

INTER-OFFICE CORRESPONDENCE

(NOT FOR MAILING)

March 2, 1978

Report on existing positions. essential important ending. ID GENL. FUND TRANSFER.

From Ed Franke  
To Bureau Managers  
Addressed to  
Subject CETA/Public Service Employment Briefing

One of the purposes of the CETA briefing for Bureau managers is to clarify the City's present situation with Public Service Employment specifically Titles II and VI. I hope to present helpful information concerning numbers of current positions, funding amounts and special problems and concerns to relay information as to time-frames for the remainder of this fiscal year; and to explain the status of legislation for the next grant year and its possible effect on the City's CETA program.

CETA re-enactment 78

Clear slate 7-1-78

I. Current Status Report

at least as much money.

There are currently 254 sustaining positions authorized in city bureaus under Title VI, 39 under Title II. Additionally we are currently funding 42 special projects within bureaus, involving 181 participants. This involves a total CETA obligation of 33 million for sustaining and 23 million for special projects, including funds for projects already completed in this fiscal year. It further involves General Fund/Countercyclical support of nearly 1.6 million.

1/2 sustaining II & III 293 City

1,000 Special Proj. City 25% Sels

II. Time Frames 3/1 - 7/1/78

During the month of April, requests for sustaining positions to begin July 1, '78 will be finalized. I would expect final requests to include the following: (1) current no. of positions identified as crucial to bureau functions (2) current positions not vital but justifiable and considered high priority by bureau managers, and (3) new positions necessary for the implementation of programs recommended to CETA by Council direction.

Requests will be reviewed by CETA staff, the CETA Advisory Council, and the Executive Review Committee. We would expect to approve approximately 250 Title VI positions by June 5, so as to present the authorizing ordinance to City Council by June 21, 1978.

A major Request for Proposals for special projects will be distributed in April, with a completion deadline of May 26, '78. It is anticipated that the majority of these projects would begin July 1 or after. Bureaus who are planning CETA projects which are weather-related, necessitating May or June start dates, should submit proposals by the end of March to allow ample time for review, funding and hiring.

2.5-3 m next yr. gen fund support if some as now

all City are over. Can't find Secretarial

April - ask for Sustained positions

TITLE 3 - YOUTH EMPLOYMENT 1.25M more commy-based 975,000 annualized stipends. training activity

Saturday Market St. Johns Training & Evaluation

trying to give seniority to CETA people. If PSTAT, can be g PERS.

### III. Fiscal Year 78-79

Recent legislative recommendations from the Department of Labor indicate a Title VI funding level for FY 78-79 which sustains, or possibly exceeds, that of 77-78. It is assumed that city levels will remain constant. There are indications that the Title II program as we know it will not be re-enacted. This effects the 39 positions currently authorized, as funding threatens to expire Sept. 30, 1978. Bureaus will be informed of definite legislative and program decisions as they are made.

### IV. Special Problems and Concerns

An attached memo addresses a problem which has been attracting increased union attention in recent months, namely the possible city violations of the Maintenance of Effort Clause in the Department of Labor CETA regulations. This problem will be discussed more thoroughly in the briefing process.


Another major concern in recent months relates to the internal administration of the Public Service Employment Program itself. As many of you are aware, the CETA/PSE staff is currently undergoing a major reorganization, necessitated by the merger of the Bureau of Personnel & HRB CETA staff as well as the substantial increase in the PSE funding level over the last year. A number of issues demanded that we adhere strictly to the Civil Service process in filling the newly defined positions, preventing temporary fills, rapid internal promotions or transfers. These factors have resulted in a situation where the program has been severely under-staffed, with all but one of the supervisory positions vacant for several weeks. Service delivery, as I am sure you are aware, has slowed considerably, and program quality has suffered. We are now in the process of hiring for the last supervisory position, and expect to be in a fully staffed situation by April 1. Steps are being taken to resolve all outstanding problems before the new influx or requests for FY 78-79 begins, and I am confident that you will see a marked improvement in services as the hiring and training of new staff progresses. Beth Eldridge, the PSE Coordinator, will be scheduling a meeting to introduce new staff to bureau contact persons, and to further identify problems experienced by bureaus in the past.

EF/BE:sm

CITY OF PORTLAND  
INTER-OFFICE CORRESPONDENCE

(NOT FOR MAILING)

March 2, 1978

*From* Ed Frankel   
*To* Bureau Managers  
*Addressed to*  
*Subject* CETA Regulations/Maintenance of Effort and The Budget Process

As you know, the CETA Public Service Employment Program has expanded this year to include a budget of nearly 18 million dollars. All indications suggest that the current level will be maintained over the next fiscal year (78-79). We have over the last year committed over 7 million Public Service Employment and Counter-cyclical dollars to positions and projects within City bureaus.

Efforts are now being made to incorporate this resource into the current budget process. It is assumed that CETA funds can make a greater contribution to the City if the planning process for CETA can be combined with that of the General Fund and other funding sources for the City. Management & Budget is currently in the process of determining criteria by which bureau budget requests may be referred to CETA for funding.

Given this opportunity for maximizing CETA's contribution to the operation of City bureaus, I felt it an appropriate time to explain the "maintenance of effort" clause in the Department of Labor Regulations which govern the CETA grant (a copy is attached). Its purpose is to prevent the substitution of CETA funds for other budgeted funds, a practice which does not increase job opportunities, but merely frees up dollars for other uses (which may or may not directly employ people). It is designed to insure that CETA dollars supplement, rather than replace, current funding sources. An obvious example of a violation of "maintenance of effort" is a bureau laying off 17 General Fund/Civil Service laborers and requesting 10 new laborer positions under CETA. Most bureaus now understand that if they lay off General Fund positions, all CETA participants in the same classification must also be laid off.

The issue of budgeting is more complex. While the Department of Labor has a history of vagueness on this issue, it is important to remember that the Department of Labor has the option to revert CETA charges to the General Fund if they feel that the maintenance of effort clause has been violated by the City. I am, therefore, suggesting the following guidelines for determining General Funds versus CETA recommendations during the current budget process.

*training to explore  
new activities  
supplement.*

CETA Funding can be recommended for activities which:

- 1) Have not been funded under General Fund sources during the last fiscal year, and ✓
- 2) Have not had General fund dollars committed for their implementation through Council action/Ordinance, resolution, etc.) and ✓
- 3) Supplement, rather than replace, current City services. ✓
- 4) Do not provide services which the City must provide by law (e.g. if the City is required through recent State and Federal legislation to provide a new service, that should not be implemented with CETA funds).
- 5) Are allowance under all Regulations pertaining to the particular title of the Act.

Activities most appropriate for CETA funding are those which meet the above criteria and also

- 1) Involve entry level job skills.
- 2) Provide participants with skill training transferrable to jobs in other bureaus or the private sector.
- 3) Do not require large amounts of administrative/materials and services support for implementation.

An additional concern in this budget process is that many bureaus have included in their activity goals and performance indicators tasks which will be accomplished by personnel in CETA sustaining positions, making clear budget delineations difficult, if not impossible.

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order to provide sufficient job opportunities in the area; and

(4) Prime sponsors which are State prime sponsors serving areas which are eligible for assistance under Title II of the Act and which certify to the RA in the grant application or a request for modification that the application of the special provisions for areas of excessively high unemployment are necessary in order to provide sufficient job opportunities in the Title II area.

**§ 99.31 Basic responsibilities of prime sponsors; basic responsibilities of program agents.**

(a) (1) A prime sponsor shall administer its programs under Title VI of the Act pursuant to the provisions of § 96.21 of this subtitle.

(2) A prime sponsor of an area of excessively high unemployment shall administer its programs under Title VI of the Act pursuant to the provisions of § 96.21 of this subtitle, except that the provisions of § 96.21 (c), (d) and (e) of this subtitle shall not apply.

(b) The responsibilities of program agents, as defined in § 99.2(e)(3), shall be those provided in § 96.22 of this subtitle.

**§ 99.32 Program performance requirements for prime sponsors.**

(a) A prime sponsor shall use funds under Title VI of the Act in accordance with the expenditure levels and enrollment levels described in the approved Comprehensive Title VI Plan and within the monthly schedule.

(b) (1) The RA shall review the program performance of each prime sponsor on a monthly basis and determine the adequacy of the prime sponsor's performance with respect to the expenditure and enrollment levels provided for in the Program Planning Summary, Budget Information Summary, and the monthly schedule.

(2) If a prime sponsor operates at a level in variance from the monthly schedule, the RA may prescribe corrective action and/or technical assistance.

(c) The RA, on a monthly basis, shall make a general review of the prime sponsor's performance and goals to determine the responsiveness of the prime sponsor's program to the unemployment rates of its area and the employment needs of the persons within its jurisdiction.

**§ 99.33 Public service job activities in the Title VI level of sustainment.**

(a) A prime sponsor may use funds reserved for sustaining enrollment under Title VI to provide:

(1) Public service jobs which provide maximum employment opportunities for eligible persons (sec. 602(a));

(2) Public service employment programs which meet the requirements of § 96.23 of this subtitle (sec. 602.(a));

(3) Basic manpower activities and services described in § 95.33(d) (1), (2), (4), (5), and (6) of this title (sec. 201);

(4) Job opportunities with public employers, as described in paragraphs (3),

(4), (5), and (6) of section 304(a) of the Act, if the prime sponsor certifies to the RA in the grant application or a modification that such activities are necessary to provide sufficient job opportunities in the area served by the prime sponsor (sec. 640(a));

(5) Where funds are utilized pursuant to paragraphs (a) (3) and (a) (4) of this section, all provisions under this part shall apply, except for references in such provisions to §§ 96.20, 96.21 (b), (c), (d), (e), (g), and (h), 96.23, 96.31, 96.32, 96.33, and 96.34 of this subtitle. In addition, those provisions applicable for program under Title I, or Part A of Title III shall apply. However, when the Title VI funds are used to fund public service employment, all of the provisions of this part shall apply.

(b) Funds allocated to prime sponsors of areas of excessively high unemployment may also be used for public service employment programs which meet the requirements of § 96.23 of this subtitle, except that § 96.23(b) (2), (3), and (8) shall not apply.

**§ 99.34 Maintenance of effort.**

(a) Public service jobs funded under Title VI of the Act shall only be in addition to employment which would otherwise be financed by the prime sponsor without assistance under the Act (sec. 602(c), 205(c)(25)).

(b) To assure maintenance of effort, the prime sponsor shall see that all programs under Title VI of the Act:

(1) Shall result in an increase in employment opportunities over those which would otherwise be available;

(2) Shall not result in the displacement of currently employed workers, including partial displacement such as a reduction in hours of nonovertime work, wages, or employment benefits;

(3) Shall not impair existing contracts for services or result in the substitution of Federal funds for other funds in connection with work that would otherwise be performed; and

(4) Shall not substitute public service jobs for existing federally assisted jobs under federally supported programs other than those under the Act (secs. 602(c), 208(a)(1)).

(c) Prime sponsors, program agents and subgrantees may not terminate, lay-off, or reduce the working hours of, an employee in anticipation of hiring an individual with funds available under Title VI. In addition, no participant shall be used to fill positions or provide services normally provided by temporary, part-time, or seasonal workers or contracted out, or to fill full-time vacancies, unless documentation is maintained, as provided in paragraph (h) of this section, that such action does not constitute a substitution of Federal funds for purposes that would otherwise have been supported by other resources.

(d) No prime sponsor shall hire or allow the hiring of any person into any job funded under this part when any other person is on lay-off from the same or any substantially equivalent job (secs. 602(c), 205(c)(7)(8)). If layoffs of

regular employees occur during the grant period, participants may not remain working in the same or substantially equivalent job within the employing agency that is affected by the lay-off. Such participants shall be transferred to positions not affected or be laid off or terminated. Prime sponsors shall try to transfer them to Title I, if appropriate, or shall attempt to place them into unsubsidized employment before laying them off or terminating them (secs. 602(c), 205(c)(7)(8)).

(e) Former employees who lost their jobs due to a bona fide lay-off may be hired into positions supported under this Part provided that such hiring does not constitute a violation of the maintenance of effort provisions of the Act and these regulations.

(f) No participant may be placed or remain working in any position substantially equivalent to a position which is vacant due to a hiring freeze unless the prime sponsor can demonstrate that:

(1) The freeze resulted from a lack of funds to sustain former staff levels and was not established because of the availability of funds under this part; and

(2) The promotional opportunities of regular employers will not be infringed upon.

(g) Prime sponsors shall notify the RA in writing of any layoff or hiring freeze in a department or agency where participants are employed in positions substantially equivalent to those affected by the layoff or hiring freeze.

(h) Prime sponsors, program agents, or subgrantees which utilize funds under this part to hire persons to fill positions previously supported by funds other than funds available under the Act or to provide services which are normally provided by temporary, part-time or seasonal workers or which are normally contracted out, shall maintain documentation that such use of funds does not constitute a violation of paragraph (c) of this section nor of any other requirements of this section. Such documentation shall be prepared and maintained in a form which clearly demonstrates that all requirements of this section are complied with and shall be readily available for the inspection of the RA for a period of not less than one year subsequent to the filling of any position to which these provisions are applicable. Prime sponsors shall, at the direction of the RA, submit such documentation or any budgetary expenditure records, revenue statements, and other information relevant to determinations under this section. RA's shall not approve any plan unless prime sponsors have submitted, when directed by the RA, conclusive evidence that the proposed use of funds fully meets the requirements of this section.

(i) Funds shall not be used to provide public services, through a private or non-profit organization or institution, which are customarily provided by a State, a political subdivision, or a local educational agency in the area if such funding will result in a reduction of the customary level of such service by the State.

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March 2, 1978

*From* Ed Frankel <sup>EF</sup>  
*To* Bureau Managers  
*Addressed to*  
*Subject* Sustaining CETA positions

Again, in the midst of the budget process, it is apparent that the delineations between General Fund and CETA functions within bureaus are becoming less and less clear. Last year an attempt was made to identify "CETA dependent" positions, i.e. those which would clearly have to be picked up by the General Fund should CETA funds cease to exist. In reviewing this year's budget requests, Management and Budget has brought to my attention the fact that some bureaus are including in their performance indicators activities and tasks which will most likely be performed by CETA sustaining (i.e. not special project) participants.

We are therefore attempting to more thoroughly identify those positions most clearly linked to on-going and necessary bureau functions. I am asking all bureaus to complete the attached form, identifying all currently authorized sustaining positions under Titles II & VI, and categorizing them in one of three groups:

Group One: Those positions which are essential to on going bureau functions, and contribute to the performance of services which the bureau must provide.

Group Two: Positions which are not considered vital but which for some reason (which should be stated) the bureau wishes to have continued over the next fiscal year.

Group Three: Positions which you will not be requesting for FY 78-79.

I would appreciate your seeing that these forms are returned to Beth Eldridge, PSE Coordinator, by Monday, March 13.

EF/BE:sm

BUREAU \_\_\_\_\_

CONTACT PERSON \_\_\_\_\_

PHONE # \_\_\_\_\_

Group One: Positions essential to on-going functions.

Position Classification

No. of Positions.

Title II/VI

Group Two: Non-vital positions which can be justified by bureau.

Position Classification

No. of Positions

Title II/VI

Justification

Group Three: Positions not requested for FY 78-79

Position Classification

No. of Positions

Title II/VI

Signature of Bureau Manager \_\_\_\_\_