

They don't want to try something that they have very little chance of being able to succeed in.

As an example of this, I have a survey here that was conducted in one of the counties in Ohio that compared the referrals to Job Corps.

Chairman PERKINS. Let me ask you some questions.

You stated a cost per trainee, I believe, was \$2,500, down from what figure, did you state, a while ago?

Mr. WATSON. This cost was \$2,680, I believe.

Chairman PERKINS. For a period of 6 months?

Mr. WATSON. Well, not necessarily. This is for the number of students. This is the result of dividing the amount of dollars that are approved for the project and the amount of students.

Chairman PERKINS. And the project, usually the average length of the project is how many months?

Mr. WATSON. They run from 6 to 12 months, so I would say the average length would be 8 or 9 months.

Chairman PERKINS. Now what about the hidden costs for improvement, staff training, educational materials, schooling, medical-dental care, travel, placement, and so forth?

Who pays that cost?

Mr. WATSON. This is included in the cost.

Chairman PERKINS. Do you mean that you furnish them medical attention?

Mr. WATSON. Right. These students receive a training allowance of oh, probably the youth allowance would be \$20 per week, and they, the students themselves pay for insurance policy, hospitalization policy, takes care of part of the medical expenses.

We have a medical service, a nurse on duty at all times, and a medical director, and part of this expense is absorbed through—we have a unique setup as far as the residential phase of our program is concerned, and that is, the total budget of a residential phase of our program comes from the subsistence pay that the students receive.

Chairman PERKINS. The way I understood your figure a few moments ago, the \$2,500 did not include the expenses, such as medical, dental, clothing allowances and allotments and transportation.

Mr. WATSON. Yes, it does.

Chairman PERKINS. You mean that it does?

Mr. WATSON. It does.

Chairman PERKINS. And the actual training cost would run in the neighborhood of about \$1,400. The total cost, generally the cost, the nontraining costs are about the same as the training costs, so we are up in the neighborhood of 26, you are saying 25.

Mr. WATSON. I am saying 25 or 2,680. This is the figure that we were using at the end of last year, and this includes not only the administrative costs of our referral or referring agency, Ohio State Employment Service, that portion of the staff that is involved in this, it also includes training allowances and subsistence pay to the students, transportation to and from school, as well as their training costs.

Chairman PERKINS. Who pays for their initial capital outlay? Who makes those payments?

Mr. WATSON. On the training, as far as the capital outlay on training, the equipment and the minor remodeling is paid under the Manpower Development Training Act.