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THE WHITE HOUSE

INFORMATION

WASHINGTON

December 3, 1974

MEMORANDUM FOR: THE PRESIDENT

FROM: KEN COLE *☉*

SUBJECT: Your request for information on Grand Rapids Public Service Employment - Grand Rapids Press Item (Tab A)

Grand Rapids is the recipient of two grants to create federally funded public service employment opportunities: one is funded under authority of the Emergency Employment Act of 1971 (EEA); the other under authority of the Comprehensive Employment and Training Act of 1973 (CETA). The provisions of the two acts are similar - each is intended to provide public service employment jobs for unemployed and underemployed persons.

The ceiling under EEA is \$12,000; under CETA, it is \$10,000. Under either program, the recipient unit of government may supplement the federally supported salary with its own funds. In all cases, participants must receive the same salary and benefits as other employees of the employing agency similarly employed. The average salary paid under these programs is \$7500, well below the maximum. Only 20% of the grants can be used for professional level positions.

Determination of the types of jobs funded under these programs is a local one. Participants selected under this program must meet eligibility requirements of the applicable legislation: Under EEA, the participant must have been unemployed or underemployed for at least 14 days prior to selection, and under CETA, participant must have been unemployed or underemployed for at least 30 days prior to selection.

In this instance, Grand Rapids made the determination that two community-based organizations, which were losing previous sources of funding (Federal and private), ought to be maintained as they were meeting pressing public service needs.

Mr. Turner, who was unemployed at the time of his selection into the EEA position, was hired as Director of the Baxter Community Center. His total salary is \$21,645 - \$12,000 of which is paid from EEA funds; the balance by the City.

Mr. Morales, who was underemployed at the time of his selection into the CETA position, was hired as Director of the Latin American Council. His salary is \$20,824 - \$10,000 of which is paid from CETA funds; the balance by the City. These men are both City employees. The determinations as to salaries were based on the pay ranges of the City classification system, which is an integral part of the regular Civil Service Merit System.

The Federal portions of the two salaries in question do not exceed the legal limitations. The hiring of the two individuals and the salaries paid to them do not violate any provisions of the legislation under which the programs are authorized. In Labor's view the individuals were eligible for the program, are in authorized jobs, and are being paid Federal funds in accordance with the legislation. Consistent with the principles of decentralization which these programs embody, the responsibility for these kinds of operational/ programmatic decisions rests with the local elected official.

The aim of public service employment in Grand Rapids, according to Mr. Jerry Bosworth, Director of the Department of Human Resources, is to bring about institutional change in the sense of bringing greater numbers of economically disadvantaged people into City Civil Service. The Department of Labor feels that maximizing of opportunities for the disadvantaged will be enhanced by the placement of individuals, like Turner and Morales, into City positions of sufficient authority to make an impact.