, these changes were more likely to occur in "matched" programs (i.e. a structured approach for predominantly low CL students and a flexible approach for predominantly high CL students.)

The implications of these differential findings require considerable caution, but there would seem to be a possibility for making suggestions to directors planning subsequent programs to increase effectiveness if information is available regarding the Conceptual Level of the students in the program.

E. Suggestions for the Future

Obviously, it will be important to index the impact of the summer programs upon the students' academic achievement, and such work is now under way. In subsequent projects aimed to characterize summer Upward Bound programs, it would seem valuable to include in the evaluation procedures some "in depth" interviews and/or observations of specific students to accompany and amplify results from the more objective approaches.

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Mr. DELLENBACK. May I ask one more question of Dr. Frost?

Chairman PERKINS. Yes.

Mr. DELLENBACK. You earlier gave us some data as to the percentages of race and origin of young people involved in the program. As I recall, it was 51 percent for Negro and 30 percent of Caucasian, and then Spanish American and Indian, and so on.

Is any attempt made in administering the program to fix these percentages in advance? Is that a random chance result or is there something other than that involved in it?

Mr. FROST. It is purely random. We make the grants to the colleges. Our guidelines suggest that the colleges ought to develop Upward Bound classes that are roughly consonant with the poverty population they are serving. So if it is largely Negro, it will end up that way. If it is largely Indian, it will end up that way.

Mr. DELLENBACK. Do you know whether these percentages roughly correlate to the overall origin percentage of the "poor" throughout the United States?

Mr. FROST. No, I do not. I have the impression that they do, but I don't know. Do you know?

Mr. LEVINE. I am sorry.

Mr. FROST. Of the 1,400,000 poor in America, 50 percent are Negro.

Mr. LEVINE. Thirty percent are Negro.

Mr. FROST. Of the poor in this age group, could 50 percent be Negro?

Mr. DELLENBACK. You have answered the first question by saying you have not deliberately sought to achieve any percentage by the way you award grants. You have given general guidelines to the college or university where the grants are awarded. It is roughly random or chance sampling that comes out of it. It correlates to the overall percentage.

Mr. FROST. That is right.

Mr. DELLENBACK. Again, we don't need it at this particular moment, but I would like to have that particular statistic.

Mr. QUITE. Will the gentleman yield?

Isn't it true that in Mississippi and Alabama only Negroes participate in the Upward Bound program because there has not been the cooperation for white people to participate?

Mr. FROST. That is true in Mississippi, sir. The only grant we have made in Mississippi, the only applicant we ever got from Mississippi, was Tougaloo College. They tried to get white youngsters in and could not get them.

In Alabama we had the same case in 1966. This year Springhill College in Mobile came in and it will take a regular, integrated program.

Mr. LEVINE. About 38 percent of the poor youngsters in this age group are nonwhite, to answer the previous question.

Mr. DELLENBACK. So we have an overall statistic of about 38 percent nonwhite but the participants in the program are about 51 percent.

Mr. FROST. Are Indians in nonwhite?

Mr. LEVINE. Indians are in nonwhite. The Spanish-speaking are counted as white.

Mr. DELLENBACK. Then we roughly have 38 percent versus 5 percent.

Chairman PERKINS. Are there further questions?

Mr. Meeds.

Mr. MEEDS. Thank you, Mr. Chairman, I would just like in regard to this cost-benefit analysis thing, to point out that the Congress, various committees of the Congress, have for a number of years, and I speak of the Public Works Committee, the Armed Services Committee, and almost all of the committees dealing with material things, have been operating on cost-benefit ratios for a number of years.

A cost-benefit ratio analysis presupposes the question of: Does the investment of this amount of money return a benefit. It is not a question of whether it is done or not, as the gentlewoman from Oregon implied. It is a question of if we understand that this thing does show a benefit.

I would like to compliment you people for bringing this type of analysis into the social field. I think it is an excellent tool. I agree with the gentleman from Oregon that there it certainly is no answer to everything but it is a valuable piece of evidence as to whether the investment in terms of dollars and in a material sense is going to return a profit.

I also would like to point out that there seems to be some confusion, at least I am a little confused at this point, as to whether the advocates of the Opportunity Crusade are saying that this should be put into the Office of Education at the same time they are proclaiming that it can be part of a community action program. I am confused as to how these two things can be done.

Mr. QUIE. Under the Opportunity Crusade community action would be in HEW and the Office of Education handling of any programs would be through community action agencies as well.

Mr. MEEDS. So this would be a further splinter from HEW to the Office of Education.

Mr. QUIE. Under the Opportunity Crusade there is no proposal that Upward Bound be a part of the Office of Education. Upward Bound could be financed by the community action agencies under the versatile program just as they have been heretofore.

Mr. MEEDS. Would it then be under the Office of Education?

Mr. QUIE. It would be under HEW with that plan. The other suggestion was made by Mrs. Green in the higher education bill hearings that the Office of Education coordinate and administer not only Talent Search but also Upward Bound.

Mr. MEEDS. Would it put it under the Commission of Education not under HEW?

Mr. QUIE. And this is the testimony by Mr. Muirhead I read into the record from our hearings at that time.

Mr. MEEDS. Thank you for the clarification.

Chairman PERKINS. Mr. Gibbons?

Mr. GIBBONS. No questions.

Chairman PERKINS. Are there further questions from anybody?

Mr. Steiger?

Mr. STEIGER. The one statistic that again we can get back to, did I understand you correctly, Dr. Frost, that the 8 percent non-Upward Bound poor youth that you estimate now go to college are defined only as those who attend a four year college or university?

Dr. FROST. We use the Office of Education book on this and it is accredited or institutions that had some kind of general curriculum

in contrast to the youngster who goes to a very specific technical night school or something to that effect.

Mr. STEIGER. You stated though that this related only to 4-year colleges and universities?

Dr. FROST. Typically institutions with general curriculum or 4-year institutions but there are a great many, and many more recently, as you know, junior colleges that have it.

Mr. STEIGER. Are these included?

Dr. FROST. Yes, sir.

Mr. STEIGER. I think it is important that this be clarified because if it were only 4-year colleges or universities frankly I think the figure might be somewhat higher.

There would be a larger percentage of poor youngsters capable of college who would attend a junior college or a community college.

Dr. FROST. We all have a great deal of difficulty with the definitions of these things. Something called post-secondary education might be a flying school or hair dresser school. It could be a great many things. I think you may recall that the GI bill people had a very difficult time with that fact some years ago.

Mr. STEIGER. Do you have any information at all on the figures on the poor youth in this country who attend a 2-year technical school, for example?

Dr. FROST. I do not. We could try to develop that information.

Mr. STEIGER. I think, Mr. Chairman, it might be of some value frankly for all of us to have that information.

Chairman PERKINS. If the gentleman has any information of that kind I know he will cooperate with you.

Mr. GIBBONS. Included in that 8 percent figure are accredited junior colleges, is that right?

Dr. FROST. Yes, sir.

Mr. GIBBONS. And 4-year institutions?

Dr. FROST. Yes, sir.

Mr. GIBBONS. But they must be accredited, is that right?

Dr. FROST. That is the list we were working on, yes.

Mr. GIBBONS. Thank you.

Chairman PERKINS. Mr. Dellenback.

Mr. DELLENBACK. Mr. Chairman, can you give us an indication of what the program is relative to this afternoon in relationship to the House?

Chairman PERKINS. This afternoon we will complete I hope the other education aspects of the community action program, Follow-up and Headstart.

If we do there will be general questions. Tomorrow we will hear from the Labor Department. Monday if we don't complete with Sargent Shriver, today, on Job Corps we will have the Job Corps people back on Monday.

We are trying to give the Office of Economic Opportunity every opportunity to make a complete presentation of their program.

Mr. DELLENBACK. I have some personal concern. The debates are taking place on the floor relative to raising the ceiling on the debt limit.

Chairman PERKINS. We will adjourn as soon as the debate commences.

Mr. QUIE. In the Upward Bound program, both the faculty members of the college and students at the college worked with the Upward Bound youth, is that right?

Dr. FROST. Yes, sir.

Mr. QUIE. To what extent is the work study program utilized to fund the college students who work with the Upward Bound youth?

Dr. FROST. I would guess that about one-half of the 2,700 college tutors working in Upward Bound are paid from work study.

Mr. QUIE. Does OEO take the entire salary of the faculty that work with them or are there other sources for these payments as well?

Dr. FROST. OEO pays for the portion of time that the college faculty members actually spends on Upward Bound, yes.

Mr. QUIE. But there is no other source. Or are they expected to secure a percentage from some other place?

Dr. FROST. Typically a college would put a person on in Upward Bound maybe 60 percent of the time and also have him teaching in the regular institution 40 percent of the time and paid out of their funds.

Mr. QUIE. Are they required to put in any time on their own on a matching basis?

Dr. FROST. Are you asking about the non-Federal share?

Mr. QUIE. Yes.

Dr. FROST. It is 90-10 this year and goes to 80-20 next year.

Mr. QUIE. Do they utilize services of their professors for the non-Federal share?

Dr. FROST. They do on occasion, yes.

Mr. QUIE. Are those then the only two sources for either the college faculty or college students who work with the Upward Bound, either the work study program or OEO for the Federal share?

Dr. FROST. Yes. There have been very few little pieces of research done on Upward Bound kids funded by OEO but it has been very small.

Mr. QUIE. Thank you.

Chairman PERKINS. The committee will now recess until 1:45 p.m.

(Whereupon, at 12:40 p.m., the committee recessed, to reconvene subject to call of the Chair.)

(The following letter was submitted for the record:)

THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., July 3, 1967.

HON. CARL D. PERKINS,
Chairman, House Education and Labor Committee, House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: In reading the transcript of the June 21 hearings on the Economic Opportunity Act Amendments, we noticed that some concern was expressed about the relationship between Upward Bound and Talent Search. Since we are responsible for the administration of the Talent Search program, we thought that our view of the differences between them would be helpful to you.

The differences are these:

1. *Mission:* Upward Bound's mission is to prepare under-achievers for college. As OEO's statements put it, "students selected for Upward Bound shall be those who have potential for success in college or other post-secondary education, but whose present level of achievement and/or motivation would seem to preclude their acceptance in a college, university, or other post-secondary institution." So far as we understand the program, this is an accurate description.

On the other hand, Talent Search's mission is not a preparatory program but, as stated in the Higher Education Act of 1965, one of *identification and encouragement* of "qualified youth" to complete secondary school and undertake post-secondary education, and encouragement of secondary school or college dropouts to reenter educational programs. While there is some small overlap with the Upward Bound target youth, "qualified youth" under Talent Search are limited to those with good high school records, good enough to qualify them for college entrance. Upward Bound serves the harder core youth with a poor high school record, who require major remedial programs.

Upward Bound serves "poor youth with *undemonstrated* aptitude" who might, if given intensive academic remediation and enrichment, be prepared for post-secondary education. Essentially this means that Upward Bound works primarily with under-motivated youth. Talent Search, on the other hand, generally serves poor youth "with *demonstrated* aptitude" providing college admission and financial aids counseling for such youth.

2. *Program*: Upward Bound provides to poverty youngsters, at no cost to them, the full range of academic pre-college courses in residential summer schools and by tutoring and special classes during the school year. Medical and dental care is provided as well as a weekly stipend of up to \$10 per week per student while on campus.

Talent Search, on the other hand, counsels qualified youth about college careers and publicizes college admissions and financial aids data. Any remedial or compensatory work would be incidental. Subsistence, medical and dental care, and stipends are not provided.

3. *Financial Status*: Upward Bound is currently serving 22,000 poor youth in 250 projects at a Federal cost of approximately \$1,250 per student. The faculty/student ratio is 1:7.

Talent Search currently serves 250,000 to 500,000 students in 57 projects at a Federal cost of \$5 to \$10 per student. The counselor/student ratio is 1 to 1100-1 to 2200.

4. *Community Involvement*: Upward Bound projects operate in conjunction with Community Action Agencies and the universities and colleges to provide counseling, remedial, and supporting services and to identify youth.

Talent Search, on the other hand, relies mainly on college and high school personnel for its counseling and publicizing projects, and the extent of community involvement varies from project to project.

The programs are presently quite distinct in their specific objectives and operations. Much of what is learned through Upward Bound, however, has been and will continue to be useful to us in the administration of the Talent Search program.

We feel that it is essential to continue to support Upward Bound and the improvements it is bringing about in dealing with the problem of reclaiming talents that would otherwise be lost. A change at this time would, we believe, imperil the substantial progress which is being made in helping disadvantaged youngsters develop their talents to the full reach of their potential.

Sincerely,

JOHN W. GARDNER, *Secretary*.

ECONOMIC OPPORTUNITY ACT AMENDMENTS OF 1967

THURSDAY, JUNE 22, 1967

HOUSE OF REPRESENTATIVES,
COMMITTEE ON EDUCATION AND LABOR,
Washington, D.C.

The committee met at 10:05 a.m., pursuant to call, in room 2175, Rayburn House Office Building, Hon. Carl D. Perkins (chairman of the committee) presiding.

Present: Representatives Perkins, Green, Dent, Brademas, Scheuer, Meeds, Ayres, Quie, Goodell, Reid, Scherle, Dellenback, Eshleman, and Steiger.

Also present: H. D. Reed, Jr., general counsel; Robert E. McCord, senior specialist; Louise Maxienne Dargans, research assistant; Benjamin F. Reeves, editor of committee publications; Austin Sullivan, investigator; Marian Wyman, special assistant to the chairman; Charles W. Radcliffe, minority counsel for education; John R. Buckley, chief minority investigator; Dixie Barger, minority research specialist; and W. Phillips Rockefeller, minority research specialist.

Chairman PERKINS. The committee will come to order. There is a quorum present. I understand that the Secretary has had a bit of bad luck and that you are fortunate to be here, Mr. Secretary. I understand that you may have had some.

STATEMENTS OF HON. W. WILLARD WIRTZ, SECRETARY OF LABOR; ACCOMPANIED BY R. THAYNE ROBSON, EXECUTIVE SECRETARY, PRESIDENT'S COMMITTEE ON MANPOWER; STANLEY H. RUTTENBERG, ASSISTANT SECRETARY OF LABOR AND MANPOWER ADMINISTRATOR; JACK HOWARD, ADMINISTRATOR OF BUREAU OF WORK PROGRAMS; D. CURTIS C. ALLER, ASSOCIATE MANPOWER ADMINISTRATOR; SAMUEL V. MERRICK, ASSISTANT TO THE SECRETARY FOR LEGISLATIVE AFFAIRS

Secretary WIRTZ. I am very sorry. It is just a matter of getting stuck in an elevator between two floors. I can only apologize, without any explanation other than that.

Chairman PERKINS. Let me welcome you here, Mr. Secretary. We are delighted that you are here. The Department of Labor is responsible for some programs that are most important to the war on poverty under delegated authority, for example, the Neighborhood Youth Corps. We are all most anxious to hear from you. Your department has done a wonderful job in connection with the administration of these programs. You may proceed.

Secretary WIRTZ. Thank you, Mr. Chairman.

Chairman PERKINS. Without objection, your statement will be inserted in the record. I would like to hear you summarize your statement, with particular emphasis on how much money you could efficiently utilize in expanding manpower programs under the Economic Opportunities Act.

(The statement referred to follows:)

STATEMENT OF W. WILLARD WIRTZ, SECRETARY OF LABOR

Mr. Chairman, members of the committee, my testimony is, in summary:

I

That the human redevelopment program initiated in the past three years by President Johnson, constructed largely by the 89th Congress, and administered in an occasionally awkward but in general extremely effective way by a comparatively small group of dedicated public servants, represents one of the bold, grand chapters in American history;

That the enactment and administration of the Economic Opportunity Act of 1964 has been one of the central elements in this development—along with the enactment and administration of the Civil Rights Act, the Education Bills, the new urban development program, and the amended Manpower Development and Training Act; and

That H.R. 8311 represents a responsible and wise writing of the instruction of three years' experience into the Economic Opportunity Act.

Recognizing that this may seem almost a belligerent assertion of the positive, I confess to being tired of hearing so much about the negative. It isn't going to hurt the country to recognize what it's doing right as well as what is going wrong; and if what is good doesn't make as interesting pictures for the television cameras or as exciting copy for the newspapers as what is bad, all the more reason for speaking up—before current history gets a bad case of hypochondria.

Any suggestion that the war on poverty has been won, or that anybody thinks it has been won, would be dead wrong.

So, I think, are the suggestions that it will help to redeploy enough forces to permit taking out a partisan patent on another "crusade" instead of getting on with a bi-partisan war.

Nor will the members of this Committee, veterans in the war against poverty, be content with any suggestion that all that is needed now is a massive transfusion of Federal funds; or, in the alternative, with any political shell game of charging that the war in Viet Nam is being financed out of the war on poverty and then protesting piously that the anti-poverty budget is too high.

Neither will there be any sympathy here for those who riot or burn buildings in protest that this war is not already won—not realizing that a riot now is as wrong as a march on Selma or Washington was right, that the riot is against those who did nothing for a hundred years, but that it hurts badly the efforts of those who are now deeply committed to remedy this situation with almost desperate speed.

I testify, conscious of the issue of "credibility" that has been raised, in terms of pride in an Administration and a Congress that has in these three years, and for the first time in history, told the *truth* about the slums, told the *truth* about the inequality of education—until that truth has hurt—and now helps.

I testify from as deep a concern as anyone can have about such statistics as those of battlefield casualties, as rising crime rates, but in the belief that the Nation should know, too

That between 1½ and 2 million people in this country are in school or in training or in jobs today who would be down and out if this human redevelopment program had not been undertaken.

That the number of hard-core unemployed (those out of work 15 weeks or more) has been cut in these three years by more than half—57%—from 1,084,000 in May, 1964, to 464,000 in May 1967.

I testify to the questions of ways and means, and unfinished business, on today's agenda. I respectfully urge, at the same time, that these agenda items be

taken up with due attention to the underlying facts: that what is happening today is that democracy's authentic tradition is being purged of the fallacy that some people have to fail so that others can succeed, and that being created equal is enough; that every established institution is being put to the test, particularly under youth's stern questioning and through such instruments as the Community Action Program in OEO, of how fully and directly it serves the individual—instead of the other way around; and that a great deal of today's proper self-criticism results from the new realization of man's own competence to perfect the human condition for all who enter it, and from his consequent substitution of the human potential for human experience as the measure of social achievement.

Mr. Chairman, I hope greatly that these hearings will be the occasion for strengthening this nation's human redevelopment program, and that I can in this connection meet your inquiries fully with respect particularly to the manpower aspects of this program. It is by no means perfect, or complete. I hope no less greatly that this will also be an opportunity for recognition that greater progress is being made right now in the improvement of the human condition in this country—for *all* who share it—than ever before in history.

II

Now about H.R. 8311 itself.

My testimony relates particularly to those parts of this Bill which relate to functions being exercised, under the present Act, by the Department of Labor.

This includes four work-training or work-experience programs which are provided for now in separate parts of the Act and which would all be covered, with some modifications, in a new title I-B of H.R. 8311:

The Neighborhood Youth Corps, now under title I-B;

Operation Mainstream, the community improvement program added by the 1965 amendments as section 205 (d) ;

The New Careers Program for adult work experience sponsored by Congressman Scheuer and added by the 1966 amendments as section 205 (e) ; and

The Special Urban Impact program added by the 1966 amendments, now under title I-D.

The major improvements made by the proposed modifications in the authority for these programs will:

Allow local communities increased flexibility in designing projects which will be most responsive to local needs and problems.

Provide a basis on which these programs can be combined in new ways to deal more effectively with the complex problems of unemployment and underemployment in slum areas.

Require community employment and training programs under section 122 to include, where necessary, related supportive services such as basic education, occupational training, health services and special counseling.

Authorize section 122 programs to include projects involving both adults and youth age sixteen or over. At present youth age sixteen through twenty-one years may be enrolled in only those adult work programs which are funded through the special impact programs of present title I-D.

Open section 122 programs to unemployed, underemployed or low-income persons, thus broadening the present eligibility requirements of some of the programs which are now open only to unemployed persons or chronologically unemployed persons.

Broaden and increase the flexibility of programs in special impact areas through authority to initiate or expand with special impact funds any type of work and training program authorized under the new part B of title I and to expand any other type of program under other Acts related to improving or restoring the employability of individuals.

More clearly incorporate the concept that individuals must be assured "careers" rather than just "jobs", by making sure that the road to self-sufficiency is not blocked by unrealistic and outmoded job requirements.

Make it very clear that the goal of the manpower programs should be and is self-sufficiency for the people who are crippled by poverty. We cannot accept and do not want to operate programs that stop short of this goal. We do not want hand-out programs, "keep them off the streets" programs, temporary palliatives of any kind. H.R. 8311 not only gives a clearer and more sharply defined direction to the anti-poverty strategy, but also it provides the legislative basis for the operation of programs to accomplish the objective.

The language in this bill, more clearly spelling out the purpose and design of the Special Urban Unemployment Impact Program, represents President Johnson's determination to get help to the hardest cases. In his message on Urban and Rural Poverty to Congress last March, the President described this program as one providing concentrated assistance, both public and private, to those with the greatest need. By increasing the size and scope of the present Special Impact program this will give substance to that promise.

A special survey conducted last fall disclosed an unemployment rate in slum areas about three times the average for the rest of the country; 10% compared to 3.8%. A "subemployment index," which gives a more accurate picture of the slum employment situation, indicates that one out of every three residents (34%) in the slum has a serious employment problem.

To meet the needs of these people, the concentrated employment program was launched in the slum areas of several cities and rural communities in March.

The basic concept of the concentrated employment program is to provide in a single contract with a single sponsor, in a well defined area, whatever is necessary to enable a man or woman or boy or girl to find and hold a decent job at a decent wage. It takes the "hard cases" first—and takes no other cases. It recognizes their unemployment as a personal rather than a general economic problem. And it draws directly on the resources and cooperation of employers in the community.

The initial development phase of the program, presently being carried out in 21 areas (19 urban and 2 rural), is now complete. Proposals have been developed and reviewed for each of these areas. Approximately \$100 million from FY '67 manpower program resources has been allocated to this program and will have been obligated by June 30. Approximately 40,000 job opportunities—20,000 in the work experience programs (NYC, Nelson-Scheuer, Special Impact) and 20,000 in the private sector—will have been provided. Up to 25,000 training slots under MDTA will be provided. By mid-summer, 20,000 people will be involved in one way or another in the program.

Local business and industrial leadership, and the leadership of organized labor, is backing this program.

In some cities involvement is through business organizations such as the Business and Industrial Coordinating Council in Newark, and the Board of Trade in Washington; in others the involvement is direct and personal. Top corporate officials are serving on the boards of the nonprofit agencies set up to administer these programs.

In Cleveland, several companies are providing expert staff on a lend-lease basis to assure top quality management capability to the program.

In Boston, the General Dynamics Corporation has offered to equip one of the program orientation centers and provide instructors and instruction at no cost to the project.

In St. Louis, local businessmen have formed a non-profit group, Work Opportunities Unlimited, to develop on-the-job training projects and find jobs for the disadvantaged.

Another encouraging aspect of the program is the healthy cooperation which is developing between the State Employment Service agencies and the local Community Action agencies. In San Antonio, for example, not only will the Texas Employment Commission and Community Action agency personnel be working side by side, but in the same centers orientation programs will be run by SER, the organization devoted to helping the Spanish-American poor, and a Negro civil rights group called FREE.

We expect to extend this concentrated employment program next year to from 25 to 50 additional areas.

I report next on the conduct of the four EOA work-training and work-experience programs for which responsibility has been delegated by the OEO to the Department of Labor.

The Neighborhood Youth Corps, in the last two and a half years, has provided work opportunities for more than 900,000 young men and women in over 1,200 communities, in every state, the Virgin Islands, Guam and Puerto Rico.

The young people enrolled in the NYC come from families with a poverty income and a poverty of expectation. They need jobs, and a variety of supportive services.

NYC is the story of hope for those who had no option but despair:

45% of the enrollees have come from non-white groups.

57% of the enrollees are young men from low income families; 43% women.

It is the story of dropouts returning to school or entering training, or securing jobs.

A recent study of out-of-school enrollees, interviewed three to twelve months after completion of their NYC enrollment, showed that nearly 35% were working in full-time jobs, 9% had returned to school, 4% were in vocational training, 5% were working part time and going to school part time, and 6% were in military service. Since none were employed or in school when they started NYC, this 59% represents a significant and heartening gain.

It is the story of the urban ghetto and the isolated rural area. From the beginning the NYC has been as concerned with hidden rural poverty as with the more visible suffering in our cities. Through March 31 of this year, 531 of the NYC projects have been in rural areas; 36% of the job opportunities and 33% of the total funds have been used in rural areas.

It is the story of service to communities.

32% of the out-of-school enrollees have been serving their communities as education and clerical aides, filling sub-professional roles. In the case in-school enrollees the percentages are higher. 19% in clerical work, 20% in education, 7% in library service.

8% of the out-of-school enrollees have been working in health occupations, helping to expand health services in their communities.

Another 22% of them have been working to increase recreational facilities and conserve our natural resources.

It is the story of 589,000 boys and girls who were able to continue their education through 2,550 in-school projects.

In January 1966, 34% of the sponsors of the out-of-school projects provided remedial education. By December 1966, 50% were providing remedial education.

The investment made in these young people is small in terms of dollars. It is estimated that in fiscal year 1967 the average cost per enrollee will be \$2,930 in out-of-school projects, \$650 in in-school projects, and \$520 for summer projects. The out-of-school costs is higher, of course, because these enrollees needs more intensive supportive services such as counseling, and remedial education.

The return goes beyond dollar measurement, both in terms of human lives saved and community benefits. However, we are beginning to get, in addition, a dollar return as well. On March 15, for example, Mayor Cavanaugh of Detroit told the Senate Labor and Public Welfare Committee that 9,500 young people have been enrolled in NYC in Detroit. The cost to date, he said, was \$5.4 million. Today, he added, NYC alumni earn \$10.5 million a year and are returning tax money at a rate of \$1.75 million a year.

Amendments to the Economic Opportunity Act, both in 1965 and 1966, added new work experience programs for adults. These programs, found in Title ID and sections 205 (d) and (e), were very recently delegated to the Department of Labor, and are being administered through the Manpower Administration by the new Bureau of Work Programs which also administers the Neighborhood Youth Corps.

The adult work program added in 1965, section 205(d)—the community improvement program—is intended to provide work experience to unemployed adults, particularly the older workers who find themselves with outmoded skills, and rural workers who cannot compete in the labor market today. This work experience is to provide necessary improvements to the community and at the same time give these unemployed adults experience and training that will help them qualify and hold permanent employment. The "Green Thumb" projects in operation in several States are examples of this program. We have named the program "*Operation Mainstream*"—a name that is intended to convey the program's purpose, that is, bringing the unemployed older worker back into the mainstream of American economic life.

The *New Careers program*—section 205(e)—was added to the Economic Opportunity Act last year. It is one of the most innovative of the manpower programs. This program is also designed for adults, but is not limited to those who are chronically unemployed. Under the present Act it is designed to reach adults 22 and over, in all areas of the country, but because of the kind of job opportunities it provides, it is implemented more easily in the cities than in the rural areas.

The *New Careers program* provides unemployed adults with work experience in social service occupations on the condition that their work experience will count

toward fulfillment of entry level requirements for permanent employment. An agency benefiting from government subsidy of work experience and training must rearrange its job structure so that the individual who enters at the lowest sub-professional level can look forward to an orderly progression to increasingly responsible jobs.

Increased flexibility will be given to both the New Careers and Mainstream programs under the proposed legislation by combining them into one program (the Community Employment and Training Program under section #122), by lowering the age eligibility from 22 to 16 years, by provision for on-the-job training in private industry, and by opening the program to all unemployed, underemployed, or low income persons.

The *Special Impact program*, also authorized in the amendments of last year, made it possible to put all of these programs together. In fact the development of the concentrated employment program is in response to the need to put these pieces together in a cohesive and concentrated entity.

I should report, too, that we have been able to effectively merge the manpower resources of the Department of Labor with those in HEW in the title V program as this Committee recommended and the Congress passed last year. It was a wise step and we will have in the coming year a title V program that seems certain to provide more effective rehabilitation of welfare clients.

But of more significance than the operation of single programs is the fact that all of them can now be put together. They are being put together in a way that makes it possible to give each individual whatever manpower services he needs to take him all the way from unemployment and dependence to a permanent job and independence.

III

Several more general matters, relating to the manpower aspects of the broad human development program, arise in connection with other provisions of H.R. 8311 or in connection with various other proposals which have been made.

"Coordination" has been a point of continuing consideration and criticism. It has also been a focal point of constructive action.

So far as the manpower program is concerned, there is today *effective* coordination at the national level. There is a rapidly improving situation, subject to some exceptions, at the State and local level. I shall be glad to report to the Committee on both of these situations in whatever detail is desired.

As an example of the improvement, the Federal-State Employment Service system, working with, business, civic and social organizations and with Community Action agencies, is now deeply involved in finding the hard cases, in providing counseling and coaching, in job development, in providing for basic education, employability training and vocational training and in making sure that persons who need supportive services can get them.

The provision in Title VI, Part B, of H.R. 8311 for the exercise of broader and more specific functions by the Economic Opportunity Council will meet effectively the need for relating the manpower to other aspects of this program.

The suggestions which have been made for statutory redistribution of various OEO programs among other agencies and departments, and for dismantling the OEO, have—in my judgment—no basis in operating reality. They come down to a worse than pointless kind of gerrymandering, and a strange inversion of the strategy of "divide and conquer." There is historical irony in the reminder that earlier "crusades" were in the main frustrated because responsibility for their conduct was divided up between too many kings and princes.

Poverty didn't develop in this country because anybody wanted it. It developed because the poor are the least represented group in the society, and because there was no organization, until three years ago, of the national concern about it. The time to end the present separate identification of a responsibility for eliminating poverty as such—and there will be such a time—will be when there are other *institutional* forms of effectively expressing their interests.

The suggestion that the time has already come to turn programs developed by OEO in these three years over to the established agencies and departments doesn't answer the question of how it can be properly assumed that these agencies and departments will continue to do aggressively what they didn't do at all for so long. The hard-headed, tough-minded considerations involved here aren't personal. They are institutional. It would be a mistake to assume that the inertial forces within the established agencies and departments which led them

to let the Economic Opportunity Act—and the OEO—become necessary have already been permanently dissipated. They have not been.

A final point: To the extent that various counterproposals to H.R. 8311 suggest, with respect to the manpower and related programs, that there should be an increasing shift in these programs toward reliance on *private* resources which are available, I agree completely. But the rest of this point is that this shift is already being made—to an extent and in a variety of forms which I shall be glad to report in detail to the Committee. H.R. 8311, taken with the present form of the Manpower Development and Training Act, permits the fullest possible and practicable effectuation of this purpose.

I commend to the Committee its prompt and favorable support of this Bill.

Secretary WIRTZ. Thank you, Mr. Chairman.

A very brief summary of my testimony, which I understand will be made a part of the record, is of a general character because I assume that the committee's interest will be largely in the questions you will want to put to us.

In that connection, I will identify the people at the table with me, all of whom I think are known to this committee.

Mr. Stanley Ruttenberg, Assistant Secretary of Labor for Manpower, who is here; Mr. Thayne Robson, who has worked with Mr. Ruttenberg and who has worked particularly with the problem of coordinating the various manpower activities. He has done an extraordinary job in that connection.

Jack Howard, to my left, as you know, is Administrator of the Neighborhood Youth Corps and now the Bureau of Work Programs, which includes the Youth Corps; and Curt Aller, whom you know from previous associations with this committee, is Director of our Office of Manpower Policy, Evaluation and Research.

Sam Merrick, my legislative assistant, you know personally.

I testify, Mr. Chairman, from a very real pride in the program of which it has been our privilege to participate. I think of it as a human redevelopment program which was initiated 3 years ago by the President, developed very largely by the 89th Congress, with a very significant contribution by this committee.

I think of it, too, if you will, as a program which has been administered sometimes awkwardly but overall effectively by as dedicated a group of public servants as it has ever been my privilege to deal with.

I think of this as one of the grand, bold chapters in American history. Surely a central part of it has been the operation of the Office of Economic Opportunity under the Economic Opportunity Act. I think of this program as a key factor along with the Civil Rights Act, the education bills, urban redevelopment program, and the amended Manpower Development and Training Act.

I come in that connection to H.R. 8311 which I think of as a proposal to write into the law the experience of these past 3 years. I know that sounds almost belligerently positive. I am tired of hearing so much about the negative. I don't think it will hurt this country a bit, along with realizing the things that are going wrong, to realize the things that are going right. If the good things don't make as good television copy as the bad things, I think it is all the more reason to speak about it before we get a case of hypochondria. Any suggestion that the War on Poverty has been won or that anybody thinks it has been won would be dead wrong. Any suggestion that it could be won by a simple redeployment of forces which is now called another "crusade" would be equally wrong.

Any suggestion that all you need is a massive transfusion or infusion of Federal funds into this program denies the experience of every member of this committee, for you are the veterans of the war against poverty and you know that a lot tougher matter is involved here.

Any suggestion that this war is going to be won by riots is dead wrong, and wrongest of all. I guess it is not realized that the riots are really against those people who did nothing for a century but they discredited the operations of those of us—and I mean this committee and the Congress and the President, and those of us in the administration of this program—who are now trying so hard now to provide cures—

Chairman PERKINS. Under the urban impact aid funds, do you feel you have been able to prevent riots in certain metropolitan areas?

Secretary WIRTZ. No, I don't Mr. Chairman. I can make a more reserved statement. I take great pride, so does Jack Howard, so do all of us at this table, that 51 of those Negro boys who put on white helmets and put out the fire of riot in Tampa, Fla., were alumni of the Neighborhood Youth Corps. It pays off that way. These young men are part of that group of 136 boys who have been cited for their responsibility in meeting that situation when it developed in Tampa. Surely, out of the 136 to know that almost half of them have been boys that have been in the Neighborhood Youth Corps gives us satisfaction. But the program is not directed at stopping riots. It does not pretend it can.

Chairman PERKINS. I thought there may be a flexibility where, if certain conditions existed, you might arrest a situation in a metropolitan area.

Secretary WIRTZ. No.

Chairman PERKINS. That has not occurred?

Secretary WIRTZ. Mr. Chairman, those fires have been lighted over a hundred years. They cannot be put out just this way. It would be a great mistake for us to direct our programs toward the riots or to pretend that they will meet them.

Chairman PERKINS. I am delighted with your testimony, myself. I am asking the question to get the information for the record.

Secretary WIRTZ. When people who riot realize that their actions are as wrong as the marches on Selma and Washington were right, then we can get on with the important work before us. Right now, the rioters have just hurt us. I wish there was some way of saying to those people that they are getting in the way of the first honest effort ever to stop the age old fires. And they were moving, not with all deliberate speed, but with almost desperate speed to meet in this honest effort. I wish rioters would not complicate it the way they do.

I am not going to give you a lot of statistics. I am including very few in my statement. We used to compare what we are doing with what we used to do. We don't any more. If we did, it would be easy. We can take enough pride in the fact there are between a million and a half and 2 million people in this country in school, in training or at work today who would be down and out if it had not been for what we have done together in the last 3 years.

I am not talking about the effects of the upward movement of the economy, but the OEO program, the education bills, Manpower

Development and Training Act. A million and a half to 2 million people who have really had life brought back to them in a realistic sense in this period.

I would like to match those statistics along with some other meaningful figures. It is just statistics, but it is true and significant that we have cut in half—by we, I mean this country and this economy, this Congress, this administration, these programs—have cut in half in the last 3 years, the hard core unemployment situation, we have cut by 57 percent. Three years ago in May there were 1,084,000 people who had been out of work 5 years or more. Three years ago it was 1,084,000. Today it is 464,000. It has been more than cut in half.

That is not the most important thing that has gone on. When I think of the Economic Opportunity Act and the Office of Economic Opportunity and the Redevelopment Program we are talking about, I think of it in terms of a reflection of the basic things going on in this country today.

So we don't measure what we do any longer by what we did before. We measure it by our potential. This is what is making things difficult in the measurement. We are also undergoing at the urging and insistence of American youth and through the Office of Economic Opportunity, a complete stern reevaluation of the relationship of individuals to institutions. We don't accept institutions today unless they serve the individual.

Chairman PERKINS. Are you endorsing the Office of Economic Opportunity as presently constituted?

Secretary WIRTZ. I think they have done more—and by “they,” I mean we, the Congress, the administration, the people through that Office—to insist upon a reevaluation of all the institutions in this whole area—Federal, State, and local. They have done more to make new attempts at direct service of the individual rather than just the institution than any other group or through any other experiment in history that I can think about. They have shaken us up, Mr. Chairman, the whole bunch of us, the whole country. They have said people are poor not because anybody in this country wants poverty, but because it happens because the poor people aren't represented, haven't been represented. And we are going to see that there is something done about it. They have put a hair shirt on all of us, the other agencies of government, and on the country. They have told us the truth about poverty, and it hurts. Now it helps. They have shaken us up.

Chairman PERKINS. The Office is in the process of concentrating on the disadvantaged areas throughout the country, the people who really need assistance. Would it be a mistake to shift it somewhere else?

Secretary WIRTZ. I mention that in my testimony, and I simply summarize my view here. I think it would be a terrible mistake at this point, just a terrible mistake. I know the argument that some of these programs are now at a point that we should shift them someplace else. I am in a pretty good position to say to you, Mr. Chairman, that it takes more than 3 years to upset the inertial forces that characterized some of the established departments of Government, including the Department of Labor.

Three years is not enough to serve as a basis for any assumption that the established departments are now going to do right what they didn't

do at all before. I would urge very, very strongly the continued development of this program for the time being through somebody whose job and whose sole job is to recognize the effects of poverty and to develop those institutions and procedures which will meet that problem. There will be a time for turning it over, but it is not now.

Chairman PERKINS. Go ahead.

Secretary WIRTZ. With respect to the statement which I am summarizing, the rest of it quite briefly includes, in particular, a discussion of those programs which we are administering in the Department of Labor. Those started with the Neighborhood Youth Corps. They include now three other: the Work Experience-Working Training Programs, the New Careers Program for which Congressman Scheuer is so largely responsible, the Operation Mainstream and special urban impact program.

My report, Mr. Chairman and members of the committee, upon the operations of those programs is set out in the statement. It is a record of, I think, very real accomplishment. It is a record which also shows the need for some improvement in the statutory basis on which this program is conducted. Those changes are made in title I, part B, of H.R. 8311. Their particular relevance to these programs which we administer is set out on pages 5, 6, and 7. They permit these provisions in title I, part B.

Mr. DENT (presiding). I would suggest that perhaps you take a little more time now and give more detail and, if you want, refer more often to your printed script, so that we can follow you more closely. The pressure is over now. The chairman is away, and we will take it easy.

Secretary WIRTZ. Thank you very much. I would think the point to start, on that basis, would be at the bottom of page 4 and top of page 5, in which there is reference to the present development or the past development in this program. You will recall that shortly after the enactment of the Economic Opportunity Act, and the establishment of the Office of Economic Opportunity, there was delegated to the Department of Labor the Neighborhood Youth Corps. You will probably note, too, that within the last several months there has been added the delegation of the Nelson program, the Scheuer program—Operation Mainstream, we call it—then the new careers program for which Mr. Scheuer is so largely responsible, and the urban impact program.

Those are administered by the Department of Labor, on delegation from the OEO.

Mr. DENT. How would you say that they are going, Mr. Secretary?

Secretary WIRTZ. My report can be quite full with respect to the Neighborhood Youth Corps. The statistical summary of that program and its accomplishments are set out on pages 10, 11, 12 of my statement.

Let me give you just the outlines of it. There are three Neighborhood Youth Corps programs. One of them is an in-school program. The next one is an out-of-school program, and the third is a summer program. Jack Howard is here, who has administered that program so effectively and so well. You may have questions about it. The chairman's question included the matter of whether we have used all the funds which were available, and we have on this program. We are

committed right up to the hilt of the appropriation. It has been a program which has worked very effectively.

The number of Neighborhood Youth people who have had Neighborhood Youth Corps training is just over 900,000. That is about 2½ years. We think of that as a very substantial program. There are hundreds of thousands of boys and girls who are at work or in school in this country today because of that program. It has been administered with careful attention to the concentration of the poverty problem, the unemployment problem among low-income families, among Negro families, among other minority group families. It has been carefully administered with attention to the problems of boys and girls.

We will be glad to go into what questions you have. It is working exceedingly well.

With respect to the other three: the Scheuer program, the Nelson program, and the special impact program were authorized by amendment to the law last year. The administration of these three was delegated by OEO to the Department of Labor in March. There have been few concrete developments so far. All of the money will have been obligated by June 30, so that the programs are fully on-going.

Mr. DENT. Mr. Secretary, I note on page 12—this is one of the areas in which we at this time are most interested because of the criticism that we receive on the whole program. It appears that one of the most often repeated criticisms has to do with the so-called per pupil, per enrollee, and per person cost. I note that you have the average cost of the enrollee in out-of-school project at \$2,930 per enrollee. How much does that break down? How much of it is a direct payment to the enrollee in cost of living stipend, and how much of it is prorated to the cost of operating the program, and so forth?

This is the kind of criticism that this committee has to face when we get to the floor with this legislation.

Secretary WIRTZ. I can answer in general, Mr. Chairman—

Mr. DENT. Call upon anybody that you have.

Secretary WIRTZ. Yes; I would like Mr. Howard to speak specifically to that. That is a problem which we have faced on a broader front. As far as the whole manpower program is concerned now, we have the overhead operating cost down to about 6 or 7 percent as of the last reading.

Now I am talking about not the Employment Service, but about the MDTA and the OEO programs. We are down now to about 6 or 7 percent operating overhead. The rest of it is fairly evenly divided between training costs and actual payment to the individuals involved. I am talking about the training allowance under MDTA and the direct payment cost in the Neighborhood Youth Corps.

As far as MDTA is concerned, it is about 5 or 6 percent overhead and a fairly equal division between training expenses and payments directly to the beneficiaries. As far as the Youth Corps is concerned, the payments to the individuals are a substantially larger part. I will ask Mr. Howard to reply directly to your question on the \$2,930 figure.

Mr. DENT. I would like to get the answer. I will ask a further question. In this particular type of program, the out-of-school neighborhood youth program where you are sponsoring training specifically in

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.

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.

Let me ask you one other question for clarification, and then you may continue with your general statement. How many enrollees or work opportunities, as you call them, do you have in private profit-making enterprises?

Mr. HOWARD. Let me search for that and get it for you right away.

Mr. DENT. For the benefit of the committee, I want to say that we will run more or less on an informal basis, because I think at the particular moment the Secretary is giving us certain specific testimony. If you have a question you want to address, if you will address the Chair, I will see that you get an opportunity to ask it.

Mr. SCHEUER. Mr. Chairman.

Mr. DENT. Mr. Scheuer.

Mr. SCHEUER. Mr. Howard, you mentioned you don't want to get into multiple programs in the private sector and therefore you have not been approaching the private sector where you still have unfilled MDTA slots. Do I understand you correctly?

Mr. HOWARD. Perhaps I should clarify that, Congressman Scheuer. What I meant by "multiple" was that we didn't want to get into duplicative or overlapping. So, if a sponsor evinced interest in a private sector experience for his enrollee, what we insisted on first was that he explore immediately whether there were OJT slots available already in the community that should be utilized. If not, then whether his interest and the contacts he made were susceptible of development as an OJT agreement under MDTA, in which case that would be done. If those failed, then we would start with our own extension of authority.

The purpose was among other things to reduce the numbers of individuals knocking on doors of employers, so that there is not a constant stream of a dozen different agencies trying to develop the same kind of job. We want to avoid any duplication and therefore we work closely with the alternatives already present.

Mr. SCHEUER. I am very much impressed with what you have accomplished in your "Jobs Now" program. Isn't there a difference between approaching an employer for a modest number of OJT sponsored jobs and giving the employer the initiative for developing a program, as I understand they do? It seems to me that, while I agree wholeheartedly with what I know is your view and the view of the Secretary as expressed in his testimony, we should be reaching more and more into the private sector, giving the private business community more of the responsibility for reaching out in the developing, teaching and learning programs in which they are becoming pretty expert.

I see no particular problem in having a multiplicity of approaches. Maybe from a little competition and the stimulus of a heterogeneous approach we may develop deeper insight as to which is the best approach. The idea of having a multiplicity of approaches like New York and Chicago and other major urban centers does not shock me. I am not even more sure it will result in overlapping or duplication. It seems to me you could have multiplicity without overlapping or duplication.

I would hate to see the "Jobs Now" concept which you cited—where industry undertakes on their initiative major responsibilities for

creating and developing programs—I would hate to see that downgraded on your priorities. It seems to me we should be carrying on a full-fledged program as well as the MDTA program. I defer to your expertise.

Secretary WIRTZ. There is a possible misunderstanding here, because Mr. Howard's replies to Mr. Goodell were in terms of the Neighborhood Youth Corps. I should only like to say that, as far as the manpower program as a whole is concerned, it is moving at a very rapid pace in the direction to which you refer; namely, toward not only a reliance upon the resources of private industry on the training program, but reliance on their initiative in developing it. It is a record which starts with the shifting of the manpower development and training program itself from an institutional training program emphasis to an on-the-job training program emphasis. But it has not stopped there.

So that right now there is a whole series of developments which are part of the very active program of trying to elicit not only the assistance but initiative of private enterprise. We are talking with the employer groups in some 21 areas now about programs which we call "concentrated employment," which are like the "Jobs Now" concept. We are moving along lines which are perhaps illustrated by the fact that in Cleveland the companies, the large corporations in Cleveland, recognizing our problem on personnel, have loaned us six or seven people with top quality management capability for several months to get the concentrated employment program started.

There is a wide variety of efforts. Taking the manpower program as a whole, it is moving very strongly in the direction to which you refer and should, in my judgment, move further in that direction.

Mr. SCHEUER. Do you think you have all the legislative authority you need?

Secretary WIRTZ. We feel we will have with H.R. 8311. Now with respect to the Manpower Program, it is not that H.R. 8311 marks out broad new areas of authorization. The pieces of authority exist, but they are scattered in various places in the present statute. The amendment which carries your name is in one place. Then these other amendments are in various other places. By bringing those together in title I, part B, and by making one provision or another with respect to flexibility, with respect to requiring more supportive services, with changing the definition of unemployment eligibility so that we can provide assistance to a broader range of individuals—with those changes, my answer to your question is yes.

I want the pattern of my answer to be clear. When you say, "Do we have legislative authority?" the Department of Labor has it by delegation under present law, and would have authority by delegation under H.R. 8311. My answer to your question is, with the enactment of H.R. 8311 there is, taking the Economic Opportunity Act along with the Manpower Development and Training Act, ample opportunity for flexibility and coordinated flexible administration of the Manpower Program. And this is the first time I have ever said that to this committee.

Mr. SCHEUER. We are very happy to hear it.

Mr. DENT. Mr. Ayres.

Mr. AYRES. Mr. Secretary, first I want to command you and compliment you on the cooperation that you always show to Members of Congress regarding the Department of Labor problems which they have in their particular districts.

My question is, What is being done to get people trained to qualify for jobs so that general contractors throughout the country can abide by Federal regulations as to the ratio of Negroes to whites on the jobs?

I know that many Members of Congress are concerned about situations where the contractor was doing his very best to abide by the Federal regulations but construction was held up in the granting of funds because, due to the situation in the particular locality, it was impossible to get Negroes on the job. Is there some coordination between the jobs that are in short supply and what we are trying to do under your manpower and training and under the Job Corps and the Neighborhood Youth Corps to direct these enrollees into schools or operations whereby this shortage can be alleviated and these contractors can go forward?

Mr. WIRTZ. Yes, there is. Instead of answering in general terms it is probably more helpful to refer to specific things that are going on. The one to which we attach the largest significance at the moment—and I say “at the moment” because we are still looking for the complete answers to that question—the approach that seems to offer the best promise at the moment is one that involves the participation of the Workers Defense League. We have worked out with them and with the building trades unions a program, first in New York, now being extended to New York City and Westchester County, now being extended to Buffalo, to Cleveland, to a whole series of cities: Buffalo, Cleveland, Baltimore, Detroit, St. Louis, Atlanta, Chicago, and Portland.

This is a well worked out program which has the complete cooperation of minority groups and building trades, and which is designed to find those boys in the community who want to do this kind of work, and to make arrangements for their qualification for apprenticeship in these building trades programs. This approach also recognizes that in a good many cases there has to be a preliminary basis laid in terms of more general qualifications.

That program is now actively underway. There are a number of manpower development and training programs, in further answer to your question, which lie in the same area. I want to make it quite clear, because there has been a misunderstanding about it, that we are not proposing to move in on an MDTA basis and qualify a man for a skilled occupation in disregard of the very sound practices which have developed as far as the apprenticeship program is concerned. They talk about our diluting the trade. We are not doing that. We are developing programs, essentially with respect to some of those fairly broad general education programs. We are developing programs which qualify them to move into the apprenticeship program.

My answer to your question is that our awareness of the problem is along exactly the lines you have stated it. There are specific programs now devised to meet exactly that problem.

Mr. DENT. This poses a very serious question on that very same subject matter. Is this Neighborhood Youth Corps program in any

way commingled with the drive being put on by the civil rights demonstration under title 7 for a certain percentage of employment?

Secretary WIRTZ. No, sir.

Mr. DENT. I notice you said you have some kind of agreement on work in New York where you have a certain percentage of apprenticeships being made available for youth, both under this and the Manpower Training Act. But isn't there another program coming along at the same time paralleling the same drive that you are making where they are told that unless they hire a certain number of apprenticeship employees—

Secretary WIRTZ. Negroes?

Mr. DENT. Apprenticeship employees first from the minority groups, especially the Negro groups, that their project can be held up if they don't employ them?

Secretary WIRTZ. The answer is no, Mr. Chairman. There is no such rule and there won't be as long as I have anything to do with it.

Mr. DENT. The reason I am asking is because I got a call yesterday afternoon about a project that is being held up because there are not Negroes within the entire trading area of this contract and they have to go into the city of Pittsburgh to pick up a certain number of Negroes and lay off a certain number of their people to do the job.

Secretary WIRTZ. It is an outrageous rule.

Mr. DENT. For this reason only. He said: "We bid these jobs. If we know that we are not going to be allowed to use our experienced help, it will make a difference in the contract price. I don't care if I hire all Negroes if I have them. We only have 1.7 percent Negroes in the area."

Now he is cooperating with your program.

Secretary WIRTZ. Not when he makes that kind of report, he is not cooperating with our program. When he makes that kind of report, he can't be cooperating with our program, because that is a dangerous poison to spread around. That kind of thing would be just as wrong.

Mr. DENT. It is not poison. It is not propaganda. It is a fact that I can't understand.

Secretary WIRTZ. We recognize the fact that there is somebody who is making a mistake in the administration of this program. First, reference to ratios is likely to get us into trouble here. I have mentioned and Mr. Howard has mentioned the fact that we are concentrating in the Neighborhood Youth Corps and in the other training programs on increasing the number of minority group members in those training programs. That I support, and I am sure we all do. Where there has been disadvantage in the past, it should be rectified by an over-emphasis on that group in the future. That is clear. But then the word "ratio" came into the conversation.

As far as I am concerned, there is no justification any place any time for a ratio. I learned it the hard way, because I had in my professional capacity the integrated housing case in Deerfield, the first suburban integrated housing case in the Chicago area. I think we lost that case, which we were trying to defend, because of our own mistake of letting a ratio concept come in there. I am against it.

Then I come next and finally, just to complete this, to the proposition to which you refer. I don't think there is any justification for

holding up any contract or any project on the basis of whether there is or is not a person of a particular race on that job. That part is clear.

I think there is equal justification for being sure that everything is done to see that with respect to the manning of any job there is no discrimination. And in addition, there is an affirmative effort made to make it clear to everybody that the mores 5 years ago are not the mores today. These points must be clear.

But if there is any point where somebody says a project will not go ahead just because of who is or is not on it, it is wrong.

Mr. GOODELL. Mr. Chairman, I would like to follow up on one point that was previously raised in this hearing. We have a variety of different programs for manpower training. Most of them are centered in the Labor Department. There is overlapping jurisdictions between groups who are trying to coordinate the programs. The import of my original comment was not that it was a good thing to expand the on-the-job training program.

It seems to me totally unnecessary to have a separate enactment of a separate law of somewhat different standing. We should fund it in the ongoing on-the-job training program. If we want to expand that and try to focus it on the MDTA training program, the way to do it is to amend MDTA and give you the authority to proceed.

I don't believe it makes any sense at all to add an additional provision of the law. In a recent hearing you are quoted as saying there are 15 to 30 separate manpower programs administered by public and private agencies—all supported by Federal funds—in each major U.S. metropolitan area. I am a little concerned that we are proliferating programs in different laws to be administered by different local agencies where there is obviously a problem of coordination.

Do you have any general comment or recognition in this field?

Secretary WIRTZ. The 1530 reference was to which area, Mr. Goodell? Did you not say 1530?

Mr. GOODELL. Fifteen to thirty separate manpower programs administered by public and private agencies—all supported by Federal funds—in each major U.S. metropolitan area. That was in your testimony before the Subcommittee on Inter-governmental Relations of the Senate Committee on Government Operations last fall.

Secretary WIRTZ. I don't remember the exact context, nor is the statement one that is presently clear or the figure one that is presently clear in my mind, but will be supplied.

(The information referred to follows:)

The statement was that "there are 15 to 30 separate manpower programs administered by public and private agencies, all supported by Federal funds, in each major U.S. metropolitan area."¹ This was one of the coordination problems which came into focus from the work of the three-man teams.

Mr. GOODELL. Let me ask you directly now. Have you read the proposals for the Industry Youth Corps?

Secretary WIRTZ. Yes.

Mr. GOODELL. It is clear from the testimony of Mr. Howard and from your testimony that you do not have authority today to extend your training efforts of the school dropout by paying a portion of the

¹ Hearings before the Senate Subcommittee on Intergovernmental Relations, Nov. 16, 17, 18, and 21, 1966, p. 248.

wage of such an individual in circumstances where there is hope for long-term employment, so that we may induce a private-for-profit enterprise to provide on-the-job training for such an individual.

We have suggested this now for several years. We have solicited your comments. I believe last year in testimony you said you were very appreciative of this approach and that you were studying it. It seems to me that we have reached a stage where this kind of approach would be very appropriate, that we should at least be experimenting with this kind of approach to induce employers in profit enterprises to take these youngsters under circumstances where a portion of their wage will be paid by the Government for limited periods of time. This approach is the basis of our Industry Youth Corps proposal in the Opportunity Crusade.

Do you have some comment on this?

Secretary WIRTZ. Yes. You do not include in your question the tax credit and similar so called "incentives" which are all part of the same picture. I will limit my comment to your particular point.

I assume you are talking about the out-of-school program, aren't you?

Mr. GOODELL. That is correct.

Secretary WIRTZ. If you are talking about the in-school program I think probably it would be a mistake to go further. As far as the out of school, for those whom we have called the "dropout," is concerned, there is a question as to the extent to which we should put him into private employment and work out an arrangement for it.

We have two or three experimental programs under MDTA now in that very area under title I. So since we have last talked, we have followed up that discussion by experiments with this same kind of thing.

Mr. GOODELL. Paying part of the wage?

Secretary WIRTZ. That is right. But we do not pay part of wages in a regular OJT project, although some construe an appropriate allowance for waste and spoilage as such. Admittedly, the line between an on-the-job training program where we pay for training costs, and paying part of the wages sometimes gets very fine. Just to illustrate: In an OJT contract in San Diego we pay \$4 a week for each person hired and in training by restaurant and hotel operators. We pay on the basis that that is the amount of the cost of the dishes that will be broken during that period.

In answer to your question, Mr. Goodell, I think there is an area there in which we are probing experimentally. I would not be prepared at this point to recommend a broad expansion of the Neighborhood Youth Corps out-of-school program to permit that.

I am in favor of proceeding with these experiments to see how much can be done with it.

Mr. GOODELL. Mr. Wirtz, you describe a very urgent situation, and I agree with your characterization of the situation we face. We have roughly a million youngsters dropping out of school every year. They are lost in the job underworld to a large degree and increasingly will be.

This is a bipartisan approach. We have tried to do something about this situation in the manpower field over the last 4 years. I think it

has been very effective in many ways, but we have an urgent situation now before us. We have been proposing in the Opportunity Crusade that we move in with a major new weapon. Through industry, we propose trying to get these youngsters not dead-end jobs, not just public employment for a short period of time, but a job in private enterprise where there is hope for long-term productive employment of a meaningful nature, where these young men and women have hope that they can advance. This is what they want.

One continued criticism I hear of the existing program is that it largely lacks a means for permanent improvement whereby they can move forward with hope of advancement in a job with dignity in private enterprise.

Mr. DENT. Would the gentleman yield?

Mr. GOODELL. Yes.

Mr. DENT. This is a very worthwhile discussion because I know the Secretary's feeling on that matter. But we have tied his hands pretty effectively by not allowing him to have the freedom to make contracts. Is there any estimate of what will be needed in the way of additional funds under this particular program if we go into the expanded program of paying part of the wage?

Industry is not going to give you an opportunity to come in on their training programs under public sponsorship unless there is something paid toward the expense of the payroll because, as you know, especially in the machinists trades they throw away three out of every four collars they run.

These are the permanent-type jobs that Mr. Goodell is interested in, I am interested in, and I know you are interested in. Make an estimate, not at the moment but give us some figure before we finish as to what type of participation you think you can get from industry and what it will cost us.

Secretary WIRTZ. We have done that, Mr. Chairman. You add the reference to my interest. We are talking just exactly of what Mr. Scheuer has emphasized most strongly in his amendment which was adopted last year—the new careers. We call it the ladder approach.

I don't think there is a difference in terminology among us on this. Let me mention just three respects in which we are following out under the present law exactly the approach you take. One is the programs which we identify as the New Careers programs, Mr. Scheuer's amendment in which that is the whole point of it. He has asked us to tell him what the steps are in these ladders and we are prepared to do so. We don't put a cent into that program until we see it all the way on up.

Point No. 2, you talk about the Neighborhood Youth Corps. We are trying very hard now and with increasing success to move people from the Neighborhood Youth Corps program directly into on-the-job training programs.

Point No. 3, in these concentrated employment programs which we are now mounting, we are talking with the business people in each community and talking with them as recently as yesterday afternoon with the Washington and District of Columbia employers saying these jobs that you have to put at our disposal for these people cannot be dead end jobs, they won't take them and they should not.

So the emphasis you are talking about I think we agree with completely.

May I add, in answer to the chairman's question, that the budget which has already been presented, identifies with respect to these various programs sums for that. The sum, as far as the New Careers Program is concerned, is again the same—or is it not on a line base? It is \$98 million divided between the New Careers Program and what we call the Operation Mainstream Program.

It is an addition to \$135 million on this concentrated employment program. So we have that thought, Mr. Chairman.

Mr. GOODELL. I think it is important, Mr. Secretary, to clarify that what you are doing now or what you have authority to do now with the New Careers program, is not the same as what we are talking about. You are talking about a new careers program which is a program to help get people into social service types of occupations.

The only similarity between the two things we are talking about is that we want meaningful, productive jobs for the long run. You can of course, find many of those in the social service field as Mr. Scheuer proposed.

I am talking about meaningful, productive jobs in the private enterprise field. We don't do that today. We do not subsidize wages in this area to move youngsters in that direction. We can and should open the door to private enterprise efforts in this area.

Mr. Dent and I worked with others on the minimum wage law which goes to \$1.60 an hour on February 1. This is going to be an increasing problem. I favor the minimum wage law. I think workmen should have a wage on which they can live. We have made our estimates and the Industry Youth Corps Program we offer would provide an opportunity for 93,500 youngsters in private employment.

We divert some of the money now used for your Neighborhood Youth Corps into this Industry Youth Corps. But putting \$70 million into this program you would get employers to contribute three times that much because we are only paying one-quarter of the wage of the individual.

The employer pays three-quarters. So that the \$70 million investment ends up with four times that amount going to wages paid these youngsters and gives them on-the-job training.

Now, this is the proposal that we made last year and that we are again making now. It seems to me with the urgency of the problem that you described, with which I agree, we should not be hearing from you some talk about two or three experimental programs under MDTA. We don't really have adequate authority to move full scale. We should be moving right now in a major way in this area.

Mr. MEEDS. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I would like the Secretary to answer. I don't want to get into a debate.

Secretary WIRTZ. It is what you are proposing. It is what we are doing. The fact that you have described it differently does not change that fact one bit.

Mr. GOODELL. Let us not fuzz the record. You mentioned three experimental programs you are doing with MDTA along these lines. I asked the question how many you had in your other program in

private employment. I would like to ask how many people you have employed now under these three experimental programs where you are paying part of the wage?

Secretary WIRTZ. There is another question that is relevant, and that is, how large an area can we cover with the on-the-job training programs in the MDTA?

My objection, Mr. Goodell, is against singling out the Neighborhood Youth Corps Program and asking about the on-the-job opportunities there, without regard to the fact—let me see, it is \$400 million roughly Manpower and Development Training Act which we are administering along with that. So the situation is that we are now in a position to provide on-the-job training opportunity and are moving very rapidly in that direction.

Mr. GOODELL. Paying part of the wage for private enterprise?

Secretary WIRTZ. Not in that form.

Mr. DENT. In the first place, we know that the legislative amendment practically tied the hand of the administrator to the point where if he is paying any part of the wage, he is paying through subterfuge by picking up a greater part of the training cost.

Mr. GOODELL. The legislative change would not only give you authority but require you to move in this direction.

Mr. DENT. Then I think the proper question is, Mr. Secretary, would you favor a proposal that would give you direct authority to do this? Then we will talk about the money.

Mr. GOODELL. I think he went around the barn on that, but I will be glad to have you repeat it directly in that way.

Mr. DENT. I thought I understood the Secretary to say that he would welcome an opportunity to deal directly with the problem without having to use a subterfuge or paying a large part of the training cost in lieu of a wage part. I may be wrong.

Secretary WIRTZ. You can't take one part of this picture. You are talking about a bill, Mr. Goodell, which also goes on to provide for a tax credit for this same kind of thing. You can't separate these things out.

Mr. GOODELL. Tax credit is a separate proposal which does not come before the jurisdiction of this committee.

Secretary WIRTZ. Respectfully, I think it is not. The basic question is how far should you go in actually putting the money into the hands of the employers by subsidy or by any of these other devices. You are talking here about what is in another committee's jurisdiction.

Let us recognize it is also part of a problem which you have in another committee in an answer in terms of tax credit. We want to be sure that the right people, and by that I mean the hard core, unemployed are those who get the benefits of whatever money the public wants to put in this program. That is the basic point.

Mr. GOODELL. Let us put it this way—

Secretary WIRTZ. I get only half way around the barn.

Mr. GOODELL. I am sorry. Did you have more to your answer?

Secretary WIRTZ. Yes, just to point out, in response to the chairman's point, too, it is not an easy question. It is a hard one. It is one in which I think we all recognize it is the desirability of private employers to do all the training that can possibly be done and our shifting as rapidly as we can in that direction.

I would like to insist that there is also the desirability of maintaining those programs which make whatever we do here part of a program to get the hard core unemployed into a better position.

Mr. GOODELL. I agree with you.

Secretary WIRTZ. It is a fine balance of the extent to which one should pay institutional training, on-the-job training, payment of part of the salary or tax credit. That is a kind of spectra.

Mr. GOODELL. The tax credit proposal is not going to be enacted in this Congress. We are talking now about an Industry Youth Corps proposal for giving some kind of assistance to pay wages to these poor people who are defined in the Opportunity Crusade as those having low skills and low income, to try to get them jobs in private enterprise.

The question is directly there. It does not have to be fogged up with any discussion of tax credit because that is not in the books so far as Congress is concerned this year or probably next. We are talking about a very urgent problem, and you have characterized it very very affectively. We are not going to have tax credit for 2 or 3 years anyway. Should we not move in this direction with a rather big problem?

Secretary WIRTZ. No.

Mr. GOODELL. You are opposed to the Industry Youth Corps?

Secretary WIRTZ. Yes, I am. My answer may put me at a disadvantage, and I appreciate this fact. I am not, at this point, however, prepared to say that I think the right answer is for the American taxpayer to subsidize American employers in terms of direct wage payment. My answer to that is "No." I am strongly in favor of a control of a program along the lines of the on-the-job training program.

Mr. GOODELL. You already, in effect, have said that you are doing that in three experimental programs by this fine line that is drawn for giving them enough money for equipment and personnel. You apparently don't think it is wrong to subsidize the employers indirectly where you don't have the authority to do it directly.

I think you would be better off to have proper standards to effectively administer such a program whereby this can be done directly and openly.

Mr. DENT. It could be done by broadening the powers of the Secretary so that he may, without being tied to a specific program or amount to be spent in that area, where he can, through the administration of this act, using the discretion he has, the discretion that he can sue in the matter, select certain training programs where he can pay, we give him the right without stipulating amounts, without telling him rules and regulations as to how it should be done, but I believe he has to have a year or so experience in starting this type of program because eventually, we have to come to it.

Secretary WIRTZ. You know, we are so close together that to suggest a basic difference would be a very great mistake. I don't want to suggest that. I just want to add one other thing along the lines of what you have just said, Mr. Chairman.

One of these types of experimental programs or perhaps two—I am not sure which one comes closest to what Mr. Goodell is talking about—which were proposed and which we had explored, carried among other things a terribly high price tag, about \$8,000 or \$9,000 per person. I am talking about those programs that go the furthest in the direction you are talking about and which we had considered experimenting with. Now that is too high.

Mr. GOODELL. That is an entirely different kind of program.

Secretary WIRTZ. No; it is not.

Mr. GOODELL. What we are talking about is a program involving individuals at the entrance level of income, normally a large number at the minimum wage level, which is \$1.40 now and soon it will be \$1.60. The employer, himself, with the Industry Youth Corps, will bear a large share of the responsibility for on-the-job training.

If you are telling me that it would cost that amount of money to get farmers and small businessmen to hire these youngsters with a direct subsidy for part of their wages and provide the kind of on-the-job training that they need, I think we are talking about an entirely different thing.

Secretary WIRTZ. We sure are. You are talking about those who are ready to work. I am talking about those who need help very much.

Mr. DENT. Mr. MEEDS.

Mr. MEEDS. It seems to me that we are oversimplifying this thing at this point. It ought to be brought out, for instance, that we should be dealing primarily with the hard core, unemployed person in this area. To simply lift the hard core, unemployed person off the street and place him or her in an on-the-job training program may or may not and probably will not, at that point, be sufficient.

There is a tremendous need for a lot of supporting service. Now, how far is industry willing to go in this field? Do we know? Have we tried these things? I don't think that we can just wholesale say that 25 percent of the wage be applied by industry to make up for this supporting service that must be furnished from the other 75 percent.

I think it should be pointed out that we are trying now, but with a 25-percent figure we have our feet set in concrete, so to speak. We are tied to something that must be done on a certain ratio. You can't judge these things in these terms.

Mr. GOODELL. Will you yield?

Mr. MEEDS. Yes.

Mr. GOODELL. A Federal payment of 25 percent is not an unchangeable figure. I might add that our proposal looks to the employer to pay 75 percent of the wage, not the Government, as you suggested a moment ago. It may turn out, in a bipartisan fashion, we can give a range of flexibility to the Secretary. So far, in inquiring and talking to various people who are concerned about youngsters at the minimum wage level, it has been indicated that 25 percent would probably be enough to induce them to move in this area.

That is why we chose the figure. If you feel that we find from the testimony that it should be 33 or 40 percent, why we could consider that.

Mr. MEEDS. Mr. Chairamn, I agree that certainly this ought to be tried but not as a national program before we have some idea of what is going to happen.

Mr. GOODELL. You people don't seem to believe that this is an urgent situation we face in this country. I am surprised and disturbed by it.

Mr. MEEDS. Mr. Chairman, may I pursue my course of questioning?

Mr. DENT. Yes.

Mr. MEEDS. I would like, Mr. Secretary, to have you give us some idea of what is being done by your office in cooperation with the Office

of Economic Opportunity and other departments of this Government with regard to the question of the hard-core unemployed.

One, find him; two, recruit him; three, train him; and four, place him. It seems to me this is a very important area. We have before us a wonderful opportunity now to begin to do something about this. I would like to know what is being done about it?

Secretary WIRTZ. Thank you, Mr. Meeds. Now we are on a tough point. This other was easy. We don't know exactly how many but we probably are talking about 2 million and a million and a half remaining hard-core problems in this country. You ask what we are doing about it. The first thing we did about it, at the President's instruction last fall, was to find out where they are.

They are not scattered all over the country. The first thing we have done is to send people into the slums and ghetto areas and to find out where they are concentrated and start planning our program on that. This is a first and important step.

Mr. MEEDS. May I interrupt? Do these people just come out and place an ad in the paper?

Secretary WIRTZ. No, they do not.

Mr. MEEDS. How do you find them?

Secretary WIRTZ. I will tell you how hard it is. When we instituted the concentrated employment program here in the District of Columbia area, I went to a group of Negro leaders one night. They said to me exactly what you are saying now. "Nothing you have done so far will even get in touch with these people. You don't talk their language. They don't like your institutions, any of them. You have to get through to them to find where they are."

Your question suggests the heart of the problem. What we are doing on that point in the concentrated employment program is to line up a group of people, whom we are calling coaches. These coaches go out into the community, and find out by name and by individual who these people are. The people enter in a 2-week entry program of one kind or another. The heart of our present answer to the question you raise is that we are now working with that group on a ratio of no more than 20 to 1, so that we are going to identify one person to work with finding 20, and bringing them through this entry program. We are getting them into a training program and staying with them on a person-to-person basis, getting them jobs and staying with them even after they get the jobs.

Mr. MEEDS. Do you find, Mr. Secretary, that the type we are talking about now is generally ready for on-the-job training?

Secretary WIRTZ. No, sir; in most cases not.

Mr. MEEDS. Why not?

Secretary WIRTZ. There are three answers. One, he probably dropped out of school before he had any kind of sufficient basic education. Two, there is probably a factor of very real alienation at this point. Call it lack of motivation, I wish we had some shorter words for it.

As a matter of developed skill and as a matter of attitude he is just not yet a good risk as far as even an on-the-job program is concerned. We have to meet that problem.

Mr. MEEDS. At that point you find a real reluctance on the part of industry, and understandably so, to accept this person in an on-the-job training position.

Am I correct?

Secretary WIRTZ. Yes; in an established program we are now finding an increasing willingness on the part of employers to share with us that risk, to waive some of their requirements and so forth. The answer to your question is, yes. So far as any traditional program of the kind Mr. Goodell is talking about is concerned, the answer is, yes.

Mr. MEEDS. So that something else has to take place between this finding, recruiting, and placing?

Secretary WIRTZ. Yes.

Mr. MEEDS. What is that something, if you know?

Secretary WIRTZ. I don't think we know all about it yet. We can do the training, the answers are comparatively easy there. But in meeting this problem which we call motivation or alienation or whatever it is, I certainly don't pretend that we understand the answers to that yet but that is the toughest problem of all.

Mr. MEEDS. Would you not say from what we know now it will take a combination of things, certain basic education, drawing these people into the mainstream of society, and a whole host of supporting services that must be furnished?

Secretary WIRTZ. That is correct.

Mr. GOODELL. Mr. Chairman, will the gentleman yield?

Mr. MEEDS. Yes, I will yield.

Mr. GOODELL. I don't think that the increasing willingness of private employers to take risks in training of employees has to be documented. Their willingness may give one more weapon to this whole approach. I don't wish to belabor this, but you are overly defensive in considering our Industry Youth Corps proposal. It seems to me this is basically what is happening here: You are saying in effect that our Industry Youth Corps won't solve all the problems and is therefore of no value. No one is claiming that it will solve all the problems. It will be one more weapon in the arsenal that will move us in a direction that will be extremely helpful.

To say that we need the other weapons also to reach certain types of hard-core youngsters does not mean that this weapon would not be helpful in the arsenal. I am amazed to hear you say after 3 years of the War on Poverty and the Manpower Program and all the surveys that we have been taking that we still have not found these youngsters. I am sure there are a lot of them that we have not found. But I can tell you right now we have found plenty of them that need help and aren't getting help.

I wouldn't say our first priority is finding them. I think you go out and talk to some of these people around the neighborhoods, they can provide you with plenty of them. They are there. Finding them? It just amazes me after 3 years of the War on Poverty and our Manpower Program and the rest that you can say that it is such a high priority. Help those that we have found.

Secretary WIRTZ. Mr. Goodell, your weapon is a popgun or water gun. You want to pick it up in an effort to lay down some other weapons that have real, live ammunition. The suggestion that a 25-percent subsidy on a wage rate to American employers without any connection with the supportive services and all the things that need to be done to take care of the hard core employees is not a suggestion for another meaningful weapon.

Mr. GOODELL. Mr. Wirtz, I suggest that you withhold any further comment because I find you are digging yourself deeper and deeper in this thing in opposition. You started out with an open mind. Now you are ending up by saying you are opposed to it completely. We are going to move in this direction in the next 3 or 4 years if we are going to solve this problem. I would hate to have you on public record so vehemently opposed to it.

There are many experts in this field very much intrigued by this proposal and who feel it has great potential. I think you ought to think a bit before you get yourself too far in opposition.

Secretary WIRTZ. Okay.

Mr. DENT. As I understand it, the Secretary has made this whole testimony open for questioning.

Secretary WIRTZ. That is right.

Mr. DELLENBACK. I have listened with interest to this general colloquy but I would like to be sure that I understand what the Secretary is saying. May I ask a few questions along this line?

Mr. BRADEMAS. Mr. Chairman, will you recognize members on both sides of the aisle?

Mr. DENT. Oh yes. We have been working in an informal manner. All will be recognized.

Mr. DELLENBACK. Mr. Secretary, how many unemployed are there in the Nation at the present time?

Secretary WIRTZ. May I give you two answers? I can answer precisely in terms of the traditional definition of unemployment. That answer is as a working figure in the neighborhood of 3 million people. For an unemployment rate that is 3 million people at any particular time, it fluctuates.

The monthly report which you see in terms of percentages and which is presently 3.8 percent translates into about 3 million persons. As far as the problem that we are concerned about in connection with Economic Opportunity Act, that figure really, Mr. Dellenback, is not very relevant, for this reason.

It includes only those who are actively looking for work and are unable to find it. A good deal of the poverty problem involves those people who have given up for one reason or another even looking for work.

There is another difficulty. The national figure is an average. It averages the suburbs and the slums.

There are two answers to your question. The first is the 3.8-percent figure, meaning 3 million people. A much more meaningful figure is that in the slum and ghetto areas in this country, even by that traditional measure the figure is 10 percent.

If you add those who are not even looking for work, those who are left out in the count because they just don't show up, those who are working so little that it doesn't add up to much of anything, it is 34 percent in these areas.

Mr. DELLENBACK. You are talking about the slum areas in your testimony?

Secretary WIRTZ. Yes.

Mr. DELLENBACK. Of this 3 million you would characterize as hard-core unemployed 1½ to 2 million?

Secretary WIRTZ. That would not be a comparable figure. I am talking about that group which we are interested in here this morning. I am including those who are not even looking for work, who are standing on street corners, who have just given up.

Mr. DELLENBACK. Some of those would be in addition to the 3 million?

Secretary WIRTZ. That is right. I would guess, and I think this is only a guess, that of that 3 million figure something in the neighborhood of half a million would probably be included in this group.

I am thinking particularly of the hard-core unemployed. I mean those who have been unemployed for more than 15 weeks probably present a serious problem. That is probably 464,000.

Mr. DELLENBACK. On a comparable base against the 3 million you would say a half million?

Secretary WIRTZ. About a fifth of it.

You see, a lot of it is seasonal unemployment. A lot of the 3 million figure is because of seasonal unemployment.

Mr. DELLENBACK. Recognizing that we are striving to reach the problem of the unemployed—

Secretary WIRTZ. So that the record is clear, I meant frictional unemployment, people moving from one job to another. The seasonal unemployment is also a large factor.

Mr. DELLENBACK. Recognizing that you are concerned as we are concerned with the question of unemployment and not the semantics of whether we call it hard-core or soft-core, or whatever we may be dealing with, is there not a significant group in this country, perhaps with particular heavy emphasis on certain minorities, who really are capable of holding jobs without this complete social reeducation to which the gentleman from Washington was alluding earlier, who just aren't able to get employment?

Secretary WIRTZ. Because of a lack of job availability?

Mr. DELLENBACK. Perhaps a lack of sufficient skill on the part of the person involved to fill the job availability that is open.

Secretary WIRTZ. That would be correct.

Mr. DELLENBACK. If we deal with this on a graduated scale, surely at one end we have those who are completely unemployable, we have to almost start to reeducate and socialize them, to bring them to any sort of level.

As we start moving up this line we hit persons who start to have employable skills or almost employable skills, if we do something marginal to get them over the line to a job.

Secretary WIRTZ. That is right.

Mr. DELLENBACK. On these experimental programs, when we are willing to have on-the-job training and we have Federal funds to help with certain types of training aids, we are dealing with this group and you are doing experimental work in this area. Is this correct?

Secretary WIRTZ. That is correct.

Mr. DELLENBACK. It seems to me that whether you have to shift a little bit down and continue it a little bit further or whether you are still talking substantially about this group, that we do have a substantial number of people in this country who, with some additional marginal help could be brought into self-sufficiency and could be

brought into a situation of employability. Through your testimony runs such phrases, with which I am in complete agreement, as we are doing "what is necessary to enable a man to find and hold a decent job at a decent wage."

For some of these people this is marginal as to what we need to do, instead of basic and fundamental. Am I correct?

Secretary WIRTZ. Yes, sir.

Mr. DELLENBACK. It seems to me that if this has been the case, isn't there here a potentially substantial group which would be benefited materially if we were to have a program that would induce private enterprise to bring these people into employment?

They have an almost employable skill. Particularly with rising wage rates, private enterprise says we can't take them on at \$1.60, \$1.75 and still get a profit initially, but we can take them on, perhaps, at \$1.20, because this is a marginal breakpoint for us as to what we can or cannot do. Is that right?

Secretary WIRTZ. There is that group. I am not sure that is the right answer to it. I would like to reserve comment at this point.

Mr. DELLENBACK. I am not trying to lead you up a blind alley. I am with you as I am thinking of this problem.

Secretary WIRTZ. I am with you all the way. I think there is this one alternative. The line of your thinking is exactly the line along which we are proceeding in the concentrated employment program. We are bringing in 200 hard-core cases each 2 weeks in each of the cities in which we are working.

In terms of your distinction, the distinction you made between those who are almost ready and those who require all of the supportive service, we are doing all of our planning on the assumption that out of the 200 we bring in each week, as we are here in Washington this week, and in Cleveland, and so on, 100 of those probably require a lot of additional attention and about 100 of them are just about ready to move on into the private employment area.

We are meeting the problem to which you refer by going to the employers in the community and saying, "Here are these kids." I will give you a typical example.

A boy with a police record who has the stuff may be disqualified from employment under the present established practice, because somebody does not want him and legitimately doesn't want to take a chance because of his police record. That is the typical person to whom you refer, or one of them.

We are going to the employer and saying: "Will you take this boy on? He has what it takes. He has a blur or a scar on his record. We recognize that, and so does he. We are telling you about it. What we are doing is putting one of these coaches with this boy to work with him, stay with him all the way on through. Will you give this fellow a job?"

The answer is "Yes." We are getting this answer.

My point is that I think this situation—and I will go back to the point of the kind of person to whom Mr. Goodell referred—is one in which the employers will be more interested in taking that boy with the addition of the kind of help we are talking about than they will by paying him 25 percent of his wage rate.

Mr. DELLENBACK. I don't see that the boy you are referring to is going to be helped by 25 or 40 or 50 percent of his wages. Isn't there another major group where the need is not the sociological need, not this type of supportive work?

It seems to me what you have talked to is a kind of supportive help. But isn't there a rather considerable group who do not quite have the skills? They have the aptitude, given 6 months of training either in school off the job or, better yet, on the job, and they can be turned into an efficient producer that employers would be glad to have on the payroll.

Isn't there a substantial group in this area?

Secretary WIRTZ. Yes; there is.

Mr. DELLENBACK. It seems to me what I read in this program that Mr. Goodell is talking to is, in part, some method of enlisting the support of private enterprise in reaching this particular group.

I don't read the program as being all inclusive as I listen to Mr. Goodell and others supporting it. I do not think it will do everything. I do not think anybody is saying it will do everything.

It seems to me that before we wash this program out, it is a tool that potentially has great value in enlisting private enterprise together with Government in saying: "Here is an almost efficient producer. Private enterprise, join with us in getting him to be an efficient producer."

Doesn't this program have promise viewed in this perspective?

Secretary WIRTZ. Yes; it does.

If I follow you, what you have described is very close to what we think of as the typical on-the-job training situation. My regret about the appearance before of great difficulty when we are really very close involves only, as I see it, the matter of whether we should move more rapidly past and through the on-the-job training, which is our present answer to this, to one in which we just say: "Pay 25 percent of his wage. Don't specify whether it is to be training or not, but the Government pays 25 percent of his wage."

I believe in that enough to give it very thorough experimentation at that point, but I don't believe it offers an advantage so far as the hard-core case is concerned, the kind to which you refer.

Mr. DELLENBACK. Let us wash the hard-core case out, the one that needs great supportive assistance.

If we talk in terms, though, of saying there is this substantial group that needs help, how would you suggest that we enlist this tremendous power of private enterprise to assist with this problem of supplying employment to these people in a way that will be superior to this particular proposal?

Too often either the Government is going to try to do it alone—and it is trying to in some instances—or we say this is no problem for the Government, that private enterprise should do it alone. In that case it often does not get done unless we say together that we want this done.

What help do we need to give to private enterprise to induce it to come in at this stage of the game to help with these almost employable people that would be superior to this sort of program?

Secretary WIRTZ. If we pay 25 percent of the wage?

Mr. DELLENBACK. I don't care what the percentage is, or if it is any

percentage. You are almost there when you say: "We will supply you training aids, but not pay any wage."

They may say: "We don't need training aids on this job. What he needs is somebody standing at his elbow and talking to him occasionally. He is not worth \$1.75 to us initially, but he is worth \$1.20. We will take him on for 6 months, but at a minimum wage."

Secretary WIRTZ. Let me ask one question, which I expect is the heart of the difference between us.

Are we talking about paying that to an individual selected by the Employment Service or by the training agencies, or are we talking about paying somebody selected by the employer? I think that will smoke out the differences there.

Mr. DELLENBACK. Is this a major distinction?

Secretary WIRTZ. I think it is.

Mr. DELLENBACK. Where should it be?

Secretary WIRTZ. If there is any other basic difference between us here, I am not sure I recognize it. For the time being, as long as that number of people is as high as it is, I think it has to be with those agencies which are in a position to pick out the hard-core case on which I think almost all of us would agree we ought to concentrate our efforts.

I believe, Mr. Dellenback, that is about the only difference. If you remove that difference, then it would be very hard even for Mr. Goodell and me to have an argument.

Mr. GOODELL. Will you yield so that I can clarify this point?

Mr. DELLENBACK. Yes.

Mr. GOODELL. I think, Mr. Secretary, that in the proposal on the Industry Youth Corps, the selection of the individual is made by the Community Action agencies locally.

If there is one agency that knows where these are, I presume it would be the Community Action agency.

Secondly, to characterize the Industry Youth Corps as simply paying 25 percent of the man's wages, and that is all, puts it totally out of perspective.

You can continue, you have all the other programs available, on-the-job training, all the supportive service can be folded into this. This is an additional weapon.

I don't believe for 1 minute this would just reach the marginal group that is ready to go over the line. It has the potential to reach many hard-core youngsters, because all your other supportive services and programs are available as a part of this. And I think that should be clear in the record.

Mr. DENT. I think you have made your point.

Mr. Scheuer has been waiting because he is the father of some of this particular legislation we are discussing. I would like to have his reaction.

Mr. SCHEUER. I would like to say, Mr. Secretary, that I wish I could say at this point that I had a fistful of clippings in my hand or that I had an unanswored pile of letters and telegrams, so that I could wield a finely honed surgeon's scalpel and maybe make the headlines tomorrow. But I don't have anything of that kind to say.

I have been working with you and with your associates at that table for the last several years. I can only say that all of these men

have shown not only high professionalism and expertise and competence out of long experience, but also a zest and enthusiasm for their jobs, for finding new approaches, new techniques, a willingness to change established ways of doing business, that I think has resulted in a veritable explosion of progress in the last year or year and a half, not only in getting the unemployed in some kind of public-service jobs as aids, which I have been concerned with, but perhaps even more important in experimenting with means of involving our private sector in programs for the so-called structurally unemployed. I think this is important. I know you are concerned with that, too. I think we all must be sure that in these early beginnings of the program we don't make ourselves vulnerable to the charges of boondoggling, of an unjustified subsidy to the private sector that isn't explained in terms of real service to the particular people who need it.

I ask that we look back at some of the instances where we have broken the minimum wage structure and permitted industry to employ handicapped people—the blind, the disabled—where we have found cases of exploitation. That is part of our history that we can not be proud of. We have learned a great deal about how to provide employment creatively and productively with guidelines of established goals and standards.

I am sure that is the direction in which you are aiming.

Secretary WIRTZ. Mr. Scheuer, when you develop a program of the kind you did, then when you write us a letter of the kind you did last week, to ask just what is going on about these various programs, I want to say to you that you do more to help our end of the job than anything could be.

You put, in testing it, an intensive 48-hour review in the Department of Labor to point out just how much is being done. I would like to express in return my gratitude for that kind of government leadership. It would be inappropriate for me to say more but indecent for me to say less.

Mr. SCHEUER. May I ask unanimous consent at this time for the questions and answers we have developed on various technical aspects of the programs be placed in the record following the colloquy with the Secretary? I don't think much of it is of general interest, but I think it would be helpful to have it in the record.

Mr. BRADEMAS. I would like to ask a couple of questions of the Secretary.

Mr. Secretary, to what extent can you give us specific information on the employability status of these enrollees before and after their training?

Secretary WIRTZ. In the Manpower Development and Training Act?

Mr. BRADEMAS. I am speaking of the Neighborhood Youth Corps.

Secretary WIRTZ. There is a brief summary in my statement, but I will ask Mr. Howard to give it in more detail. It appears on page 11.

Mr. HOWARD. On page 11 of the Secretary's statement, Mr. Chairman, is a condensation of a recent evaluation study that we have received.

Basically, we start from the fact of the out-of-school program, and we start with the fact of unemployed disadvantaged. We do not have

any significant portion of employed persons going into the out-of-school program. The thrust is unemployed disadvantaged.

Last year the kind of young people we were reaching has indicated an increasing effectiveness with regard to the disadvantaged.

This study was a scientifically conducted sampling, based on a number of projects, urban and rural, in a number of States. With field visits by an independent professional contractor—it was not performed by our organization—it was indicated that 59 percent—of those who have left the out-of-school program entered positive activities, such as occupations, schools, and so forth, in the 3 to 12 months after completion.

Further, it indicates that 35 percent were in full-time jobs. This is now 3 to 12 months after they had completed the program.

These are all dropouts. None completed high school. All were unemployed, all disadvantaged.

Nine percent have returned to school. This could be back to school to get a high school diploma. It could be back to night school or in an adult-education school.

Four percent were in vocational training. This could be MDTA or a local vocational school, one of those alternatives.

Five percent were working part-time and going to school part-time. This is a typical combination of the older dropout whose does not want to go back to the regular classroom. It might be a night school, an adult school, or a vocational school.

Six percent went into military service.

We believe that from where we started, which was around zero, we have here about 60 percent movement. I might point out this is competitive.

When we talk about full-time jobs, we are not talking about continued, Government-subsidized jobs. We are talking about competitive jobs, 100 percent paid by the employer. We are not continuing the subsidy. This, I believe, is a measure of what is being achieved with the work experience program with a difficult group of young people.

Mr. BRADEMAS. Do you find any relationship between the period of training that a group has and the wages that they are able to command?

Mr. HOWARD. Mr. Chairman, we have a number of correlations directly related to the length of time of the program.

First of all, the longer in the program, the more stability, the higher percentage of jobs, the better jobs.

The study that is referred to in the Secretary's testimony indicates that the average wages were about \$1.57 per hour; in the \$1.60 area for those who had gone into full-time employment after the Neighborhood Youth Corps out-of-school program.

Based on the length of the time of the program the percentage of those who leave the program directly into jobs reaches a very high proportion after about 5 or 6 or 7 months. That is the more exposure to work experience, the more exposure to the remedial education and supportive service, the more ready these young people are to do a job which will give them employment and continuous employment.

We find that those who stay in longer don't turn over. A higher percentage of these have had just one job during the 3 to 12 months they were out of the program.

Mr. BRADEMAS. Mr. Secretary, can you give me any comment on the nature of your efforts and whatever results you have been able to obtain in developing jobs? How effective do you find this aspect of the operation?

Secretary WIRTZ. Do you mean the Neighborhood Youth Corps?

Mr. BRADEMAS. Yes; my question is directed to the Neighborhood Youth Corps.

Mr. HOWARD. First of all, we request our sponsors to contact the Employment Service in the community, in fact, before the beginning of the project. The employment service is expected to work with our sponsors on recruiting, testing, and referral of those who are ready for the MDTA Program, for available jobs, and to refer to our sponsors those who require our work experience programs.

There is continuous contact between the sponsors, who are largely Community Action agencies, and employment service during the life of the program.

At the time the youth is judged by his counselors to be a person who is ready for a regular job, there is contact with employers through the employment service as well as through the resource of the Community Action agency, of the Government agency that happens to be responsible.

In many cases the youth will go into competitive employment or full-time employment in the agency in which his work experience has occurred. The employment service has placed a large number of youths into jobs.

Interestingly enough, our studies have shown that the youths will often go out and locate their own jobs after this exposure to work experience. In addition, our sponsors have done job development work.

As we point out here, though, the record of getting jobs and holding them is a pretty encouraging one, given the material to start with.

Mr. BRADEMAS. I want to say that we have some Neighborhood Youth Corps programs in my own district in South Bend. They have proved to be one of the most popular and effective programs of this kind that we have had in our community.

I want to congratulate you, Mr. Howard, on doing the first-class job you are doing in administration of the Neighborhood Youth Corps program.

Mr. DENT. With the cooperation of the minority we will continue until we hear from the floor as to whether or not we have an opportunity to sit this afternoon.

Mr. Quie wishes to ask some questions.

Mr. GOODELL. Before Mr. Quie, do you have a figure on the number of contracts in private employment?

Mr. HOWARD. The total of the enrollments already executed as of Monday is 164 in the private sector. These are in Evansville, Ind., Dallas, Tex., Jersey City, N.J., and Bridgeport, Conn.

Mr. GOODELL. Are these ones you have contracted for, or are they now employed?

Mr. HOWARD. We have executed the contracts and made the funds available for these enrollments. These were executed in the last several weeks.

Mr. GOODELL. How many do you have, the total, in the Neighborhood Youth Corps today?

Mr. HOWARD. In the out-of-school program?

Mr. GOODELL. Yes.

Mr. HOWARD. Approximately 60,000.

Mr. GOODELL. 164 are in private employment?

Mr. HOWARD. That is right.

Mr. QUIE. Mr. Secretary, before I ask you any questions about the programs in OEO which you are administering, I would like to ask you about new regulations you are developing in occupations in agriculture which are particularly hazardous to children below the ages of 18.

I understand you are still in the process of taking hearings or receiving information on that.

Mr. DENT. I don't like to object to this, but we had to stop Mr. Scherle, who was going into another area of legislation.

I will respectfully ask that the committee try to stay within the province of the problem before us, the OEO legislation. That question, I think, you can ask the Secretary afterwards.

Secretary WIRTZ. I will, as I did in the other case, get in touch with Mr. QUIE regarding this matter.

Mr. QUIE. What evaluations have you conducted now of the programs which have been delegated to you, such as the Neighborhood Youth Corps? I guess you now call the Nelson program Operation Mainstream. Is that correct?

Secretary WIRTZ. That is correct.

Mr. QUIE. That is the Green Thumb, Foster Grandparents?

Secretary WIRTZ. That is right. Did you say "Foster Grandparents?"

Mr. QUIE. Would Foster Grandparents be a part?

Secretary WIRTZ. It is not.

Mr. QUIE. The New Careers Program?

Secretary WIRTZ. I will make that clear. The money comes from that same program, but the delegation of authority to the Department of Labor does not include that.

It is my impression it was delegated to HEW.

Mr. QUIE. The New Careers Program, the Special Urban-Impact Program, and the other two are the four that you have jurisdiction over at the present time?

Secretary WIRTZ. That is correct.

Mr. QUIE. Of those four, what kind of evaluations have been completed to date?

Secretary WIRTZ. The evaluation with respect to the Neighborhood Youth Corps, the transfer of the other program was in March of this year.

Mr. QUIE. How many evaluations of contracts in the Neighborhood Youth Corps have been completed, and how many have not been completed?

Secretary WIRTZ. Evaluations of the results of the program?

Mr. QUIE. The results and the operation.

Secretary WIRTZ. I can give you our own report on the scope of the operations, the character of them, and so on, and so forth. I am not sure whether your question is different from that that Mr. Scheuer has put in terms of the results as far as the graduates are concerned.

Mr. QUIE. It would not be limited to just the graduates of the Neighborhood Youth Corps but to the operations of the program.

Has anybody studied the way it has been administered and the work which has been done?

Mr. HOWARD. I assume the question was both outside as well as inside study evaluations of the program?

Mr. QUIE. That is right.

Mr. HOWARD. First of all, with regard to contracted outside studies of the Neighborhood Youth Corps program, for the previous authorization hearing a year ago, we produced for the committee the results from a contracted evaluation of the effectiveness of the program in terms of placement, in terms of jobs, and in terms of activities.

We just alluded in the Secretary's testimony to the summary of a recent followup study by an outside firm. It was a followup of Neighborhood Youth Corps terminees in terms of jobs, in terms of back-to-school, in terms of effective employment, in terms of employability as represented by their participation in the Neighborhood Youth Corps.

In addition, we have under contract now a study of the inschool program, again by private contractor. A study of the effectiveness of inschool projects, by the same private contractors, was made in 1966. This study, which involves the very early days of the Neighborhood Youth Corps, points out that further research was needed to establish the program's effectiveness in reaching its goals. The inschool study, now in process, is in response to that recommendation.

I should point out that we have also contracted for evaluations of the new programs; that is, the "Mainstream," the "New Careers," and "Special Impact" programs. We are contracting for independent evaluations of those as they develop. In effect, the programs are brand new.

The Division of Analysis and Evaluation in cooperation with OMPER has recently completed negotiations with several research organizations for evaluation of new programs operated by BWP. As a result of this effort, we expect to contract for five evaluative research projects to study various aspects of the New Careers, Operation Mainstream, concentrated employment, and Special Impact programs. These studies will be conducted with funds available for 1967 research activities at an estimated total cost of \$300,000.

Mr. QUIE. When will the ones done by outside contract be completed?

Mr. HOWARD. For the new programs?

Mr. QUIE. No; the old programs.

Mr. HOWARD. The current one on the out-of-school is now completed. Just a brief summary of the findings is reflected in the Secretary's testimony.

Mr. QUIE. Could we then have a copy of that?

Mr. HOWARD. Sure. We are getting extra copies. We are supposed to get them today or tomorrow from the contractor. He provided just two. He gave one to OEO.

(The summary referred to follows:)

SURVEY OF TERMINEES FROM NYC OUT-OF-SCHOOL PROJECTS BY DUNLAP
& ASSOCIATES, INC.

INTRODUCTION

This study was conducted to determine the educational and work experience of enrollees who terminated from NYC out-of-school projects from January 1, 1966 through September 30, 1966. Approximately 2,000 youth from 50 out-of-

school projects, including both rural and urban sites, were randomly selected to participate in the survey. Over 70 percent of the terminees were personally interviewed.

REVIEW OF MAJOR ITEMS

Summary of Major Experiences Since NYC

Nearly 60 percent of the 2,000 terminees in the survey had been employed for some period of time since their termination from NYC. (The next largest involvement in activity was that of "looking for work," in which nearly 39 percent of all terminees were reportedly engaged. Other activities in which 10 percent or more of the terminees had been involved included: "not working—not looking"—20 percent; part-time work—18 percent; full-time school—15 percent; and housewife or pregnancy—15 percent.)

Employment and Training Experiences

Over 70 percent of the terminees sampled were involved in one or more of the following work-related activities since their termination from the program: full-time work, part-time work, Armed Forces, Job Corps, MDTA institutional training, MDTA on-the-job training, registered apprenticeship programs, and Community Action Agency training programs (See Table 1).

Two-thirds of the terminees who had been employed worked for 50 percent or more of the time since leaving NYC. Of those who worked, 70 percent of the males and 60 percent of the females were employed for more than 50 percent of the time since termination.

The investment that NYC has made in these youth is already reaping a financial return: Nearly three-fifths of those who worked since termination have remained in only one job.

In addition, 27 percent have held only two jobs. The average length of time in present occupations is almost six months. For those who have held more than one job, the average length of time the job was held was three months, and the main reason for leaving was that the job was limited or temporary.

School Experiences

Nearly 25 percent of all terminees have had some schooling since leaving NYC (See Table 3). The frequency was one and one-half times greater for urban (26 percent) than for rural youth (17 percent). About 60 percent of the youth involved in school activities spent more than half the time since termination in these activities.

Three-fifths of the youth who had taken educational courses since termination were still in school at the time of interview, and another 16 percent had completed their courses. About half of these terminees were taking high school trade/technical courses or courses for a high school diploma. Others were involved in elementary/secondary school courses, business courses, nursing courses, and college courses.

Opinions About Present Employment

Eighty percent of the terminees reported that they liked the type of work they were doing at the time of interview. With regard to pay, approximately two-thirds of the terminees reported being satisfied. The average hourly rate for all primary interviewees was \$1.55; it was \$1.54 for white males and females, \$1.48 for non-white females, and \$1.65 for non-white males in their present jobs (the average for the non-whites was \$1.57 per hour). Primary interviewees averaged 38 hours of work per week. Approximately three-fifths of the terminees felt that they have a chance for advancement in their present jobs, and 70 percent thought that they were learning useful skills in their present occupations.

Opinions About NYC Experience

For the entire sample, about 90 percent of the youth expressed satisfaction with their work experience in NYC. Satisfaction was somewhat greater for females than for males, and for urban terminees than for their rural counterparts. Differences between white and non-white respondents were insignificant.

Over three-fourths of all terminees felt that their NYC work experience had "helped a lot" or "helped some" their chances for employment. More of the females (35 percent) than the males (23 percent) answered "helped a lot." Differences between rural and urban groups and whites and non-whites were only slight.

1222 ECONOMIC OPPORTUNITY ACT AMENDMENTS OF 1967

TABLE 1.—Percentage of terminees employed since leaving NYC, and the percentage of time out they have been employed (included are the following activities: Full-time work, part-time work, Armed Forces, Job Corps, MDTA institutional training, MDTA on-the-job training, registered apprenticeship programs, and CAA training programs)

	Percent of responses								
	Rural			Urban			Total male	Total female	Grand total
	Male	Female	Total	Male	Female	Total			
N.....	229	155	384	801	803	1,604	1,030	958	1,988
Percent of time employed since termination from NYC:									
1 to 24.....	10.04	13.54	11.45	11.73	12.07	11.90	11.35	12.31	11.82
25 to 49.....	13.53	10.32	12.23	12.85	12.07	12.46	13.00	11.79	12.42
50 to 74.....	10.48	8.38	9.63	16.22	12.07	14.15	14.95	11.48	13.27
75 to 100.....	49.34	17.41	36.45	39.57	26.52	33.04	41.74	25.05	33.70
No employment since time out.....	16.59	50.32	30.20	19.60	37.23	28.42	18.93	39.35	28.77

TABLE 2.—Percentage of terminees employed since leaving NYC, and the percentage of time out they have been employed (included are the following activities: Full-time work, part-time work, Armed Forces, Job Corps, MDTA institutional training, MDTA on-the-job training, registered apprenticeship programs, and CAA training programs)

	Percent of responses—Race				
	White	Nonwhite	Other	No answer	Total
N.....	579	1,110	66	233	1,988
Percent of time employed since termination from NYC:					
1 to 24.....	8.46	14.14	10.60	9.44	11.82
25 to 49.....	12.60	13.06	9.09	9.87	12.42
50 to 74.....	11.91	12.88	24.24	15.45	13.27
75 to 100.....	41.27	28.19	36.36	40.34	33.70
No employment since time out.....	25.73	31.71	19.69	24.89	28.77

TABLE 3.—Percentage of terminees who have had schooling since leaving NYC, and the percentage of time out spent in school (activities included are: Full-time school and part-time school)

	Percent of responses								
	Rural			Urban			Total male	Total female	Grand total
	Male	Female	Total	Male	Female	Total			
N.....	229	155	384	801	803	1,604	1,030	958	1,988
Percent of time in school since termination from NYC:									
1-24.....	3.93	4.51	4.16	5.24	5.97	5.61	4.95	5.74	5.33
25-49.....	2.62	1.29	2.08	3.49	6.22	4.86	3.30	5.42	4.32
50-74.....	4.80	5.80	5.20	3.87	3.48	3.67	4.07	3.86	3.97
75-100.....	5.67	4.51	5.20	10.86	9.83	10.34	9.70	8.97	9.35
No schooling since NYC.....	82.96	83.87	83.33	76.52	74.47	75.49	77.96	75.99	77.01

TABLE 4.—Percentage of terminees who have had schooling since leaving NYC, and the percentage of time out spent in school (activities included are: Full-time school and part-time school)

	Percent of responses—Rate				
	White	Nonwhite	Other	No answer	Total
N.....	579	1,110	66	233	1,988
Percent of time in school since termination from NYC:					
1 to 24.....	4.49	4.95	4.54	9.44	5.33
25 to 49.....	3.10	4.77	3.03	5.57	4.32
50 to 74.....	3.62	4.14	3.03	4.29	3.97
75 to 100.....	7.59	11.08		8.15	9.35
No schooling since NYC.....	81.17	75.04	89.39	72.53	77.01

Mr. HOWARD. We will also have a summary, because it is rather defective in terms of clarity, very frankly, in its present form. We will have both of those available for the committee.

In addition, with regard to the inschool program, we expect a progress report in April and June of next year, since this is a two-cycle analysis.

In addition to these outside contracted evaluations and the one I mentioned on the new programs, we have done evaluations with our own staff, and evaluations have been performed by the Manpower Administration evaluation staff.

We have, for example, conducted, last summer, an evaluation of the effectiveness of the summer program to ascertain whether enough attention was paid to the supportive counseling and the kinds of activities, or whether it was perceived of in the minds of local sponsors as just a paid work experience.

(The evaluation referred to follows:)

MARCH 21, 1967.

To: NYC field staff.

From: Jack Howard.

Subject: An analysis of the NYC summer program.

During the summer of 1966, the NYC evaluation staff made a number of on-site reviews of selected summer projects throughout the country. The results of their observations and findings are attached.

The analysis should be of value now as we give thought to planning summer components for 1967. On balance, it appears that most sponsors were successful in providing many hard-core disadvantaged students with adequate work assignments during the summer. The quality of supervision, the impact of the NYC summer projects on the local community, and public relations in general, all showed marked improvement over the previous summer program.

Unfortunately, the picture was not all bright. Counseling and remedial education were largely ineffectual or non-existent in many projects visited. This survey also suggests that the NYC summer program still is not an effective vehicle for attracting young dropouts back to school. Moreover, seasonal factors had an adverse effect on some sponsors' ability to maintain their authorized participation rate. In general, utilization of and coordination with other community resources and organizations could have been improved.

The attached should be read in light of your current plans to mount summer projects in the next few months so that our new summer projects can demonstrate a significant increase in the quality of services offered.

INTRODUCTION AND HIGHLIGHTS

The Neighborhood Youth Corps authorized a national program of work experience and occupational training this past summer directed toward helping the disadvantaged youth continue his schooling and develop to the fullest his

skills and potentials in order to aid him in eventually finding his place as a contributor to the economy. This summer program demonstrated it was an effective instrument in providing underprivileged youth with the opportunity to earn money through significant work experience.

About one out of ten of the 1.8 million 16 to 21 year-old Americans needs some kind of special work opportunity during school vacation in order that they gain sufficient financial assistance to aid them in returning to school. Many of these youth were the target of the Neighborhood Youth Corps Summer Program, Operation Champ, Upward Bound, the President's Youth Opportunity Campaign, and other similar programs conducted during the past summer. Of course, the needs of all these underprivileged youth could only be met in a limited way by the Neighborhood Youth Corps, but available evidence indicates significant impact was made by NYC in meeting these needs this past summer.

Briefly, during the summer of 1966 the Neighborhood Youth Corps achieved the following results:

Enrolled over 150,000 disadvantaged students during summer vacation.

Funded 906 summer projects in urban and rural communities throughout the country.

Assisted an overwhelming majority of those enrolled in summer projects to return to school in the fall.

Made significant contributions to local beautification projects.

Helped to improve the maintenance and operation of school plants, parks and recreation facilities, Head Start projects, private non-profit agencies, governmental agencies and community organizations.

Reduced juvenile delinquency and other socially disruptive acts on the part of teen-agers through well-defined programs of counseling, guidance and meaningful work-training.

Helped to meet local needs by providing an additional 100,000 jobs in recreation and recreation-related activities through Operation Champ.

Despite the progress in 1966, there is still much that remains to be done. For example, there is an obvious need to test and explore new approaches for dealing with school dropouts in summer programs. More needs to be done to first, enroll each youth, and secondly, convince him to resume his education.

The accomplishments, the problems, and the challenges encompassing the summer program comprise the substance of the report that follows.

PART I.—BACKGROUND

The Neighborhood Youth Corps' Summer Program

Nine hundred and six summer projects were approved for in-school enrollees during the summer of 1966. The total authorized enrollment was 209,315. In actuality, enrollment as of July 31, 1966 stood at 192,650 (107,691 males and 84,959 females). The average duration for projects was ten weeks, although the variation extended to some running as little as six weeks and others for as long as 14 weeks. Costs of the approved summer projects were in excess of the expenditure for summer projects during the summer of 1965. All regions, states and localities were represented geographically, although project costs varied from state to state in excess of what normally would be expected. For instance, Kentucky, West Virginia and Washington, D.C. mounted programs in excess of what might be expected because of compelling reasons of limited local employment opportunities, volatile social and racial situations, high dropout rates, etc.

The purpose of the survey conducted during July-August by the Division of Program Review and Analysis was to make quick on-site evaluations of 51 projects in all regions, with special emphasis on the value of the summer program in helping youth to resume or continue their education. In addition, data was sought in relation to the following questions:

1. How severe were local poverty conditions?
2. Who was served by the program?
3. What impact did the program have on the local community; economically, socially and educationally?
4. What was the involvement of the local CAA with the NYC program?
5. Did the program increase the participants' employability or otherwise help him overcome the handicaps of poverty?
6. What would enrollees have done without the program?
7. How best could the NYC summer program operate next year?

Because of the fragmentary nature of much of the data collected, program-wide findings and conclusions concerning some of the above were not feasible or were of limited import. Only a selection of the more viable were suggested in this report.

B. The Survey Method

Five Manpower Development Specialists from the Division of Program Review and Analysis visited a selected number of projects in each region. The total "sample" consisted of 51 projects with 7,134 enrollees, or about 3.7 percent of the entire summer enrollment. Projects were selected on the basis of the region, population size, urban-rural mix, and time and logistic requirements of the evaluation team.

In all projects visited, the sources of data were NYC files and documents, interviews and conversations with local NYC staff, enrollees, supervisors and other project officials at every level. In addition, contact was established with local community leaders, school officials, CAA staff and State employment service personnel; in certain selected localities, additional contacts were made with local indigenous citizens, civil rights groups, law enforcement officials and youth who did not want to, or were not able to, participate in the program. A list of the projects visited during the evaluations is attached to the report as Appendix I.

PART II. ENROLLEE-CENTERED CONCLUSIONS AND FINDINGS

This survey was carried out within the framework of a primary conception that the NYC summer program was primarily an instrument to aid youth to remain in school or resume schooling. In addition, the effectiveness of subsidiary objectives was also to be judged in terms of NYC's utility as a factor in the War on Poverty. Did the summer work-training experience have any effect on the participants' ability to overcome the handicaps of poverty? This view of the survey attempted to ascertain whether the total NYC experience helped to overcome economical disadvantage, employability handicaps, verbal deficiencies, attitudinal and motivational shortcomings and personality defects.

Enrollee experiences varied widely in the different areas. Some received significant benefits, while others did not have an opportunity to develop to their maximum potential. Many disadvantaged youth found useful employment during the summer months, while a few realized little or no benefits. The great majority of enrollees continued their full-time enrollment during the summer months—few dropped out. Some of the more important conclusions and findings that appeared to emerge from the total picture are summarized as follows:

1. The summer program was markedly successful in influencing youth to return to school

An overwhelming majority of the enrollees continued their education after the summer work experience. Those few who failed to return to school seemed to have found useful employment in many instances.

2. Enrollees' reactions to their summer experience were generally positive

Interviews revealed that (1) most were satisfied with their pay, supervision and working conditions; (2) some did criticize their work assignments as being too tedious, boring or dull; (3) the average workweek of 20-25 hours pleased many since they could pursue other "vacation-type" recreational activities and still have spending money; and (4) most had plans to continue school in the fall, although a few were undecided because of a desire for a permanent job (more money), marriage, or poor scholastic achievement.

3. Most projects were successful in enrolling the poorest of the poor in local communities

It is clear that sponsors devoted themselves to reaching the hard-core, poverty-handicapped youth. Although there were observable differences in the average levels of poverty among communities in various regions, sponsors seemed to have generally selected the hardest cases relative to the available clientele in their communities.

4. Sponsors were not successful in reaching the unemployed, unaffiliated, school dropout

It appears that only a very small number of school dropouts were enrolled in the summer programs. One problem seemed to be that school-sponsored projects were not structured or inclined to establish contact with the dropout

who was unaffiliated with any agency, institution or program in the local community. Since most initial recruitment for summer projects took place during the waning days of the regular school term, the dropout was in a poor competitive position for many available job slots. Moreover, the local employment services seemed to have played a minor role in recruiting dropouts for summer programs.

5. Youth employment prospects differed from region to region

The job markets in three regions were excellent, causing some sponsors problems in recruitment. Youths in Regions I, II and VII had access to very attractive jobs, while many in other regions were unable to find temporary summer employment of any type and thus were unemployed throughout the summer.

6. Generally, youth employment prospects in rural areas were better than those in urban centers

In most areas, but especially in Regions IV and VII, rural sponsors found themselves in direct recruitment competition with local farm industry. Farm labor usually offered lower wages, but longer hours, and many eligibles hoped for the chance to make more money by working longer workweeks. Sponsors were not always as vigorous in their recruitment methods as they might have been because of loyalty to an important community industry, sympathetic regard for local needs, and a fear of antagonizing their farmer-neighbors. As a result, NYC did not, in every case, attract the most needy youth in the community, but those who were perhaps affluent enough to afford lower pay and shorter workweeks. NYC sponsors felt working for NYC would have benefited the youth more in the long run, but could not reconcile this with their desire to see the youth earn as much money as possible.

PART III. PROGRAM AND FINDINGS-CENTERED CONCLUSIONS

I. Types of Program Emphasis

The 51 summer projects surveyed fell into two categories, according to their dominant program emphasis. *School-Centered Emphasis*, concerned with work-training related to a school institution, was predominant in 33 projects. *Community-Agency Emphasis*, where the work-training related to the community-at-large, was prevalent in the 18 remaining projects.

The relative merits of the different approaches resist general conclusions because outstanding accomplishments as well as program weaknesses were found among both types. Generally, it can be said that school-centered projects tended to be poor in the quality of job assignments and administration and the community-related projects were usually rated high on job assignments, supportive services and supervision. At the same time, community-related projects tended to have administrative and managerial problems of one kind or another. No general conclusions can be reached regarding other program elements, such as counseling and remedial education, because weaknesses and strengths were observed in both types of projects.

II. Program Content

A. Project Administration

This component was rated high by evaluators in the majority of cases. School sponsors received some negative assessment regarding the quality of their record-keeping function, i.e., the absence of individual folders, incomplete information on Form NYC-16, and poor information on supervisory evaluation.

B. Recruitment and Selection

Urban projects usually did a better job in recruiting than did rural. However, rural projects, while not always operating at full strength, invariably enrolled the hardest cases of deprived youth. As would be expected, rural projects had recruitment problems because of limited recruitment apparatus, problems of mobility and accessibility, and competition from farm labor.

C. Work Assignments

Appendix III is a graphical representation of the distribution of primary work assignments of enrollees in summer projects. Generally, enrollees, during

the summer, worked in similar capacities as those in year-round programs, and in about the same proportions. The job assignments in urban centers tended to be more varied and have larger dimensions than those in rural areas.

D. CAA-NYC Relations

In those cases where sponsors enjoyed a good relationship with the local CAA, they found the cooperative arrangement helpful and essential. Where the relationship was marked by differences and strife, the contrary was true. In too many cases, however, sponsors had no formal contacts with CAA's, and both seemed to have been content to go their separate ways.

Sixty percent of the projects surveyed indicated they had little or no contact with the CAA. Thirty percent reported they enjoyed excellent support and mutual cooperation with CAA, and ten percent expressed serious concern about their present relationship. This latter group saw an increasing likelihood of irreconcilable differences with the CAA.

Looking at it positively, the indications are that in those cases where there is a possibility of the cooperative arrangement being stabilized, there is justification for the NYC sponsor to seek assistance from the CAA. Sponsors with good experiences said that the CAA's services had become an integral part of their operations. For instance, a Tacoma, Washington sponsor found CAA very useful in referring hard-core youth from its neighborhood centers. A Warwick, Rhode Island sponsor got major assistance from CAA in supportive services such as, medical and dental exams, legal aid and family counseling. The NYC sponsor in Phillipsburg, Montana found the CAA indispensable when they first phased in their operations; assistance was given in writing the proposal, hiring staff, lending personnel and facilities, etc.

Those sponsors with unpleasant experiences generally felt they were threatened by loss of their independence, had fear of political embarrassment, and believed they would be stigmatized by too close an identification with the CAA. The accelerating pace of funding more CAA's will probably lead to more problems, at least in the initial stages, until experience and education bring about more clearly defined roles for each agency.

E. Counseling and Remedial Education

Ninety percent of the sample of projects reported that some form of counseling was provided enrollees. Less than half reported the availability of remedial education during the summer. Evaluators rated the quality of counseling in most cases mediocre to fair, with only a few bright exceptions. Sponsors in Toledo, Ohio and Butte, Montana were reported to have excellent counseling components, with several unique features. The Toledo sponsor employed enrollee-counselor assistants to keep in touch with other enrollees who had difficulties. It is reported that this technique was extremely productive in terms of solving enrollee problems. A Butte, Montana sponsor offers ten hours of counseling per week. This might seem an inordinate amount, until it is considered that 15 percent of the enrollees had prior police records. The success in working with these youth is impressive. Sixteen enrollees were sent to the reformatory in 1965 and none in 1966. Juvenile delinquency and youth offenses were down 50 percent over a similar period last year.

NYC staff supplied most of the counseling during the summer months, and in those cases where school resources were relied upon, the counseling usually suffered because of vacationing counselors. Very little emphasis was placed on vocational counseling; the main thrust seems to have been towards guidance of a more personal nature, family problems, job-related problems, etc.

F. Supportive Services

About half of the project sponsors reported giving no supportive services of any type. The remainder reported that they provided services of one kind or another, the most common being medical examinations. The overwhelming majority of the rural project sponsors were not able to provide supportive services because of limitations on local resources.

G. Equal Opportunity

Of the 51 projects surveyed, evaluators found only three sponsors with problems relating to racial balance and equal opportunity. One supervisor in the Sacramento, California project was found to be placing discriminatory job orders for

enrollees. This supervisor was not given any more enrollees. There was some local resentment in Great Falls, Montana against emphasis placed on enrolling American-Indians, but this was found to be unjustified. Evaluators requested that the Decatur, Georgia project be monitored by Regional representatives for irregularities in enrollee assignments and the imbalance in overall racial composition.

In the overwhelming number of cases, the indications were that NYC was making impressive progress in integration of work-sites, but making less progress in maintaining racial balances in some projects. Uniracial projects were usually dictated by local sentiment and resistance to integration rather than by any failure on the part of sponsors to vigorously promote equal opportunity.

PART IV. POST-ENROLLMENT EXPERIENCE

The ultimate aim of the summer program was to influence enrollees to return to school, through the financial assistance, counseling and guidance they would be exposed to during the work-training period. Therefore, the value of the summer program must be judged in light of their successes in achieving this end. In view of that criteria, just how successful was the summer program?

The summer program was successful in influencing enrollees to continue their education. However, most of the projects were not successful in attracting dropouts, and only moderately successful in stimulating those enrolled to resume their education. Appendix IV gives complete termination data which contains some implications for NYC. These findings are discussed below.

Sponsors' ability to attract dropouts appears to have been a failure. Less than two percent of those sampled were former dropouts. There are a number of reasons for this lack of participation, but the most important is the fact that most of the sponsors were Boards of Education who either through inability, design or oversight, failed to concentrate their efforts on recruiting dropouts. Moreover, the results suggest that sponsors in some regions gave little or no emphasis to this particular pursuit. Two regions enrolled four percent enrollee-dropouts each, one region enrolled ten percent and the others enrolled absolutely none. Such disparity suggests a failure of communications, rather than a failure in recruitment efforts. Since the preponderance of sponsors were schools, not traditionally skilled in outreach methods, it is reasonable to assume that many did not make a concerted effort in this direction in the absence of very strong encouragement from NYC.

What about the dropouts enrolled in the program? As mentioned, only about two percent of the sample were former dropouts and the great majority left the program before its completion. For the small number who remained until the end, the evidence is that a large majority returned to school. The obvious implication is that the longer NYC has to work with dropouts, and treat the particular problems which initially causes them to abandon school, the greater the chances of success. It is also possible to conclude that in-school projects are not capable of retaining dropouts, even without the attendant discipline and regimentation (which many dropouts view negatively) of formal classroom study. The variables are so numerous, that conclusions are difficult to draw as to why this is so. However, some thought should be given to re-structuring and strengthening summer programs if they are to serve as vehicles to encourage dropouts to return to school. The sample evidence shows that an almost identical number of students return to school whether they complete the summer program or not.

PART V. SOME RECOMMENDATIONS

1. The summer program was and is presently oriented towards the in-school enrollees which is as it should be, since the emphasis is on continuing the enrollees' education. Nonetheless, if the purpose is also to persuade the dropout to resume his education, greater stress must be laid to seeking him out and exposing him to program elements suitable for this type of youth. The indications are that schools tend to remain isolated from YOC, NYC out-of-school projects, community organizations, etc., where there is reasonable expectation the dropout can be found. There seems to be an obvious need for clearer guidelines, predetermined allocations of job slots for dropouts, and established recruitment objectives regarding the enrollment of dropouts.

2. Supervisory, administrative and program resources are limited in many schools during the summer. Vacations and limited work assignments of staff all

contribute to programming flaws which tend to vitiate the positive effects of the work-training experience. Recognition of this fact suggests the need for better selection of staff and perhaps an increased expenditure of money and resources by NYC to supplement these temporarily impaired services.

3. Although the data are fragmentary concerning retention of dropouts in summer projects, NYC's apparent lack of success demonstrates the need for increased and perhaps re-directed counseling components in many projects, which will emphasize treatment of problems which caused the youth to withdraw from school initially.

4. It seems that the pool of eligible NYC applicants is circumscribed by local conditions of poverty. Allocation of job slots during the summer should bear a more direct relationship to the severity of these poverty conditions, minority representation, youth employment prospects, etc.

APPENDIX I

Project sites visited during summer evaluation, July 1-Sept. 2

REGION I

<i>Project</i>	<i>Evaluation dates</i>
Somerville Opportunities Commission, Inc., City Hall, Somerville, Mass. (U) R1-6376-23.	Aug. 11.
Cambridge Economic Opportunity Commission, Inc., 678 Massachusetts Ave., Room 703, Cambridge, Mass. (U) R1-6436-23.	Aug. 15.
City of Warwick, City Hall, Warwick, R.I. (U) R1-6414-42.	Aug. 12.
West Warwick School Department, Junior High Building, West Warwick, R.I. (U) R1-6417-42.	Aug. 16.
Coventry School Department, Knotty Oak School, Coventry, R.I. (U).	Do.
New Britain Board of Education, Post Office Box 1311, New Britain, Conn. (U) R1-6239-07.	July 29.
Council of Economic Opportunity, City Hall, Meriden, Conn. (U) S1-6043-07.	July 28.
Olean Board of Education, Post Office Box 578, Olean, N.Y. (R) R1-6265-34.	July 25-26.
Chautauqua Opportunities, Inc., Box 122, Mayville, N.Y. (U) R1-6333-34.	Aug. 17.
Board of Education, Post Office Box 270, Niagara Falls, N.Y. (U) R1-6335-34.	Aug. 18.
North Tonawanda Board of Education, North Tonawanda, N.Y. (U) R1-6335-34.	Aug. 1.
Union School District No. 1, Kenmore, N.Y. (U) R1-6259-34.	Aug. 2.

REGION II

Recreation Council of the Memorial, Recreation Forest, Inc., Warrenton, N.C.	Sept. 1-2.
Williamsport Area School District, 845 Park Ave., Williamsport, Pa. (U) R2-6213-40.	Aug. 3.
Montgomery, Floyd, Craig, Radford Community Action, Christiansburg, Va. (R) T2-6379-49.	July.
Floyd County School Board, Floyd, Va. (R) R2-6276-49.	July 7.

REGION III

Walker County Board of Education, Library Building, Jasper, Ala. (R) R3-6201-01.	Aug. 24.
Dekalb County Board of Education, Dekalb Bldg., Decatur, Ga. (U) R3-6254-11.	Aug. 26.
Altamaha Area Community Action Authority, Inc., Post Office Box 126, Reidsville, Ga. (R) R3-6276-11.	Aug. 29.
Charleston County Economic Opportunity Commission, 203 County Center, Charleston, S.C. (U) R3-6296-43.	Aug. 30-31.

REGION IV

- Economic Opportunity Planning Association of Greater Toledo, July 11-14.
828 Edison Bldg., Toledo, Ohio (U) R4-6279-37.
- Union School District, 290 West Michigan Ave., Jackson, Mich. July 14-15.
(U) R4-6217-24.
- Muskegon Area Intermediate School District, County Bldg., July 15-18.
Muskegon, Mich. (U) R4-6219-24.
- Wisconsin Conservation Department, Box 450, Madison, Wis. July 18-20.
(R) R4-6318-53.

REGION V

- The Cherokee Tribe of Oklahoma, Muskogee, Okla. (R) S5-6061- Aug. 18.
38.
- Board of Education, District 19, Box 1709, Ardmore, Okla. (U) Aug. 17.
R5-6272-38.
- Hunt County School Board, Greenville, Tex. (U) R5-2639-46. Aug. 16.
- Northern Pueblos CAP-NYC, Route 1, Box 71, Santa Fe, N. Mex. Aug. 4.
(R) R5-6486-33.
- Albuquerque, N. Mex., Post Office Box 1719, Albuquerque, N. Mex. Aug. 3.
(U) R5-6307-33.
- West Las Vegas Public Schools, District 1, Post Office Drawer J, Aug. 5.
Las Vegas, N. Mex. (U) R5-6314-33.
- Las Vegas City Schools, School District No. 2, S.N. Co., 917 Doug- Do.
las Ave., Las Vegas, N. Mex., (U) R5-6292-33.
- Laredo Public Schools, 1701 Victoria, Laredo, Tex. (U) R5- Aug. 11-13.
6243-46.
- Corpus Christi Independent School District, Corpus Christi, Tex. Aug. 10-11.
(U) R5-6227-46.
- Goliad Independent School District, Post Office Box 830, Goliad, Aug. 8.
Tex. (R) R5-6232-46.

REGION VI

- School District No. 1, Cheyenne, Wyo. (U) T6-6542-54. Aug. 5.
- Natrona County High School District, 8th at Elm, Casper, Wyo. Aug. 4.
(U) T6-6555-54.
- Fort Hall Business Council, Fort Hall, Idaho (U) T6-6503-14. Aug. 3.
- School District No. 58, Post Office Box 610, Aberdeen, Idaho (R) Do.
T6-6533-14.
- City of Butte, Butte, Mont. (U) T6-6452-28. Aug. 1-2.
- Mount Powell Economic Council and City Hill, Phillipsburg, Mont. July 28.
(U) T6-6429-28.
- Opportunities, Inc., Post Office Box 2532, Great Falls, Mont. (U) July 27.
T6-6524-28.
- North Dakota State Soil Conservation Commission, Bismarck July 25-26.
N. Dak. (R) T6-6500-36.

REGION VII

- Sacramento City Unified School District, 1619 N St., Sacramento, Aug. 2.
Calif. (U) R7-6245-05.
- School District No. 1, 631 North East Clackamas St., Portland, Aug. 11.
Oreg. (U) R7-6205-39.
- Union High School, District No. 5, 2202 South East Willard St., Aug. 9.
Milwaukie, Oreg. (U) R7-6208-39.
- Tigard U.H. District 2 Joint, 13137 South West Pacific Highway, Aug. 8.
Tigard, Oreg. (U) R7-6271-39.
- District No. U.H. 2, Canby Union High School, Box 610, 721 South Aug. 12.
West Fourth St., Canby, Oreg. (U) R7-6273-39.
- Seattle Public School, District No. 1, 815 Fourth Ave. North, Aug. 18-19.
Seattle, Wash. (U) R7-6210-51.
- City of Seattle, Municipal Building, Seattle, Wash. (U) R7-6365- Aug. 18.
51.
- Kent School District No. 415, 508 North Central, Kent, Wash. (U) Aug. 17.
R7-6201-51.
- Tacoma School District No. 10, Post Office Box 1357, Tacoma, Aug. 15-16.
Wash. (U) R7-6254-51.

APPENDIX II

ENROLLEE CHARACTERISTICS IN THE SAMPLE PROJECTS

1. Annual Family Income

Sixty-four percent of all enrollee's families had incomes of \$3,000 or less. This compares with the 68 percent falling below the poverty criteria in regular in-school programs. Similarly, 72 percent came from homes with five or more members.

Regions III and V showed the highest levels of families with annual incomes of less than \$3,000 (79 percent and 81 percent, respectively). These regions also showed the highest levels of adult and youth unemployment and the highest concentration of minority representation in the sample.

2. Race, Ethnic Group and Sex

Negroes represented 36 percent of the enrollment of NYC on-going projects. In the sample, they represented 32 percent. However, Mexican-Americans and American-Indians reflected a higher representation than that found in the national totals. The sample included 17 percent and 7 percent respectively of these minority groups. These differences are accounted for by the fact that Region V had the largest number of enrollees sampled and this region has a heavy concentration of such minority groups.

Based on the sample evidence, racial balance seems to have been difficult to obtain in a number of projects. For example, of the 12 projects surveyed in Region I, one-third were all-white and over half were almost all-white. Out of 5 projects surveyed in Region III, two had over 95 percent Negro representation. Region V had one all Mexican and one an all-Indian project. Region VI had one all-Indian and one all-white project. In Region VII, a third of the projects surveyed were all-white. No doubt community sentiment and sponsor apathy created some barriers to full integration, but by and large, evaluators found lack of racial balance usually was caused by the absence of multi-racial eligibles in many communities.

Male-female ratios were 57 percent and 43 percent respectively. This is in line with the national figures of 54 percent and 46 percent.

3. Age and School Grades

The sample contained an equally divided group of 16 and 17 year-olds. Both groups represented 41 percent of the total sample. The median school grade was the 10th. In this respect, the sample differed approximately 12 percent from national norms.

4. Other Handicaps of Poverty

There is evidence that enrollees came from environments reflecting severe handicaps of poverty. The total of those sampled coming from families on welfare was approximately 22 percent; those residing in public housing were almost 8 percent; about 32 percent were from broken homes; three percent had prior police records; two percent were mentally retarded; and two percent were physically disabled. Some individual projects were extremely successful in enrolling youth with severe social, emotional and economic problems. A few outstanding examples are:

Meriden, Conn.—39 percent on welfare, 36 percent residing in public housing, 69 percent from broken homes, 26 percent mentally retarded and 15 percent with prior police records.

Mayville, N.Y.—45 percent from welfare families and 11 percent high school dropouts.

Reading, Pa.—37 percent on welfare, 17 percent residing in public housing and 58 percent from broken homes.

Seattle, Wash.—50 percent with prior police records and 60 percent from broken homes.

Charleston, S.C.—23 percent physically disabled and 46 percent from broken homes.

Great Falls, Mont.—39 percent former high school dropouts and 48 percent from families on welfare.

These individual examples of project successes in capturing hard-core cases are not in themselves conclusive; however, they do point out that many sponsors

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were devoted to seeking the most disadvantaged youth in their particular localities.

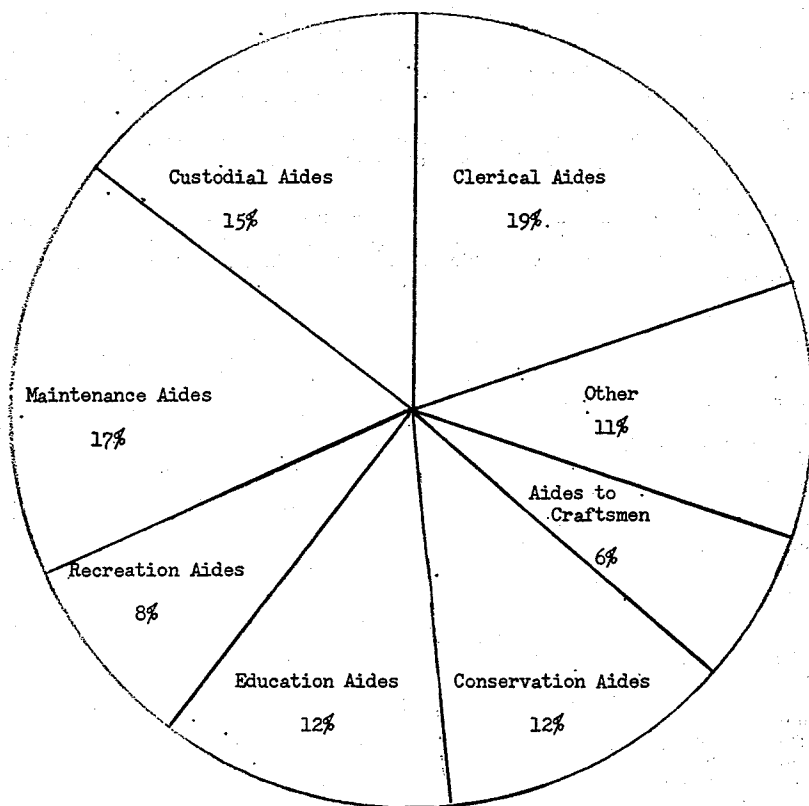
Prior Work Experience

Approximately 32 percent of the enrollees sampled participated in the regular in-school program prior to the summer project. Another 31 percent had held some sort of job prior to their NYC experience. It would seem then that only about a third of the summer enrollment were initiated into the world of work by the summer work exposure.

There were more than twice as many enrollees in Regions IV and VI reporting prior work experience than enrollees in the rest of the country. This is probably explained by the fact that farm industries, predominant in those areas, offer youths an opportunity for employment at a relatively early age, more so than occasioned by other industries in urban centers.

APPENDIX III

DISTRIBUTION OF PRIMARY WORK ASSIGNMENTS OF ENROLLEES IN SUMMER PROJECTS



APPENDIX IV

TABLE 1.—*Statistical summary of results of summer program*¹

	In school, prior	Dropouts	All enrollees
Returned to school.....	4,876	26	4,902
Permanent jobs.....	61	23	84
Armed services.....	15	2	17
Job Corps.....	7	1	8
MDTA.....	2	0	2
Undecided.....	46	11	57
Unknown.....	56	57	113
Total.....	5,063	120	5,183

¹ 46 projects reporting.TABLE 2.—*Terminations from summer projects*¹

	White	Negro	M/A	A/I	Other	Total
A. Youth enrolled until end of project:						
Total.....	1,513	1,261	659	251	127	3,811
In school prior.....	1,505	1,253	656	249	125	3,788
Returned to school.....	1,453	1,211	642	241	105	3,652
Did not return.....	52	42	14	8	20	136
Permanent jobs.....	19	12	7	4	4	46
Armed services.....	5	5	3	1	1	15
Job Corps.....	4	1	—	—	—	5
MDTA.....	—	—	—	—	—	—
Undecided.....	4	14	—	—	1	19
Unknown.....	20	10	4	3	14	51
School dropouts.....	8	8	3	2	2	23
Returned to school.....	3	4	2	2	2	13
Did not return.....	5	4	1	—	—	10
Permanent jobs.....	2	1	—	—	—	3
Armed services.....	—	—	—	—	—	—
Job Corps.....	—	—	—	—	—	—
MDTA.....	—	—	—	—	—	—
Undecided.....	2	—	—	—	—	2
Unknown.....	1	3	1	—	—	5
B. Youth terminated before end of project:						
Total.....	577	420	214	117	44	1,372
In school prior.....	551	382	192	107	43	1,275
Returned to school.....	533	366	182	100	41	1,224
Did not return.....	18	16	10	7	2	51
Permanent jobs.....	5	5	5	—	—	15
Armed services.....	—	—	—	—	—	—
Job Corps.....	—	—	—	—	2	2
MDTA.....	—	—	—	2	—	2
Undecided.....	11	9	2	5	—	27
Unknown.....	2	2	3	—	—	5
School dropouts.....	26	38	22	10	1	97
Returned to school.....	5	4	3	1	—	13
Did not return.....	21	34	19	9	1	84
Permanent jobs.....	4	6	5	4	1	20
Armed services.....	—	2	—	—	—	2
Job Corps.....	—	—	1	—	—	1
MDTA.....	—	—	—	—	—	—
Undecided.....	—	5	4	—	—	9
Unknown.....	17	21	9	5	—	52

¹ 46 projects reporting.

Mr. HOWARD. On the basis of that evaluation we believe we are going to effect substantial strengthening of our summer program this year in terms of components.

We have also done evaluations of ongoing Nelson or "Operation Mainstream" programs, those already in existence and then delegated to the Labor Department. This was done in order to see what we had. We wanted to know what were the components that needed attention as we moved into administration of the program.

With regard to the older youth program, Neighborhood Youth Corps, we have run staff evaluations of remedial education components, for example, in which we analyze a half dozen or dozen remedial education components in various projects. We will find out the administration of them, how effective they are, what kinds of tests are given, that kind of probing. This is done to get information useful to us in improving financial direction, as well as to share information, through publications and manuals, that is useful to other sponsors.

(A sample of research follows:)

INTERACTION FORMS AND REWARD SYSTEMS: TOWARDS A PARTIAL THEORY OF ADOLESCENT WORK EXPERIENCE¹

(By Richard E. Sykes and Popie Mohring, University of Minnesota)

Governmental work programs for youth have been a part of the American scene since the days of the New Deal. The Economic Opportunity Act of 1964 gave new impetus to these programs when it created the Job Corps and the Neighborhood Youth Corps. The purpose of Job Corps is to prepare young men and women between the ages of sixteen and twenty-one "for the responsibilities of citizenship and to increase (their) employability." This is to be done through vocational and citizenship training at both rural and urban residential centers. The purpose of the Neighborhood Youth Corps is "to provide useful work experience opportunities for unemployed young men and women, through participation in State and community work-training programs, so that their employability may be increased or their education resumed or continued." Enrollees in the NYC work in their own communities within a variety of public or non-profit agencies twelve to fifteen hours a week if in-school, and up to thirty-two hours a week if out-of-school. Where possible, supplemental remedial education and vocational counseling are provided.

The circumstances of the thirties are not those of the sixties, however. In the era of the depression masses of the population of all ages were without work. Programs such as Civilian Conservation Corps (CCC) helped provide economic relief for youth through conservation work. CCCers worked in large crews and lived together in camps. Presumably work experience of an unskilled kind was still useful in terms of the job openings present in the national labor market. In the sixties such jobs are already scarce, and becoming scarcer. The needs of those sectors of the population for whom the Economic Opportunity Act was intended are not just for temporary economic help during a national emergency, but for basic socialization into the general and special norms of the world of work. Because of the rapidly rising level of skill requirements in the labor market, these sectors of the population which are "deprived" are faced not only with the problem of socialization into general work norms, but with the acquisition of relatively high level skills. The old gang work crews of the thirties do not provide such socialization, and thus the entire concept of work experience has to be reassessed. This reassessment has been taking place since 1964, for the most part in the absence of either adequate empirical data on improving employability, or a theory of either what "employability" is, or what factors contribute to its increase. Here we hope to contribute to this

¹ The research on which this paper is based was made possible through a contract between the University of Minnesota and the Neighborhood Youth Corps—U.S. Department of Labor. The title of the study is "An Observational Study of the Relevance of NYC Work Experience. Especially of Enrollee-Supervisor Interaction, to Improved Employability or In-School Performance."

reassessment using data gathered in a preliminary evaluation study of the contribution of Neighborhood Youth Corps to increased employability of sixteen to eighteen-year-old youth in Minnesota during programs conducted during 1966 and 1967.

The subjects of the study were youth enrolled in both in-school and out-of-school, rural and urban programs in Minnesota. Since the purpose of the study was exploration which would lead to preliminary hypotheses suitable for later testing, no attempt was made to guarantee representativeness of the sample, or to measure change in a strictly quantitative and reliable fashion. Little theory was available to begin with, and we were faced with the necessity of creating our own on a tentative basis. The methods used in the study were participant-as-observer observation, the unstructured interview, and nonparticipant observation together with the gathering of information on enrollees from official records of public schools and NYC contractors. Our interests included psychological and behavioral characteristics of enrollees, changes in employability as a result of work experience, and the influence of supervisor, work group, job, and employing organization on changes in employability. Our original theoretical framework utilized concepts of sentiments, activities and interactions, *a la* Homans, *et al.* The scope of study included the entire state, comprising about thirty sponsors who could enroll up to approximately 3,000 youth including up to 1,000 high school "dropouts." From this preliminary evaluation a great many "leads" and tentative hypotheses have been developed only a few of which will be discussed here. A very carefully controlled empirical test of certain of these hypotheses will be conducted during the coming year. In the meantime certain of our "guesses" may be of use to others concerned with the same range of problems.

Both in-school and out-of-school NYC enrollees are employed at a wide variety of worksites. In rural areas these worksites are located either within the public schools, or else at conservation sites. In urban areas hospitals, neighborhood houses, zoos, nurseries, parks, and government offices are frequent locations. During the autumn of 1966, for instance, the researchers spent much time in a county hospital where about sixty in-school enrollees worked within about fifteen departments, including medical records, radiology, main laboratory, the storeroom, central supply, the personnel office, buildings and grounds, ambulance garage, and several wards. Jobs varied from janitors aide to laboratory assistant to file clerk to food service worker. In only a few cases were there more than two enrollees within any one adult work group. On the other hand within the various rural conservation programs enrollees work within work crews consisting entirely of youth except for the adult foreman. Whereas the researchers had started their research with the assumption that enrollees would be found almost entirely in such youth work crews, and that interaction could be studied among their members, as in Street Corner Society, it soon became apparent that such youth groups were only one of several forms of groups that existed, most of the others constituted of a mixture of youth and adult interaction within a variety of types of organizations and their subsystems. The enrollee work role expectations in terms of social role also varied a great deal especially in terms of structure and specificity. Role precedents of youth crews were lacking. On the other hand, in established departments of existing organizations enrollee work roles had to be integrated with an already existing role system. In such circumstances job descriptions were necessary. On the other hand, in neighborhood houses, for instance, while youth work crews did not exist, in many cases neither did other work roles, and thus roll precedents were frequently as undefined as in the conservation crews.

The researchers initial task was to develop a set of concepts at a somewhat higher level of abstraction which ordered the data derived from the chaos of specific worksites. It was soon apparent that one way to do this was through the concept of interaction form. The place of the enrollee work role within the work group could be analyzed in terms of one of five forms. The forms grew from analysis of the empirical reality and were not derived logically. It is not our intent to suggest that there are only five forms. Nevertheless the five forms appear to exhaust the universe of work groups which we have observed. Furthermore each form implies certain status-role relationships which may be relevant to the greater or lesser value of work experience and increased employability. Adequately descriptive labelling of such generalizations is always a problem, but we have decided upon teen form, team form, multiple supervisor form, teen-adult form, and adult form.

The teen form is that found conventionally in youth work experience programs. Analytically there are only two roles, the enrollee work role, performed by several enrollees, and the supervisory work role, usually performed by one adult. Teen forms are found in conservation work crews, and frequently in small towns and villages in the summer where enrollees perform clean-up, construction and repair, and park maintenance tasks. In Minnesota supervisors are frequently older adults with a low civil service classification, and paid by the hour. Infrequently do they have either training or experience working with youth. Tasks supervised are almost always unskilled manual labor such as brushing, cleaning, and digging. Typically teen forms are expedient and *ad hoc*. Furthermore they are peripheral to the permanent work subsystems of the organization of which they are a part. Consequently there is no previously existing structure which the enrollee enters. The structure is a result of the interaction which takes place when several new enrollees enter the work role under a supervisor who is also new to the task and a temporary employee. Teen forms are therefore inherently unstable since they are highly dependent on the character and skill of the supervisor, as well as on the habits and attitudes which the enrollees as a group bring with them. While on the one hand a skilled supervisor may structure the roles and role interaction so as to produce a high degree of morale and task performance, on the other hand an unskilled supervisor, or a mix of enrollees with predominantly negative orientations or socialization into deviant subcultures may effect the group in such a way that conflict, inefficient task performance and predominant disorganization result.

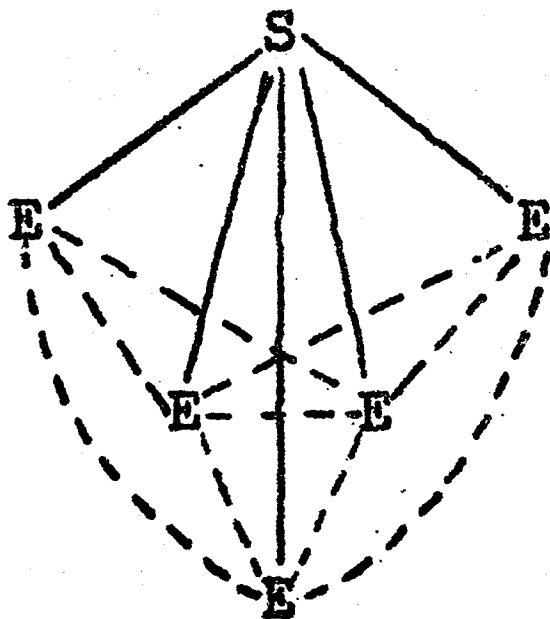


FIGURE 1. The Team Form.¹

The team form is made up of one enrollee work role and one supervisory role. It is frequently found in rural schools where a student NYC enrollee is assigned to the janitor or to the school secretary, a teacher or librarian. Neither the enrollee nor the supervisor is part of a larger work group with similar tasks, at least within the same physical location. The resulting interaction, while frequently more frequent and intimate than in larger groups, is also more highly dependent on idiosyncratic characteristics of the persons involved. Since the

¹ S=Supervisor, \$=*de facto* Supervisor, A=Adult Worker, E=Enrollee.

supervisor of the enrollee normally supervises no one else in the normal performance of his work role, he often is unused to giving orders, and to planning work for others. On the other hand a supervisor in such a form has the opportunity, if motivated, to supervise the enrollee more closely and provide him with personal attention and advice. This form is also inherently unstable, however, because of the idiosyncratic nature of the interaction, the frequent lack of supervisory experience of the supervisor, and the indefinite prior expectations of the enrollee work role.



FIGURE 2. The Team Form.

The multiple supervisor form consists of one enrollee work role (sometimes two) and two or more supervisors of equal adult work role status. Usually one of the adults is the officially designated supervisor, but in practice other adults also supervise the enrollee and are thus *de facto* supervisors. This form is especially common in offices where enrollees do clerical and filing tasks. Frequently one clerk is official supervisor of the enrollee, but other clerks also assist in the supervision. Theoretically this form locates the enrollee in a position where he might receive conflicting instructions from his supervisors. Actually no such cases have come to our attention. Usually adult work roles in this form are highly structured, since such structuring is necessary for two or more adults of the same status-role to work together in the same situation. This structuring carries over into the enrollee work role. One of the reasons for the multiple supervisory situation, as a matter of fact, is the necessity of integrating the enrollee work role into the previously existing structure. This is done informally through private interaction among the supervisors, and between them and the enrollee. The multiple supervisory relationship also lessens the idiosyncratic factors which are involved in the team form.

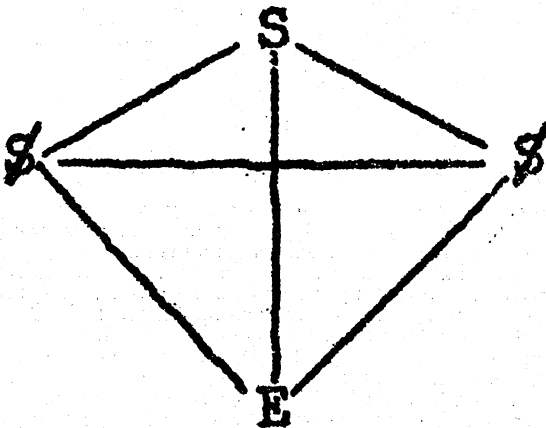


FIGURE 3. The Multiple Supervisor Form.

The teen-adult form involves two age-graded interaction systems of work roles. In addition to a supervisor, there is a set of two or more adult work roles present of lower status than the supervisor, and two or more enrollee work roles. Adults interact more frequently with other adults in the work group, and enrollees interact more frequently with other enrollees. Usually the adult work group was present before NYC enrollees were placed in it, and thus a relatively stable adult interaction pattern already exists. The enrollee pattern gradually stabilizes over a period of time. Thus the two groups work side by side, performing the same tasks, or contributing to the same goal, but with identifiably separate informal interaction systems. While tension may exist between the two groups, this form also has certain advantages. Because of the previously existing adult interaction system, it has a stability and structure which teen groups frequently lack. The presence of adult workers also provides models for work behavior. Since at least in some cases the adults are performing activities similar to the enrollees, they may instruct (not supervise) the enrollees. The enrollee also has the sense of doing an adult job, rather than performing something defined as a special youth role. We would speculate that problems and tensions arise only when youth enter the work group in such large numbers as to threaten the previously existing adult system.

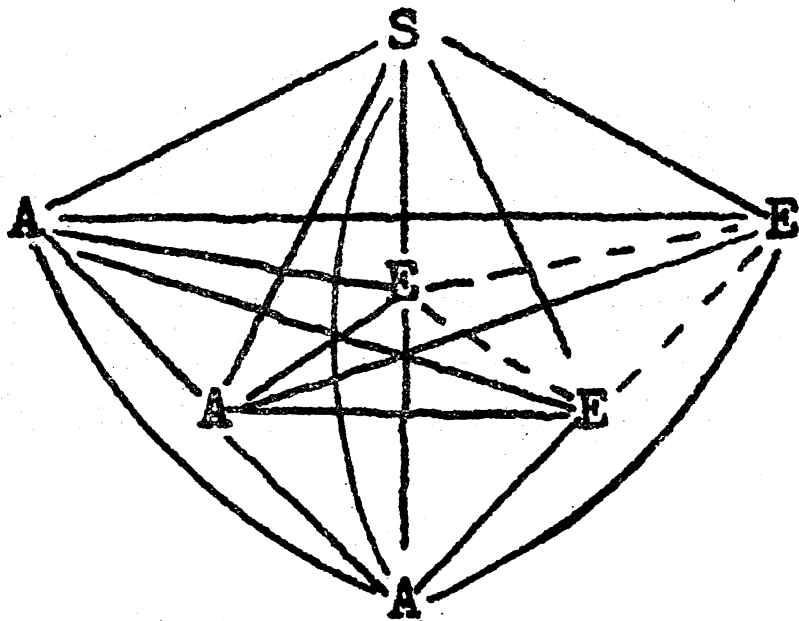


FIGURE 4. The Teen-Adult Form.

The adult form involves an adult supervisory role, and one or more non-supervisory adult work roles. It is essentially an adult work group in which one (no more than two) enrollee is placed. Thus no teen interaction patterns emerge within the work group. The group is dominated by adult interaction. The enrollee's supervisor is also the supervisor of other adults. The enrollee may perform a role essentially special, or else one similar to that of one of the non-supervisory adults. In either case, because of the division of labor that exists within the group, the enrollee work role necessarily becomes carefully structured. The pressure to conform to adult work norms is also greater. While adult work groups may be somewhat rigid in their response to a new enrollee, such groups probably also provide the enrollee with the greatest opportunity to learn adult