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§ 10/1/76

APPROVED
OCT 1 - 1976

THE WHITE HOUSE
WASHINGTON
October 1, 1976

ACTION
Last Day: October 8

MEMORANDUM FOR THE PRESIDENT

FROM: JIM CANNON *Jim*
SUBJECT: H.R. 12987 - Emergency Jobs Program
Extension Act of 1976

*Posted
10/2/76*

*archived
10/4/76*

Attached for your consideration is H.R. 12987, sponsored by Representative Daniels and three others.

The enrolled bill authorizes appropriations of such sums as may be necessary through fiscal year 1977 for the public service employment program under Title VI of the Comprehensive Employment and Training Act (CETA).

The current Title VI program funds 260,000 jobs, but this figure will no doubt rise during next year's appropriation process. The second Congressional budget resolution provides \$4.1 billion, or funds for about 500,000 jobs (current funding is approximately \$2.5 billion). All new jobs funded beyond the current level and 50% of vacancies from attrition must be filled by long-term, low-income unemployed persons. This was a provision you insisted upon.

The bill also changes the way in which unemployment benefits are financed for former public service jobholders and establishes a National Commission on Employment and Unemployment Statistics.

A detailed discussion of the provisions of the enrolled bill is provided in Jim Lynn's memorandum at Tab A.

OMB, Max Friedersdorf, Counsel's Office, Bill Seidman and I recommend that you sign H.R. 12987.

RECOMMENDATION

That you sign H.R. 12987 at Tab B.





EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

OCT 1 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 12987 - Emergency Jobs Programs
Extension Act of 1976
Sponsor - Rep. Daniels (D) New Jersey and 3 others

Last Day for Action

October 8, 1976 - Friday

Purpose

Authorizes appropriations of such sums as may be necessary through fiscal year 1977 for the public service employment (PSE) program under Title VI of the Comprehensive Employment and Training Act (CETA); amends the PSE provisions of CETA; changes the way in which unemployment benefits are financed for former public service jobholders; and establishes a National Commission on Employment and Unemployment Statistics.

Agency Recommendations

Office of Management and Budget	Approval
Department of Labor	Approval
Department of the Interior	Approval
Council of Economic Advisers	Approval
Department of Commerce	No objection
Department of Treasury	No objection to disapproval

Discussion

In December 1974, Title VI--Emergency Job Programs--was added to the Comprehensive Employment and Training Act of 1973 (CETA) as a temporary countercyclical program. Title VI authorizes a public service employment (PSE) program in addition to the limited PSE program provided for in Title II of CETA. There are now approximately 260,000 persons employed under the emergency Title VI program and 50,000 employed under the permanent Title II program.

The Title II program was directed to areas of 6.5% or higher unemployment. The Title VI program was intended to respond in part to the high national rate of unemployment by distributing funds to all areas of the country. Congress believes that the Title VI program is still needed because of the current high unemployment rate.

The \$2.5 billion authorization for Title VI was only for fiscal year 1975. To extend the program, the House on April 30, 1976, passed (287-42) a bill authorizing appropriation of such sums as may be necessary for fiscal year 1976 and the transition quarter. The Senate on August 10, 1976, passed (67-11) its version of H.R. 12987, which among several other provisions, authorized "such sums" for Title VI through fiscal year 1977. The Senate Committee report states that a doubling of the Title VI program to 520,000 jobs could be provided under its bill. The Senate bill would have limited participation by new employees in the program to low-income, long-term unemployed individuals.

The Administration opposed the House and Senate versions of H.R. 12987, noting that the Administration had proposed to phase out the Title VI program in fiscal year 1977 because the economy is expected to improve. When the House and Senate versions went to conference, you approved expressing support for an extension of Title VI at current levels as long as new employees were limited to the long-term unemployed. The Conference Report was agreed to in the House by a vote of 295-9 and in the Senate by voice vote.

The enrolled bill requires that any new jobs funded over the level on board June 30, 1976, must be in 12-month projects. Jobs in the projects, plus 50% of vacancies occurring after June 30, 1976, must be filled with individuals who: (1) are long-term unemployed (15 or more weeks) or who are welfare recipients and (2) are not in households with gross incomes exceeding 70% of the Bureau of Labor Statistics lower living standard income level (approximately \$6,700 nationwide, but with regional and urban/rural differentials). In filling the other 50% of vacancies a preference could be given to unemployed public health and safety personnel; no limits or quotas can be set on the number of former public service employees hired for these vacancies. These new requirements are similar to your proposals of October 1974 and are intended to reach those most in need and to encourage the continued search for unsubsidized jobs.

H.R. 12987 authorizes the appropriation of such sums as may be necessary through fiscal year 1977 for the Title VI

program. The enrolled bill and Conference Report are silent on the intended number of jobs to be funded. However, Senator Nelson stated on the Senate floor during consideration of the Conference Report:

"While the appropriations process will determine the funding level under the "such sums" authorization contained in this legislation, the second congressional budget resolution...would permit appropriations up to a level sufficient to fund 500,000 public service jobs."

The enrolled bill contains several other amendments to CETA, amends the Special Unemployment Assistance (SUA) program, establishes a National Commission on Employment and Unemployment Statistics, and contains miscellaneous amendments. A brief summary of the major provisions follows:

Amendments to CETA.

The amendments to CETA:

--allow a maximum of 15% (in place of the present 10%) of CETA PSE funds to be used for administrative costs, including new authority to rent space and purchase equipment. This need not necessarily add to total cost but the Department of Labor believes funds should be added (about \$100 million). This will prevent a cut in the jobs level resulting from increases in administrative cost within an appropriation based on present unit costs.

--require prime sponsors to reserve sufficient fiscal year 1977 Title VI funds and Title II funds to sustain throughout that year the number of public service jobholders under those titles on board as of June 30, 1976.

--require the Secretary to reserve at least 2% of Title VI funds for any fiscal year for Indians, and broaden the definition of Indian under Title VI to include nonreservation Indians and Alaskan natives. Currently, Indians receive about 0.6% of these funds. Interior strongly supports these provisions.

--authorize the Secretary to demonstrate the feasibility of providing relocation assistance to unemployed workers residing in areas of substantial unemployment who would otherwise be eligible for public service employment. Similar authority already is available; Labor has a multi-year demonstration project underway.

--provide that financial records of prime sponsors on public service employment and names, addresses, positions and salaries of PSE jobholders are to be maintained and made available to the public. The degree of public dissemination of personal information required by this provision is objectionable on privacy grounds and could set an undesirable precedent.

Amendment to the Special Unemployment Assistance (SUA) program.

SUA was established in December 1974 (in the same law that authorized Title VI of CETA) as a temporary Federal program of unemployment compensation for workers who were not otherwise eligible for unemployment benefits under any other law. SUA is financed from the general funds of the Treasury.

In eight States, the provisions of the unemployment compensation programs are such that localities must now use CETA grant funds to pay the cost of unemployment compensation for eligible CETA PSE participants. H.R. 12987 authorizes payment of these costs from SUA. This amendment takes effect on October 1, 1976, with respect to compensation paid for weeks of unemployment beginning after December 31, 1975. The provisions would eliminate the need for sponsors to reserve CETA grant funds to pay these costs, but should not change total Federal outlays.

National Commission on Employment and Unemployment Statistics.

H.R. 12987 establishes a Commission to examine the procedures, concepts, and methodology involved in employment and unemployment statistics and to suggest improvements.

The Commission's nine members are to be appointed by the President with Senate confirmation; the Chairman is to be designated by the President. The Commission's report, containing its findings and recommendations to the President and the Congress, is due within 18 months after the date of appointment of its first five members. Within 6 months of the submission of the report, the Secretary of Labor is to make an interim report to Congress commenting on the Commission's report. Within 2 years after submission of the Commission's report, the Secretary is to make a final report to Congress on actions taken on the Commission's recommendations and any further recommendations considered appropriate. These provisions are generally those desired by the Department of Labor and the Council of Economic Advisers.

Miscellaneous amendments in the enrolled bill:

--require the National Commission for Manpower Policy to report to Congress no later than March 31, 1978, on the net employment effects of the public service employment programs authorized by Titles II and VI of CETA.

--require the Secretary of Labor to report to appropriate Congressional committees within 90 days of enactment of this Act on the veterans employment situation and efforts to give veterans special consideration in filling public service jobs.

Budget Impact

The fiscal year 1977 budget impact will vary with the number of jobs funded. The total increase to your estimate in the Mid-session Review would range from \$900 million to \$2.125 billion as shown in the table below.

	Fiscal Year 1977 Outlays (\$ in millions)	<u>Subsidized Jobs</u>
FY 1977 Mid-session:		
Estimate from prior year obligations.....	860	
Estimate for phase down..	500	
Subtotal.....	<u>1,360</u>	Phase down from current 260,000 to zero by end of 1977
Added cost to maintain current levels.....	900	
Subtotal.....	<u>2,260</u>	Continue 260,000 thru 1977
Added cost to reach Budget Resolution level.....	<u>1,225</u>	
Total.....	<u>3,485</u>	Phase up from 260,000 to 500,000 by end of 1977

Initial indications are that the Congress will appropriate sufficient funds to maintain current levels in the Continuing Resolution. The amount thus appropriated may increase the \$2,260 million shown above by as much as \$200 million due to different assumptions about cost per job and the effect of certain provisions of H.R. 12987. The House report on the Continuing Resolution indicates that a supplemental is expected in the next Congress to increase the subsidized job level, presumably to the level the Budget Resolution allows.

The impact of H.R. 12987 on the 1978 and 1979 budgets would depend on whether the program was phased out or maintained after 1977. There is no provision currently in Administration projections for this program, so all amounts below are in excess of these projections.

	Outlays (\$ in millions)	
	<u>1978</u>	<u>1979</u>
(a) Phase out from current levels	1,100	--
(b) Maintain current level, phase out in 1979	2,100	1,100
(c) Maintain Budget Resolution level	4,100	4,100
(d) Phase out from Budget Resolution level (2 years)	3,110	1,005

Because of the new eligibility criteria in H.R. 12987 (low-income, longer term unemployed) it is much less likely that Congress would phase out the Title VI program in the near term: global unemployment rate change will be given less importance than the presence of a pool of eligibles.

Agency Recommendations

Labor recommends approval. The Department "believes H.R. 12987 contains a worthwhile program that would help provide employment for those who most need it."

CEA recommends approval. The Council would have preferred to limit all CETA PSE jobs to persons who had long-term unemployment and had exhausted their unemployment compensation benefits but believes the approach in the enrolled bill is a step in the right direction.

CEA expresses concern over the fact that members of the executive and legislative branches are authorized to participate in the work of the unemployment statistics commission. This may bring political and interest group pressure on the commission's work.

Commerce has no objection to approval. The Department recommends that when appropriation requests are developed to support the work of the Commission on Employment and Unemployment Statistics, the principal statistical agencies should be consulted to ensure that the necessary funds are requested.

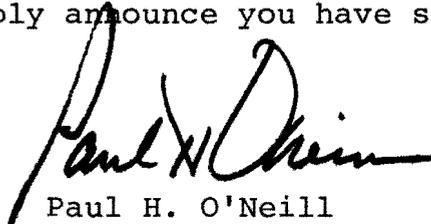
Treasury would have no objection to a recommendation of disapproval. Treasury objects to the fact that H.R. 12987 would "continue to attempt to place primary emphasis in reducing unemployment on public service jobs and would impose no limitation on the amounts authorized to be appropriated for Title VI of CETA." Treasury believes that these undesirable features outweigh the commendable features of the bill.

* * * * *

Your criteria for expressing approval of H.R. 12987 were: limit new entrants into the program to the long-term unemployed and maintain the current level of jobs. The bill as enrolled provides that all new jobs funded beyond the current level and 50% of vacancies from attrition must be filled by long-term, low-income unemployed individuals. Although the bill is silent on the number of jobs to be funded, the congressional intent, as indicated above, is probably to expand the program beyond the current level, possibly even to double it. This issue will be addressed by the next Congress in the appropriations process.

On balance we believe that this bill represents the best compromise we can expect from the Congress and is close to what you indicated you could support. Therefore, we recommend approval.

The Department of Labor submitted to the Economic Policy Board a signing statement that would have you accept this bill not as a temporary countercyclical device but rather as a permanent addition to CETA for the structurally unemployed. I strongly recommend against the DOL statement. Since you have already indicated you will sign the bill, I recommend the Press Office simply announce you have signed it when you have done so.



Paul H. O'Neill
Acting Director

Enclosures

U. S. DEPARTMENT OF LABOR
OFFICE OF THE SECRETARY
WASHINGTON

SEP 27 1976

Honorable James T. Lynn
Director
Office of Management and Budget
Washington, D.C. 20503

Dear Mr. Lynn:

This is in response to your request for the Department's recommendations on an enrolled bill, H.R. 12987, "Emergency Jobs Programs Extension of 1976." We recommend that the bill be signed.

H.R. 12987 would extend title VI of the Comprehensive Employment and Training Act (CETA) until the end of Fiscal Year 1977. In extending the title VI authorization for new public service jobs, it would create a new criteria for public service hiring. All additional public service jobs created after June 30, 1976, would be available only to individuals who (1) are recipients of unemployment compensation for 15 weeks or more, (2) are ineligible for unemployment benefits and unemployed 15 weeks or more, (3) have exhausted all unemployment benefits, or (4) are members of families receiving payments under the Aid to Families with Dependent Children (AFDC) program. In addition, the employee must not be a member of a household having a gross family income in excess of 70 percent of the BLS lower living standard budget (approximately \$6700 nationally).

Further, one-half of all openings due to attrition below the June 30 level would have to be filled with regard to the above criteria; the remaining one-half could be refilled under existing CETA title VI requirements (except that a prime sponsor would be able to give preference to unemployed public health and safety personnel in filling health and safety positions for which they were qualified.)

The bill also would make several other changes in title VI. It would allow up to 15 percent (rather than the present 10 percent) of the appropriated funds to be used for administrative costs, rental of space and purchase of necessary supplies. It would ratify an earlier action by the Secretary in which he followed the report language of the Senate title II appropriation and distributed title II funds to title VI sponsors (who did not qualify under title II). In addition, H.R. 12987 would allow the Secretary to use discretionary funds to prevent public service employment layoffs rather than having his discretion governed only by the rate of unemployment. Also, it requires that new jobs created above the June 30 level plus the one-half of attrition positions be used on projects and activities lasting no longer than 12 months.

In other related areas, the bill would revise the unemployment benefits paid to CETA public service employees in those eight States with mandatory coverage of State and local employees so that costs would be paid from general revenue funds. This prevents these eight States from having to use CETA funds for unemployment and puts them on equal footing with the other States where CETA public service employees are covered by Special Unemployment Assistance. In these latter States unemployment payments come from SUA, which is funded from general revenues.

Finally, the bill creates a national commission to study unemployment statistics and report its recommendation to the Congress and the President within 18 months.

The Department believes H.R. 12987 contains a worthwhile program that would help provide employment for those who most need it. We urge that the bill be signed.

Sincerely,



Secretary of Labor



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

SEP 28 1976

Dear Mr. Lynn:

This responds to your request for our views on the enrolled bill H.R. 12987, "To authorize appropriations for carrying out title VI of the Comprehensive Employment and Training Act of 1973, and for other purposes."

We recommend that the bill be approved by the President.

H.R. 12987, cited as the "Emergency Jobs Programs Extension Act of 1976", authorizes the necessary appropriations for carrying out the provisions of title VI of the Comprehensive Employment and Training Act through fiscal year 1977.

Under title VI of the 1973 Act, approximately 260,000 previously unemployed persons are currently employed in public service employment programs, helping to meet locally determined needs in communities throughout the Nation.

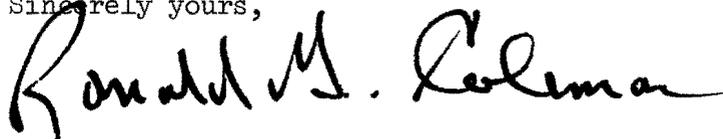
Of particular interest to this Department is a provision in H.R. 12987 for a set-aside of not less than 2 percent of title VI funds to be used by Indian tribes, bands, and groups for public service employment programs.

In addition, the bill amends CETA by eliminating the restrictions to Indian tribes which are in Federal or State reservations. The amendment provides that eligible applicants include Indian tribes, bands, and groups which have their own governing bodies. These would include recognized Indian tribes in the State of Oklahoma and Alaskan Native villages in the State of Alaska.



We strongly support these provisions of H.R. 12987.

Sincerely yours,



Ronald M. Coleman

Assistant Secretary of the Interior

Honorable James T. Lynn
Director, Office of
Management and Budget
Washington, D.C.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

September 28, 1976

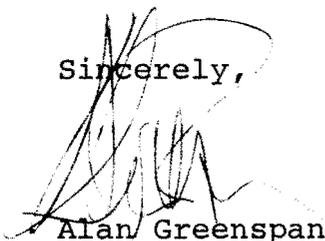
Dear Mr. Frey:

This is in response to your request for the CEA's views on the enrolled bill H. R. 12987, the "Emergency Jobs Programs Extension Act of 1976". Although we have objections to some features of the bill, it does serve as a compromise measure for extending the small-scale CETA title VI program and for establishing a commission to study unemployment statistics. We recommend that the President sign the bill.

We would have preferred to limit the CETA PSE jobs to persons who had long-term unemployment and had exhausted their unemployment compensation benefits. We feel the bill offers one-quarter of a loaf -- half of the slots that fall vacant are to be reserved for persons with moderate unemployment (15 weeks or more) and from low income families. This is a step in what we believe is the right direction.

Section (13) which establishes the unemployment statistics commission permits certain members of the executive and legislative branches to assist and participate in the hearings, deliberations and other activities of the commission. This is contrary to the spirit of establishing the commission -- to have a group of experts free from political and interest group pressures examine the quality and relevance of the employment and unemployment data. This section is likely to generate increased partisanship at commission hearings and possibly among commission members.

Sincerely,



Alan Greenspan

Mr. James Frey
Assistant Director for
Legislative Reference
Office of Management and Budget
Washington, D. C. 20503





**GENERAL COUNSEL OF THE
UNITED STATES DEPARTMENT OF COMMERCE**
Washington, D.C. 20230

Honorable James T. Lynn
Director, Office of Management
and Budget
Washington, D. C. 20503

Attention: Assistant Director for Legislative Reference

Dear Mr. Lynn:

This is in response to your request for the views of this Department on H. R. 12987, an enrolled enactment,

"To authorize appropriations for carrying out Title VI of the Comprehensive Employment and Training Act of 1973, and for other purposes, "

to be cited as the "Emergency Jobs Programs Extension Act of 1976. "

This legislation has two principal objectives: (1) to extend Title VI, the Emergency Job Programs, of the Comprehensive Employment and Training Act of 1973 (CETA, 29 U. S. C. 801 et. seq.), through fiscal year 1977 and (2) to establish a presidentially appointed National Commission on Employment and Unemployment Statistics.

A major feature of the reauthorization of Title VI of CETA, which is administered by the Department of Labor, would be to direct the focus of new public service jobs on the long-term unemployed and low-income persons. This would be accomplished, in new sections 607 and 608, by requiring that all new public service jobs (in excess of those employed on June 30, 1976) must be in a program of projects of no more than one year in duration and are to be aimed at maintaining average federally supported wage rates for public service jobholders. Eligibility for this new program would be limited to persons who have been unemployed for 15 or more weeks or who are receiving welfare assistance. Fifty percent of replacements for vacancies arising from attrition of current public service jobholders would be similarly restricted to persons meeting the new long-term, low-income eligibility requirements.

Section 13 of H. R. 12987 would establish a 9 member presidentially appointed National Commission on Employment and Unemployment Statistics with responsibility for examining the procedures, concepts,

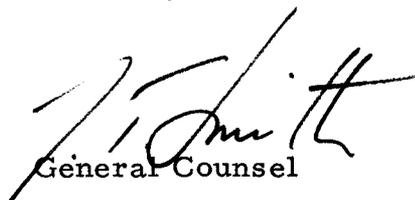


and methodology involved in employment and unemployment statistics and suggesting ways and means of improving them. The Secretaries of Labor and Commerce, the Commissioner of Labor Statistics, and the Director of the Bureau of the Census, among other officials, are directed to assist and participate in the hearings, deliberations, and other activities of the new Commission on an advisory basis. To assist in carrying out its responsibilities, the Commission would be authorized to use available staff from the Departments of Labor and Commerce, and other appropriate Federal agencies. The Commission would have to make a report of its findings and recommendations to the President and the Congress within 18 months after the appointment of its first five members.

The Department of Commerce would have no objection to approval by the President of H. R. 12987.

In light of the fact that the proposed Commission on Employment and Unemployment Statistics would probably depend to a significant degree on assistance from the Census Bureau, we recommend that when appropriation requests are developed to support the work of the Commission, the principal statistical agencies should be consulted in advance to ensure that such funds as may be necessary to provide assistance are included in such appropriation requests. The work of the Commission could be seriously handicapped if the Census Bureau and other affected agencies are unable, because of resource limitations, to provide the types of assistance implicit in the Commission's study mandate.

Sincerely,



General Counsel



THE GENERAL COUNSEL OF THE TREASURY
WASHINGTON, D.C. 20220

SEP 28 1976

Director, Office of Management and Budget
Executive Office of the President
Washington, D. C. 20503

Attention: Assistant Director for Legislative
Reference

Sir:

This letter responds to your request for the views of this Department on the enrolled enactment of H.R. 12987, "To authorize appropriations for carrying out title VI of the Comprehensive Employment and Training Act of 1973, and for other purposes."

The enrolled enactment, among other things, would authorize appropriations to carry out the emergency job programs in title VI of the Comprehensive Employment and Training Act of 1973 through fiscal year 1977 and amend provisions of that Act relating to allocation of funds thereunder. It would also establish a nine member National Commission on Employment and Unemployment Statistics to study that subject and report its findings within 18 months after the appointment of its first five members.

There are several commendable features in the enrolled enactment. For example, proposed new section 607 would require 50 per centum of job vacancies in the program to be filled by the long-term unemployed. The Department also favors examination of the procedures involved in employment and unemployment statistics with a view to improving such procedures, the task that would be assigned to the National Commission on Employment and Unemployment Statistics. However, since H.R. 12987 would continue to attempt to place primary emphasis in reducing unemployment on public service jobs and would impose no limitation on the amounts authorized to be appropriated in proposed section 601, it is Treasury's opinion that the enrolled enactment's undesirable features outweigh those that are commendable.

In the circumstances, the Department would have no objection to a recommendation that the enrolled enactment not be approved by the President.

Sincerely yours,


Richard L. Albrecht
General Counsel

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

OCT 1 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 12987 - Emergency Jobs Programs
Extension Act of 1976
Sponsor - Rep. Daniels (D) New Jersey and 3 others

Last Day for Action

October 8, 1976 - Friday

Purpose

Authorizes appropriations of such sums as may be necessary through fiscal year 1977 for the public service employment (PSE) program under Title VI of the Comprehensive Employment and Training Act (CETA); amends the PSE provisions of CETA; changes the way in which unemployment benefits are financed for former public service jobholders; and establishes a National Commission on Employment and Unemployment Statistics.

Agency Recommendations

Office of Management and Budget	Approval
Department of Labor	Approval
Department of the Interior	Approval
Council of Economic Advisers	Approval
Department of Commerce	No objection
Department of Treasury	No objection to disapproval

Discussion

In December 1974, Title VI--Emergency Job Programs--was added to the Comprehensive Employment and Training Act of 1973 (CETA) as a temporary countercyclical program. Title VI authorizes a public service employment (PSE) program in addition to the limited PSE program provided for in Title II of CETA. There are now approximately 260,000 persons employed under the emergency Title VI program and 50,000 employed under the permanent Title II program.

EMERGENCY JOBS PROGRAMS EXTENSION ACT OF 1976

MAY 14, 1976.—Ordered to be printed

Filed under the authority of the order of the Senate May 13, 1976

Mr. NELSON, from the Committee on Labor and Public Welfare,
submitted the following

REPORT

[To accompany H.R. 12987]

The Committee on Labor and Public Welfare, to which was referred the bill (H.R. 12987) to authorize appropriations for fiscal year 1976, and for the period beginning July 1, 1976, and ending September 30, 1976, for carrying out title VI of the Comprehensive Employment and Training Act of 1973, and for other purposes, having considered the same, reports favorably thereon with amendments and recommends that the bill as amended do pass.

INTRODUCTION

The proposed "Emergency Jobs Programs Extension of 1976" which the Committee on Labor and Public Welfare is reporting to the Senate is an amended version of H.R. 12987, the title of which is amended (in view of the proposed extension of the legislation through fiscal year 1977) to read: "An Act to authorize appropriations for carrying out title VI of the Comprehensive Employment and Training Act of 1973, and for other purposes."

The Committee proposes to amend H.R. 12987 by striking out the text of the bill as passed by the House of Representatives and inserting in lieu thereof the following substitute amendment:

That this Act may be cited as the "Emergency Jobs Programs Extension Act of 1976".

Sec. 2. Title VI of the Comprehensive Employment and Training Act of 1973 is amended by striking out section 601 and inserting in lieu thereof the following:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 601. There are authorized to be appropriated such sums as may be necessary for fiscal year 1976, and for the period beginning July 1, 1976, and ending September 30, 1976, and for fiscal year 1977, for carrying out the provisions of this title."

SEC. 3. (a) Notwithstanding the provisions of sections 602(b), 203(b), and 208(a)(7) of the Comprehensive Employment and Training Act of 1973, not less than 85 per centum of funds allocated in accordance with and subject to the provisions of such Act which are used by an eligible applicant (as defined in section 602(e) of such Act) for public service employment programs under title II and title VI of such Act shall be expended only for wages and employment benefits to persons employed in public service jobs pursuant to such titles and the remainder of such funds may be used for administrative costs, including rental costs (within such reasonable limitations as the Secretary of Labor may prescribe with respect to the rental of space), and to obtain necessary supplies, equipment, and materials.

(b) Financial records of a prime sponsor relating to public service employment programs assisted under the Comprehensive Employment and Training Act of 1973, and records of the names, addresses, positions, and salaries of all persons employed in public service jobs assisted under such Act shall be maintained and made available to the public.

SEC. 4. (a) With respect to appropriations made by the Emergency Supplemental Appropriations Act of 1976, Public Law 94-266, for the purpose of carrying out activities authorized by title II of the Comprehensive Employment and Training Act of 1973—

(1) notwithstanding any other provisions of law, funds made available under section 202(b) of such Act may be used in any areas qualifying under title VI of such Act to provide a continuation of public service employment activities under both title II and title VI of such Act; and

(2) in order to enable persons who are employed in public service jobs which are financially assisted under title VI of such Act to be transferred to jobs financially assisted under title II of such Act, the Secretary of Labor is authorized to waive the provision of section 205(a) of such Act requiring a thirty-day period of unemployment.

(b) Subsection (b) of section 603 of the Comprehensive Employment and Training Act of 1973 is amended by adding at the end of such subsection the following new sentences: "In distributing funds available for the discretionary use of the Secretary of Labor under this subsection, the Secretary is authorized to utilize such funds to assure a continuation of public service employment activities previously supported under this Act. In distributing such funds under this subsection to prime sponsors, the Secretary shall base allocations upon the public service employment activities sustained within the jurisdiction of each unit of general local government within the area served by each such prime sponsor in accordance with subsection (c) of this section. The Secretary of Labor is authorized to provide financial assistance, out of any funds remaining under this subsection, for the purpose of demonstrating the feasibility of new and innovative job

creation approaches to public service employment programs."

SEC. 5. (a) Title VI of the Comprehensive Employment and Training Act of 1973, as amended, is further amended by adding at the end thereof the following new sections:

"EMPLOYMENT PROJECTS FOR LONG-TERM, LOW-INCOME
UNEMPLOYED PERSONS

"SEC. 607. (a) Each prime sponsor shall, in accordance with regulations which the Secretary shall prescribe, utilize such portion of the allocation which it receives under this title, out of appropriations for fiscal year 1977, as may be necessary to enable the prime sponsor to sustain throughout such fiscal year public service jobholders supported under this title during fiscal year 1976.

"(b) The amount of each prime sponsor's allocation under this title remaining after funds are utilized for the purpose described in subsection (a) of this section shall be used to provide public service jobs for eligible unemployed persons (as described in subsection (c) of this section) in projects and activities carried out by project applicants (as defined in section 701(a)(15) of this Act). Such projects and jobs shall not exceed twelve months in duration and shall provide employment consistent with the aim of maintaining average federally supported wage rates for public service jobholders (adjusted on a regional and area basis) as set forth under section 209(b) of this Act.

"(c) In filling public service jobs with financial assistance available for the purpose described in subsection (b) of this section, each prime sponsor shall determine that any person employed in any such public service job (1) is an individual—

"(A) who has been receiving unemployment compensation for fifteen or more weeks;

"(B) who is ineligible for such benefits and has been unemployed for fifteen or more weeks;

"(C) who has exhausted unemployment compensation benefits; or

"(D) who is, or whose family is, receiving aid to families with dependent children provided under a State plan approved under part A of title IV of the Social Security Act;

and (2) is not a member of a household which has a gross family income, exclusive of wages received by such individual under this title, exceeding 70 per centum of the lower living standard budget.

"(d) For purposes of this section, the term 'lower living standard budget' means that income level (adjusted for regional and metropolitan and urban and rural differences and family size) determined annually by the Bureau of Labor Statistics of the Department of Labor which is referred to by such Department as the 'lower-living standard budget'.

"(e) In filling public service jobs, each prime sponsor shall take steps to insure that funds provided in accordance with subsection (b) shall be equitably allocated for jobs among the categories of eligible persons described in subsection (c) in light of the composition of the population of unemployed eligible persons served by the prime sponsor.

"(f) In providing public service jobs and determining hours of work for eligible persons with financial assistance provided in accordance with subsection (b), each prime sponsor shall take into account the household support obligations of the men and women applying for such jobs, and shall give special consideration to such alternative working arrangements as flexible hours of work, shared time, and part-time jobs, for eligible persons, particularly for parents of young children and for older persons.

"(g) The Secretary, through the affiliated State employment security agency, shall take steps to assure that each recipient of unemployment compensation benefits shall, upon the twelfth week of continuing to receive such benefits, be notified of the potential eligibility of such recipient for a public service job established with financial assistance provided in accordance with subsection (b); but such notification shall clearly state that such recipient continues to be eligible for receipt of such benefits and that such notification is designed only to inform, and in no way to coerce such recipient, with respect to the potential availability of such jobs.

"(h) No funds under this Act may be used to provide public services, through a private or nonprofit organization or institution, which are customarily provided by a State, a political subdivision, or a local educational agency in the area served by the project.

APPROVAL OF PROJECTS

"SEC. 608. (a) In order for a project application submitted by a project applicant to be approved by the prime sponsor for financial assistance provided in accordance with subsection (b) of section 607, copies of such application shall have been submitted at the time of such application to the prime sponsor's planning council established under section 104, for the purpose of affording such council an opportunity to submit comments and recommendations with respect to that application to the prime sponsor. No member of a prime sponsor's planning council shall participate in the deliberations of such council with respect to any project in which that member (or any organization with which that member is associated) has a direct interest, or cast a vote on any matter in connection with such a project.

"(b) Consistent with procedures established by the prime sponsor in accordance with regulations which the Secretary shall prescribe, the prime sponsor shall not disapprove a project application submitted by a project applicant unless

it has first considered any comments and recommendations made by the prime sponsor's planning council and unless it has afforded an opportunity for a hearing prior to final disapproval of any such application."

(b) The last sentence of section 606 of such Act is amended to read as follows: "In reallocating any such funds, the Secretary shall give priority first to other areas within the same State and then to areas within other States, taking into account the number of eligible unemployed individuals (as described in section 607(c)) in such areas."

SEC. 6. Title II of the Emergency Jobs and Unemployment Assistance Act of 1974 is amended by adding at the end thereof the following new section:

"SPECIAL PROVISIONS

"SEC. 211. (a) DEFINITIONS.—For purposes of this section—

"(1) 'State' means the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands;

"(2) 'compensation' means cash benefits payable to individuals with respect to their unemployment, and includes 'regular compensation,' 'additional compensation,' and 'extended compensation' as defined in section 205 of the Federal-State Extended Unemployment Compensation Act of 1970;

"(3) 'public service job' means any public service job funded with assistance provided under the Comprehensive Employment and Training Act of 1973;

"(4) 'public service wages' means remuneration for services performed in a public service job;

"(5) 'base period' means the base period as determined under the State law;

"(6) 'Secretary' means the Secretary of Labor;

"(7) 'State agency' means the agency of the State or political subdivision which administers the State law; and

"(8) 'State law' means the unemployment compensation law of a State which has been approved by the Secretary of Labor under section 3304(a) of the Internal Revenue Code of 1954 ((26 U.S.C. 3304(a)), the unemployment compensation plan of a political subdivision of a State, and, with respect to the Virgin Islands, the unemployment compensation law of the Virgin Islands.

"(b) PAYMENTS TO STATES.—(1) Each State and political subdivision shall be paid by the United States, with respect to each individual whose base period wages include public service wages, an amount which shall bear the same ratio to the total amount of compensation paid to the individual with respect to weeks of unemployment which begin on and after January 1, 1976, as the amount of the individual's public wages in the base period with respect to the current

benefit year (or most recent benefit year if there is no current benefit year) bears to the total base period wages used in the calculation of the individual's rights to regular compensation.

"(2) Each State and political subdivision shall be paid either in advance or by way of reimbursement, as may be determined by the Secretary, the sum that the Secretary estimates is payable to the State or political subdivision under this section for each calendar month. The sum shall be reduced or increased by the amount which the Secretary finds that his estimate for an earlier calendar month was greater or less than the sum which should have been paid to the State or political subdivision. Estimates shall be made on the basis of reports made by the State agency to the Secretary as prescribed by the Secretary.

"(3) The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State or political subdivision the sums payable under this section. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payment in accordance with such certification, from the funds appropriated for the purposes of title II of the Emergency Jobs and Unemployment Assistance Act of 1974. Payment to a State shall be made by crediting the payment to the State's account in the unemployment trust fund.

"(c) REPAYMENT OF EMPLOYERS.—Notwithstanding the provisions of any other law—

"(1) a State or political subdivision shall repay to an employer liable for making reimbursements to the unemployment fund of the State or political subdivision the amount equal to the amount by which the sums paid to the State or political subdivision under subsection (b) of this section are duplicative of the employer's reimbursements to the unemployment fund; and shall not charge a reimbursing employer the amounts which are subject to payment by the United States under subsection (b) of this section; and

"(2) a State or political subdivision shall repay to an employer liable for contributions with respect to public service jobs and public service wages, the total amount of the contributions paid by the employer into the unemployment fund of the State or political subdivision with respect to public service wages paid for services performed in public service jobs on and after January 1, 1976, and shall not take into account, for the purposes of computing contribution rates for the employer, the compensation with respect to which payment is made under subsection (b) of this section, or the employment, wages, payrolls, or separations pertaining to such compensation."

(b) The amendments made by this section shall take effect on October 1, 1976, with respect to compensation paid for weeks of unemployment beginning after December 31, 1975.

SEC. 7. Section 205(c) (24) of the Comprehensive Employment and Training Act of 1973 is amended by striking out "job category" in both places where that term occurs in such clause and inserting in lieu thereof "promotional line".

SEC. 8. (a) Section 602(e) of the Comprehensive Employment and Training Act of 1973 is amended by striking out "Indian tribes on Federal or State reservations" and inserting in lieu thereof "Indian tribes, bands, and groups qualified under section 302(c) (1) of this Act".

(b) Section 603(a) of the Comprehensive Employment and Training Act of 1973 is amended by redesignating paragraphs (1) and (2) thereof as paragraphs (2) and (3), respectively, and by inserting immediately after "(a)" the following: "(1) The Secretary shall reserve an amount equal to not less than 4 per centum of the amounts appropriated under section 601 for any fiscal year to enable Indian tribes, bands, and groups which are designated as eligible applicants under this title to carry out public service employment programs."

(c) Section 603(a) (2) of such Act, as redesignated by subsection (b) of this section, is amended by inserting after "per centum" the following: "of the remainder".

SEC. 9. (a) The Secretary of Labor shall provide financial assistance under the Comprehensive Employment and Training Act of 1973 and shall assure that prime sponsors will provide financial assistance under such Act, for employment and training programs to be carried out by community-based organizations which have demonstrated their effectiveness in job creation and in placing disadvantaged persons in jobs with private industry and business or which provide full-time or part-time work for older persons and others for whom job opportunities are lacking. Emphasis shall be placed on the utilization of public works projects and other Federal financial assistance to local public agencies to increase the employability of unemployed individuals and provide opportunities for industry to create additional jobs for the unemployed in rural and urban communities.

(b) The Secretary of Labor shall seek the cooperation of the heads of other Federal agencies responsible for administering financial assistance programs having significant job-creating impact in order to assure that, to the maximum extent consistent with the laws authorizing such programs, special consideration shall be given to the utilization of community-based organizations for the provision of comprehensive employment services and job opportunities for unemployed persons. Such financial assistance programs shall include, but not be limited to, the State and Local Fiscal Assistance Act of 1972, title I of the Housing and Community Development Act of 1974, and any programs providing Federal financial assistance for public works and economic development, and rehabilitation projects designed to improve the Nation's railroads.

(c) Notwithstanding any other provision of law, funds allocated by a prime sponsor or an Indian tribe for the employment of individuals under the Comprehensive Employment and Training Act of 1973 may be expended in conjunction with funds from any other public or private source, but funds allocated under such Act may only be expended in accordance with the requirements of such Act.

(d) The Secretary of Labor is authorized to undertake projects (either directly or by grant or contract) for the purpose of demonstrating the feasibility of providing relocation assistance to unemployed workers residing in areas of substantial unemployment who would otherwise be eligible for public service employment under the Comprehensive Employment and Training Act of 1973. Such assistance shall be in such form and amount as the Secretary deems appropriate for demonstration purposes, except that he shall use as a general guideline the form and amount of relocation assistance available under title II of the Trade Act of 1974.

SEC. 10. Notwithstanding any other provision of law, employment and training services furnished under the Comprehensive Employment and Training Act of 1973 in connection with weatherization projects authorized under section 222 (a) (12) of the Economic Opportunity Act of 1964 may include work on such projects for the near poor, including families having incomes which do not exceed 125 per centum of the poverty line as established by section 625 of the Economic Opportunity Act of 1964.

SEC. 11. (a) Section 605 of the Comprehensive Employment and Training Act of 1973 is amended by inserting after "projects and activities" a comma and the following: "including projects and activities to be carried out by project applicants as defined in section 701(a) (15) of this Act."

(b) Section 701(a) of such Act is amended by adding at the end thereof the following new paragraph:

"(15) 'project applicants' includes States and agencies thereof, units of general local government and agencies thereof, special purpose political subdivisions having the power to levy taxes and spend funds or serving such special purpose within an area served by one or more units of general local government, local educational agencies as defined in section 801(f) of the Elementary and Secondary Education Act of 1965, institutions of higher education as defined in section 1201(a) of the Higher Education Act of 1965, community-based organizations as defined in paragraph (1) of this subsection, community development corporations, nonprofit groups and organizations serving Indians or Native Hawaiians, and other nonprofit private organizations or institutions engaged in public service."

SEC. 12. (a) Section 104(b) of the Emergency Jobs and Unemployment Assistance Act of 1974 (Public Law 93-567; 88 Stat. 1848) is amended by—

- (1) striking out "by this Act" after "amended"; and
- (2) inserting at the end of such subsection the following new sentence: "They shall also report to such committees on the same subjects not later than ninety days after the date of enactment of the Emergency Jobs Programs Extension Act of 1976."

(b) Title I of the Comprehensive Employment and Training Act of 1973 is amended by—

(1) inserting at the end of section 105(a) (3) the following "and (E) provides arrangements to promote maximum use of apprenticeship or other on-job training opportunities pursuant to section 1787 of title 38, United States Code;"; and

(2) by striking out in section 106(b) (5) "provide special emphasis" and inserting in lieu thereof "take affirmative action".

SEC. 13. (a) (1) The Congress finds and declares that—

(A) the reliable and comprehensive measurement of employment and unemployment is vital to assessing the nation's economic well-being and the utilization of its work force, and is an important determinant of public policies toward job creation, education, training, assistance for the jobless, and other labor market programs;

(B) the allocation of billions of dollars of Federal funds on the basis of unemployment data is increasing, making even more crucial the timely, accurate, and uniform measurement of the labor force;

(C) the formulation of public policies to promote the most effective use of our human resources is hindered by inadequate information on the utilization and effect of education and training programs;

(D) in order for governmental and private sector policy decisions to have maximum effect upon reducing unemployment and strengthening the labor force, and accurate and precise system for measuring employment and unemployment and its impacts on particular segments of the potential work force is essential;

(E) the current method of data collection and the form of its presentation, at national, regional, and sub-regional levels, may not fully reflect unemployment and employment trends, and may produce incomplete and, therefore, misleading conclusions, thus impairing the validity and utility of this critical economic indicator;

(F) it is critical to retain public confidence in the procedures, concepts, and methodology of collecting, analyzing, and presenting employment and unemployment statistics; and

(G) objectivity is a necessity in considering reform of statistical processes.

(2) It is the purpose of this section to establish a National Commission on Employment and Unemployment Statistics to have responsibility for examining the procedures, concepts,

and methodology involved in employment and unemployment statistics and suggesting ways and means of improving them.

(b) (1) There shall be established a National Commission on Employment and Unemployment Statistics (hereinafter referred to as the "Commission") which shall consist of nine members appointed by the President, by and with the advice and consent of the Senate. Seven of the members shall be selected on the basis of their knowledge of and experience in the procedures, methodology, or use of employment and unemployment statistics, and shall be broadly representative of labor, business and finance, education and training, economics and statistics, and State and local government. Two of the members shall be selected from the general public. The membership of the Commission shall be generally representative of significant segments of the labor force, including women and minority groups. Any vacancy in the Commission shall not affect its powers as long as there continue to be at least five members, and any such vacancy may be filled in the same manner as the original appointment is made.

(2) The Secretary of Labor, the Secretary of Commerce, the Commissioner of Labor Statistics, the Director of the Bureau of the Census, the Director of the Office of Management and Budget, the Chairman of the National Commission for Manpower Policy, and a majority and a minority member each of the Committee on Labor and Public Welfare of the Senate and of the Committee on Education and Labor of the House of Representatives, or in each case a designee, shall assist and participate in the hearings, deliberations, and other activities of the Commission on an advisory basis.

(3) The President shall designate a Chairman from among the appointed members of the Commission.

(4) The Chairman, with the concurrence of the Commission, shall appoint an executive director, who shall be the chief executive officer of the Commission and shall perform such duties as are prescribed by the Chairman or the Commission. The executive director may appoint, with the concurrence of the Chairman, such professional, technical, and clerical staff as are necessary to carry out the provisions of this section. The Executive Director and staff shall be appointed without regard to the provisions of title 5, United States Code, governing appointments to the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate of GS-18 of the General Schedule under section 5332 of such title. The executive director, with the concurrence of the Chairman, may obtain temporary and intermittent services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code. The Commission may utilize such staff, with or without reimbursement, from the Department of Labor,

the Department of Commerce, and such other appropriate Federal agencies as may be available to assist the Commission in carrying out its responsibilities.

(5) The Commission shall determine its own internal procedures, including the constituting of a quorum.

(6) The Commission is authorized to accept and utilize voluntary and uncompensated services notwithstanding the provisions of section 665(b) of title 31, United States Code.

(7) Members of the Commission who are not officers or employees of the Federal Government shall be paid compensation at a rate of not to exceed the per diem equivalent of the rate for GS-18 of the General Schedule under section 5332 of title 5, United States Code, when engaged in the work of the Commission, including traveltime; and, while serving away from their homes or regular places of business, shall be allowed travel expenses including per diem in lieu of subsistence, in the same manner as such expenses are authorized by law (5 U.S.C. 5703) for persons in the Government service employed intermittently.

(c) The Commission shall—

(1) identify the needs of the nation for labor force statistics and assess the extent to which current procedures, concepts, and methodology in the collection, analysis, and presentation of such statistics constitutes a comprehensive, reliable, timely and consistent system of measuring employment and unemployment and indicating trends therein; and

(2) conduct or provide (through contract with institutions, organizations, and individuals, or appropriate Federal or State agencies, or otherwise) for such studies, hearings, research, or other activities as it deems necessary to enable it to formulate appropriate recommendations. The Commission or, on the authorization of the Commission, any subcommittee or members thereof, may, for the purposes of carrying out the provisions of this section, hold such hearings, take such testimony, and sit and act at such times and places as the Commission deems advisable. Any member authorized by the Commission may administer oaths or affirmations to witnesses appearing before the Commission or any subcommittee or members thereof.

(d) (1) The Commission shall make a report of its findings and recommendations to the President and the Congress within eighteen months after the date of appointment of five members of the Commission.

(2) In preparing its report, the Commission shall consider the following:

(A) The methodology of collection of employment and unemployment data at all levels, including national, regional, State, and local statistics.

(B) The methodology of analysis of such data, including its relevance and application.

(C) The methodology of presentation of employment and unemployment statistics, including the dissemination, current utilization, and application of such statistics.

(D) Alternative methods of such collection, analysis, and presentation.

(E) The need for additional special statistical surveys (including longitudinal studies) and reports on a continuing basis.

(F) The need for additional data and analysis on job vacancies, job turnover, job matching, discouraged workers, part-time workers, youth, minorities, women, and other labor force participants.

(G) Accuracy and uniformity of seasonal adjustments in all categories of labor force statistics.

(H) Methods of achieving current, accurate, and uniform employment and unemployment statistics on a State and local basis, including their use as a determinant of the allocation of Federal assistance.

(I) The need for, and methods to obtain, data relating employment status and earnings, economic hardship, and family support obligations.

(J) The extent to which employment and earnings data assist in determining the impact of public programs and policies upon persons who are economically disadvantaged, unemployed, or underemployed.

(K) The availability of and need for periodic information on education and training enrollments and completions in the public and private sectors.

(L) Statistical indicators of the relationship between education and training and subsequent employment, earnings, and unemployment experience.

(M) The value and usefulness of other statistics regarding employment and unemployment, such as those obtained through operation of the unemployment insurance system.

(N) The availability of and need for current and projected occupational information, particularly on a local basis, to assist youths and adults in making training, education, and career choices.

(O) Such other matters as the Commission deems appropriate or necessary, including such matters as are suggested by the President or by the Congress that the Commission deems appropriate.

(3) The Commission's report shall contain its findings and recommendations, including a feasible schedule for their implementation, cost estimates, and any appropriate draft regulations and legislation to implement such recommendations.

(4) The Commission may make such interim reports or recommendations as it may deem desirable.

(e) Upon submission of the Commission's final report, the Secretary of Labor shall take steps to ascertain the views of

each affected executive agency and, within six months after the report's submission, shall make an interim report to the Congress on—

(1) the desirability, feasibility, and cost of implementing each of the Commission's recommendations, and the actions taken or planned with respect to their implementation; and

(2) recommendations with respect to any legislation proposed by the Commission, the need for any alternative or additional legislation to implement the Commission's recommendations, and any other proposals to strengthen and improve the measurement of employment and unemployment.

Within two years after submission of the Commission's final report, the Secretary shall submit a final report to the Congress detailing the actions taken with respect to the recommendations of the Commission, together with any further recommendations deemed appropriate.

(f) (1) Each department, agency, and instrumentality of the Federal Government is authorized and directed to cooperate fully with the Commission in furnishing appropriate information to assist the Commission in carrying out its functions under this section.

(2) The head of each department, agency, or instrumentality of the Federal Government is authorized to provide such support and services to the Commission, upon request of the Chairman, as may be agreed between the head of the department, agency, or instrumentality and the Chairman.

(g) The Commission shall cease to exist 180 days after submission of its final report as required under subsection (d) (1) of this section.

(h) (1) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

(2) Notwithstanding any other provisions of law, any funds appropriated to carry out this section which are not obligated prior to the end of the fiscal year for which such funds were appropriated shall remain available for obligation during the succeeding fiscal year.

HEARINGS

The Subcommittee on Employment, Poverty, and Migratory Labor received testimony on similar legislation to extend the public service employment program under title VI of the Comprehensive Employment and Training Act (including S. 1695, introduced by Senator Nelson) at hearings on April 5, 1976, and on May 19 and 20, and June 4 and 6, 1975.

BACKGROUND

Under the Comprehensive Employment and Training Act (CETA), approximately 320,000 previously unemployed persons have been hired to meet locally-determined public service needs in communities throughout the Nation. The programs are administered by some 430

State and local governmental prime sponsors (including States, units of general local government, and combinations thereof).

About 260,000 public service jobs are funded under title VI of CETA, which has provided funds to all areas of the Nation since the Emergency Jobs and Unemployment Assistance Act of 1974 (Public Law 93-567) was signed by President Ford on December 31, 1974.

Another 56,000 jobs are provided only to areas of substantial unemployment having 6½ percent or higher unemployment rates under title II of the Comprehensive Employment and Training Act enacted in 1973. The title II program has a regular annual funding level of \$400 million. It is designed to assist areas which have chronically high unemployment even in times of economic prosperity.

When unemployment nationally is at high levels—far in excess of 5 percent—Congress has twice in recent years passed emergency public service employment legislation which distributes funds throughout all areas of the Nation, with a higher proportion of such funds going to those areas having higher rates of unemployment. In July of 1971, President Nixon signed the Emergency Employment Act of 1971 during a recessionary period. In 1974, President Ford signed the Emergency Jobs Program as increasing unemployment again faced the Nation. This last period of extended national unemployment has not yet ended, with the Nation's unemployment rate remaining at 7.5 percent for the last two months (March and April 1976).

HOUSE-PASSED BILL

H.R. 12987, which passed the House of Representatives on April 30 by a vote of 287-42, authorizes the appropriation of such sums as may be necessary to carry out the public service employment program under title VI of the Comprehensive Employment and Training Act through the transition quarter ending September 30, 1976. The House-passed bill also authorizes not to exceed 15 percent of each prime sponsor's allocation for public service employment programs to be used for necessary supplies and equipment and administrative expenses.

The bill which this committee is reporting to the Senate retains those House-passed provisions, but it extends the appropriations authorization of such sums as may be necessary for title VI to cover the fiscal year ending September 30, 1977.

SUMMARY OF COMMITTEE-REPORTED BILL

1. The Committee-reported bill extends the public service jobs program under title VI of CETA by authorizing the appropriation of such sums as may be necessary through fiscal year 1977. (H.R. 12987, which passed the House of Representatives on April 30 by a vote of 287-42, extended the title VI program through September 30, 1976, the end of the transition quarter.)

2. The Committee bill, like the House-passed bill, authorizes not to exceed 15 percent of funds to be used for necessary supplies and equipment and administrative expenses.

3. The Committee bill provides that jobs created above the current level will be in community employment projects for the long-term, low-income unemployed who have been unemployed for 15 or more weeks,

including those who have exhausted unemployment benefits, or are receiving unemployment compensation or public assistance, and who are members of low-income households.

4. The Committee bill provides that States and political subdivisions shall be reimbursed under the Special Unemployment Assistance program for the costs of providing unemployment benefits to workers who have been employed in public service jobs pursuant to the Comprehensive Employment and Training Act. Without this provision, title VI funds intended for jobs would have to be used in several states to reimburse the State unemployment insurance funds for unemployment payments. In other States such payments generally are from the Special Unemployment Assistance program.

5. The Committee bill provides that the Secretary of Labor shall provide for assistance for community-based organizations of demonstrated effectiveness. In addition, the Secretary shall seek cooperation with programs of other Federal agencies affecting employment.

6. The Committee bill authorizes prime sponsors, in expending funds appropriated in the Emergency Supplemental Appropriations Act of 1976 (P.L. 94-266), to use the funds so as to prevent layoff of public service employees under both Title II and Title VI of the Act. The bill authorizes prime sponsors (1) to use funds allocated from the Secretary of Labor's discretionary 20 percent of the appropriation in areas outside the Title II areas having 6.5 percent or higher unemployment and (2) to transfer persons to Title II, even though the previous source of funding for that person's job was Title VI, so that no 30-day period of layoff is required in the case of a person transferred from one Title to another in the same job. The Senate Appropriations Committee report approved of this use of funds under P.L. 94-266 in order to avoid layoffs of Title VI jobholders residing outside of areas that are eligible for Title II funds; the language in this bill protects the prime sponsors by providing statutory authority for implementing the intent of Congress in making the appropriation.

7. The Committee bill makes clear that title VI discretionary funds may be used for continuing the employment of persons previously employed in public service jobs, specifying that any allocations for such purpose shall be based on the needs of each unit of general local government eligible to be a prime sponsor even though part of a consortium.

8. The Committee bill provides for a set-aside of four percent of Title VI funds to be provided to Indian tribes, bands, and groups for public service employment programs.

9. The Committee bill includes conforming amendments regarding veterans employment and training assistance.

10. The Committee bill provides for establishment of a National Commission on Employment and Unemployment Statistics.

EXTENSION OF EMERGENCY JOBS PROGRAM

THE DIFFERENCE BETWEEN TITLE II AND TITLE VI

Public service employment under CETA is divided into two parts: title II and title VI. Of the \$2.6 billion now being spent annually for public service jobs, \$2.2 billion of that total (or 85%) is spent for jobs funded under title VI. Title VI was enacted in December of 1974 as a

response to dramatic increases in the national unemployment rate. Title II, on the one hand, was enacted in December of 1973 during a period of relatively low national unemployment and was designed to deal with the kind of chronic, high unemployment that persists in some areas in good and bad times, particularly in the Nation's rural areas and inner cities. Title VI of CETA, on the other hand, was enacted when widespread national joblessness was on the rise in 1974 and 1975.

Because they were designed for different purposes, the two programs have different characteristics and requirements. In the first place, title II programs operate only in areas which have unemployment rates in excess of 6.5 percent for 3 consecutive months—defined as "areas of substantial unemployment." These areas are determined annually, and a new determination must be made.

The record high levels for unemployment experience over the last year and a half resulted in a great many additional areas qualifying last year for Title II funds. As unemployment declines, many of these areas will cease to qualify as "areas of substantial unemployment," and will no longer be eligible for Title II funds, even though unemployment therein may hover near the 6.5 percent mark for many more months.

Title VI funds, however, are countercyclical in purpose and intended to combat the severe unemployment that became pervasive throughout the Nation as a result of the recession. These funds are distributed to all areas of the country, whatever the rate of unemployment in any area, although areas with exceptionally high unemployment rates receive substantially more funds than those with lower rates.

That the Title VI program is still needed cannot be seriously questioned, in light of the recent leveling off of the national unemployment rate at 7.5 percent, where it has remained for two consecutive months. This is one full percentage point higher than the November 1974 national unemployment rate, which prompted enactment of Title VI.

The committee believes, therefore, that it is necessary to extend the title VI authorization.

In addition, the Committee estimates that, taking into account the targets established in the First Concurrent Resolution on the Budget for fiscal 1977, a substantially expanded total of 520,000 jobs could be provided under the authority of this legislation in Title VI positions. Of this number, 260,000 would be new jobs.

EMPLOYMENT PROJECTS FOR LONG-TERM, LOW-INCOME UNEMPLOYED PERSONS

Under the Committee bill, eligibility for public service jobs, above the current level of 316,000, would be restricted to those unemployed persons—

(A) who have been receiving unemployment compensation for 15 or more weeks;

(B) who are receiving AFDC;

(C) who have exhausted unemployment compensation benefits;

or

(D) who are ineligible for unemployment compensation benefits but who have been unemployed for 15 or more weeks.

Such an unemployed person would nevertheless still not be eligible for a public service job if income of other family members exceeds 70 percent of the lower living standard budget. (The lower living standard budget for an urban family of four persons, announced by the Bureau of Labor Statistics on May 5, 1976, was \$9,588. Seventy percent thereof would be \$6,712.)

Since the additional jobs under this bill would be targeted on the most needy of the unemployed, many of whom are receiving public assistance or unemployment compensation payments, substantial offsetting savings in these income security programs would reduce the net cost of the new jobs. In addition, Federal, State and local tax revenues would be increased as households move from the tax exempt support of public assistance or unemployment compensation to the support of a taxable income, and as the economy responds to the stimulus of an expanded workforce in the community.

These additional jobs and funds would be utilized for projects and jobs of no longer than one year's duration, at an average cost per job of \$7800 per year.

Approval of projects by the prime sponsor shall be made only after each application has been submitted to the prime sponsor's planning council and the council's recommendations have been considered, and opportunity for a hearing shall be afforded prior to disapproving an application.

The Committee-reported bill targets the new public service jobs on individuals with low family income—below about \$6700 in the case of a family of four—who have been unemployed for at least 15 weeks or are receiving welfare benefits.

Under the Congressional Budget Resolution's targets, there may be an increase in public service employment over the number of public service jobs provided during fiscal year 1976. The Committee recognizes that those most in need of employment and income should be offered the opportunity for new public service employment positions. Therefore, all jobs, over and above the level necessary to sustain current public service jobs, have been targeted to these groups.

The proposed legislation includes provisions calling on prime sponsors to emphasize, in the provision of these new jobs, the needs of persons with household support obligations and the needs of certain persons, such as older persons or parents of young children, for flexible working hours.

A basic purpose of the Committee bill's provision is to attempt to distribute a limited number of jobs—in view of the 7 million individuals officially counted as unemployed—among those whose financial needs for those jobs is the greatest and among those who are receiving substantial federal, State and local cash payments either from unemployment compensation or public assistance. It makes less sense to continue to provide cash payments to individuals who are not working than to find productive jobs in our communities.

No requirements are enumerated as to the priority of one group of long-term unemployed eligible persons over another. It is the responsibility of prime sponsors to ensure that the jobs are equitably allocated in light of the population of the categories of eligible unemployed persons within the prime sponsor's area. However, it is contemplated by the Committee that the prime sponsor will take into account individual circumstances and that jobs will be given to those most in need of employment, taking into consideration such factors as length of unemployment, household support obligations, other sources of outside income, and the desirable public policy of enabling persons to have a productive job rather than having to rely upon welfare and income maintenance programs.

Consistent with these factors, the provisions of section 205(a)(7) of CETA, made applicable to all public service employment programs under title VI by section 602(c), provides that prime sponsors, in applications for financial assistance for public service employment programs, shall set forth "assurances that special consideration in filling transitional public service jobs will be given to unemployed persons who are the most severely disadvantaged in terms of the length of time they have been unemployed and their prospects for employment without assistance under this title".

All of the new jobs funded above the existing level would be on special projects established by the prime sponsors for not more than 12 months duration. The average federally-supported wage in those jobs will be maintained at a \$7,800 average. The Committee bill provides for hearings with respect to where those projects will be located and who will operate them, making directly eligible for that purpose "project applicants", defined to include local educational agencies, community-based organizations, community development corporations, and other nonprofit private organizations engaged in public service, in addition to direct governmental agencies.

The Committee expects, as to these new public service jobs, that prime sponsors would subcontract a substantial portion of the new jobs to nonprofit agencies so as to meet a wide variety of needs. While the proposed legislation sets forth no specific percentage, at least 10 percent of funds should be contracted out to nonprofit agencies meeting public needs, and it is contemplated that prime sponsors will utilize these agencies to a greater extent, where feasible. The purpose is to ensure that real, new jobs are created so as to minimize the substitution effect and so as not to increase unnecessarily direct State and local governmental employee payrolls, except when necessary, of course, to provide essential services.

The Committee contemplates that there will be many proposals submitted to the prime sponsor for locally-initiated projects to carry out needed public services which would not be carried without this program. This should inspire competition among local groups to design better projects. The Committee expects that the prime sponsor's planning council's recommendations will serve as a means to sift out the very best proposals and insure that there is no duplication of effort. To insure a fair impartial selection process, the Committee mandates that no member of a planning council shall participate in the selection process, other than to discuss and inform the Council, with respect to any project in which that member has a direct interest.

According to official unemployment statistics, which fail to tell the full story, we have 7,136,000 unemployed persons in this richest of all nations. Of these, 2,639,000 persons are unemployed heads of households. The household head unemployment rate of 4.9 percent today compares with 2.9 percent just three years ago when the Comprehensive Employment and Training Act of 1973 was enacted.

In 1974, when Congress enacted the current "Emergency Jobs Program", there were 5 million people unemployed. Today, there are at least 2.1 million more persons looking for work. A job-creation program designed for a 5.6 percent unemployment rate is inadequate at a time when we have a 7.5 unemployment rate, which counts 7 million individuals as unemployed.

The impact of the extent of unemployment of household needs (whether two parents or single parent households) affects many persons who are members of the families of such heads of household.

The average duration of official unemployment is over 16 weeks—one third of a year.

In April 1976, the total number of persons unemployed for 15 weeks or more was 2.7 million, and 1.5 million were unemployed for 27 weeks or more. (Figures cited are not seasonally adjusted.) In October 1975, the same figures stood at 2.3 million, and 1.5 million respectively.

The number of individuals eligible is far larger than will be provided public service jobs, even with the additional funding anticipated by the Committee.

Each of the four categories of eligible individuals falls within the number of persons unemployed for more than three months, except that all AFDC recipients, regardless of length of unemployment, are qualified as eligible participants. However, of the approximately 2.5 million recipients of AFDC benefits required to register in the Work Incentive (WIN) program (basically those without children under age in the household) the great majority are presumably within the category of persons unemployed for 15 weeks or more.

Presented below are tables showing estimates of the number of persons expected to completely exhaust their entitlement to unemployment compensation (FSB and SUA) during calendar year 1976, which total approximately 2.5 million. Also presented below are tables, based on previously unpublished data provided by the Bureau of Labor Statistics, showing the characteristics of long-term unemployed workers. These data are highly useful in assessing the extent and nature of long-term unemployment in the United States during the current recession, and illustrate the need for the continuation of a substantial public service jobs program.

[Tables I through VI attached.]

TABLE 1.—FSB EXHAUSTEE ESTIMATES—CALENDAR YEAR 1976

[Table reflects new estimates and data from the States Jan. 26, 1976]

	1976												Total
	January	February	March	April	May	June	July	August	September	October	November	December	
Total.....	192,120	189,860	194,358	175,293	167,927	168,111	181,119	153,051	144,680	141,782	130,862	119,457	1,958,620
Alabama.....	2,300	2,300	2,500	2,200	1,900	2,200	1,900	1,700	1,600	1,500	1,500	1,500	23,100
Alaska.....	75	60	100	45	130	90	80	125	90	120	80	160	1,155
Arizona.....	1,500	1,400	1,350	1,350	1,300	1,300	1,200	1,100	1,100	1,100	900	700	14,300
Arkansas.....	1,782	1,500	1,300	680	715	760	440	550	880	875	1,050	1,630	12,162
California.....	35,000	35,000	35,000	34,000	34,000	34,000	32,000	32,000	32,000	32,000	32,000	32,000	399,000
Colorado.....	290	320	300	40	0	0	0	0	0	0	0	0	950
Connecticut.....	3,200	2,900	4,200	3,400	3,000	3,500	2,800	2,700	2,700	2,600	2,800	2,900	36,700
Delaware.....	700	800	900	0	0	0	0	0	0	0	0	0	2,400
District of Columbia.....	700	800	900	0	0	0	0	0	0	0	0	0	2,400
Florida.....	9,100	8,900	8,700	8,500	8,300	8,100	8,000	7,800	7,600	7,400	7,200	0	89,600
Georgia.....	8,500	8,200	8,700	7,100	7,100	5,000	4,500	4,600	4,700	4,800	4,900	5,000	73,700
Hawaii.....	450	350	300	300	450	400	400	0	0	0	0	0	2,650
Idaho.....	170	150	120	130	140	180	210	160	100	40	0	0	1,400
Illinois.....	7,600	7,800	8,100	8,400	8,700	8,900	9,200	9,300	9,100	8,900	8,800	8,800	103,600
Indiana.....	8,210	5,470	2,740	0	0	0	0	0	0	0	0	0	16,420
Iowa.....	1,100	1,200	1,300	1,100	1,100	1,200	900	800	500	250	100	0	9,550
Kansas.....	680	700	780	100	0	0	0	0	0	0	0	0	2,270
Kentucky.....	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	16,800
Louisiana.....	2,150	1,960	1,825	1,000	900	780	760	570	650	625	485	380	5,935
Maine.....	500	520	810	1,000	1,425	1,835	2,680	1,780	1,825	1,030	525	860	7,880
Maryland.....	1,480	1,480	1,710	2,120	1,425	1,835	2,680	1,780	1,825	1,030	525	860	18,750
Massachusetts.....	9,000	9,500	10,500	11,000	11,000	14,000	37,000	17,000	13,000	10,000	7,000	7,000	156,000
Michigan.....	11,000	11,000	12,000	11,000	11,000	12,000	13,000	12,000	11,000	15,200	7,000	4,800	131,000
Minnesota.....	3,000	3,000	3,500	2,000	1,800	1,400	1,000	1,000	1,000	1,000	1,000	1,000	20,800
Mississippi.....	700	650	550	550	400	200	200	175	100	0	0	0	3,525
Missouri.....	4,200	4,500	6,000	5,400	3,800	2,700	3,400	2,700	2,300	1,600	1,400	1,000	39,000
Montana.....	210	180	160	200	100	200	280	290	270	300	240	320	2,750
Nebraska.....	867	714	612	612	561	510	510	450	408	102	102	102	5,550
Nevada.....	800	750	750	725	725	700	660	660	600	600	600	600	8,170
New Hampshire.....	200	230	300	350	350	350	225	100	50	30	30	20	2,255
New Jersey.....	12,700	12,300	12,000	11,900	11,700	11,600	11,400	11,300	11,100	10,800	10,700	10,500	138,000
New Mexico.....	451	491	536	331	206	171	179	116	57	20	0	0	2,558
New York.....	16,900	15,400	17,700	16,900	16,200	16,900	13,500	13,500	13,600	12,900	13,500	14,200	181,000
North Carolina.....	1,400	1,300	1,200	400	0	0	0	0	0	0	0	0	4,300
North Dakota.....	50	70	40	10	10	70	30	60	0	0	0	0	610
Ohio.....	4,300	5,000	6,400	3,900	3,600	3,400	0	0	0	0	0	0	26,600
Oklahoma.....	1,600	1,500	1,600	0	0	0	0	0	0	0	0	0	4,700
Oregon.....	1,400	1,350	1,450	1,350	1,100	1,000	950	950	850	750	700	900	12,750
Pennsylvania.....	5,500	7,800	8,500	12,700	10,300	8,500	8,400	6,500	5,600	4,900	8,500	4,000	91,200
Puerto Rico.....	7,000	5,500	4,500	5,200	6,000	7,000	6,300	5,900	6,100	6,900	5,200	5,800	71,400
Rhode Island.....	1,800	1,600	1,600	1,600	1,600	1,600	1,800	1,600	1,600	1,600	1,600	1,800	19,800
South Carolina.....	4,500	5,000	5,500	5,000	5,000	4,500	4,500	3,000	2,000	1,700	1,500	1,500	43,700
South Dakota.....	150	150	100	0	0	0	0	0	0	0	0	0	400
Tennessee.....	4,200	4,400	4,600	4,600	4,500	4,400	4,200	4,000	3,800	3,700	3,600	3,400	49,100
Texas.....	3,300	2,750	1,350	0	0	0	0	0	0	0	0	0	7,400
Utah.....	560	430	210	50	0	0	0	0	0	0	0	0	1,250
Vermont.....	275	200	375	450	300	450	200	275	275	225	325	260	3,440
Virginia.....	990	1,150	1,300	0	0	0	0	0	0	0	0	0	3,625
Washington.....	3,800	4,200	4,500	4,200	4,100	3,800	3,900	4,000	3,900	3,900	3,200	3,400	46,900
West Virginia.....	350	400	450	450	500	500	500	400	350	350	350	350	4,950
Wisconsin.....	4,000	4,500	3,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	3,000	34,500
Wyoming.....	20	35	40	50	15	15	15	15	15	15	15	15	265

Source: Unemployment Insurance Service, U.S. Department of Labor, with data provided by States.

TABLE III.—SUA EXHAUSTEE ESTIMATES—CALENDAR YEAR 1975—Continued

[Table reflects new estimates and data from the States Jan. 28, 1976]

	1976												
	January	February	March	April	May	June	July	August	September	October	November	December	Total
Minnesota	130	140	140	150	160	150	130	100	100	100	100	100	1,500
Mississippi	310	213	106	100	188	229	231	230	230	233	233	248	2,615
Missouri	600	700	600	400	400	300	200	200	100	100	100	200	4,000
Montana	87	87	87	87	87	87	87	87	87	87	87	93	1,050
Nebraska	61	61	61	61	61	53	52	45	51	51	51	61	1,666
New Hampshire	25	30	45	21	15	10	10	10	50	15	15	20	225
New Jersey	650	630	620	610	600	580	650	10	550	530	520	500	7,000
New Mexico	54	63	45	39	29	40	189	21	125	90	110	110	3,305
New York	1,500	1,550	1,550	1,450	1,450	1,450	1,350	1,350	1,500	1,400	1,400	1,550	17,650
North Carolina	1,550	1,380	1,450	1,450	1,420	1,400	1,350	85	1,320	1,320	1,320	1,350	14,850
North Dakota	85	85	85	85	85	85	85	85	85	85	85	85	1,020
Ohio	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Oklahoma	200	200	250	300	300	300	300	300	300	275	275	275	3,450
Oregon	300	275	110	110	100	80	70	60	50	75	90	90	1,000
Pennsylvania	90	475	375	250	225	200	200	150	150	200	250	275	3,320
Puerto Rico	2,000	1,500	1,400	1,300	1,100	1,000	2,150	2,150	1,800	1,800	1,800	1,700	21,500
Rhode Island	180	180	180	180	180	180	180	180	180	180	180	180	2,160
South Carolina	180	180	180	180	180	180	180	180	180	180	180	180	2,160
South Dakota	80	80	110	140	110	100	90	70	60	60	60	60	1,030
Tennessee	500	600	600	500	500	500	500	400	350	325	300	300	5,400
Texas	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Utah	100	100	100	100	100	85	85	70	65	80	80	80	1,000
Vermont	75	75	75	75	75	75	75	75	75	75	75	75	900
Virginia	75	110	160	160	160	160	160	160	160	160	160	160	1,745
Washington	375	375	375	375	375	375	375	375	375	375	375	375	4,500
West Virginia	160	160	160	160	160	160	160	160	160	160	160	160	1,920
Wisconsin	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Wyoming	21	21	21	21	21	21	21	21	21	21	21	21	250

Source: Unemployment Insurance Service, U.S. Department of Labor, with data provided by States.

TABLE IV.—CHARACTERISTICS OF WORKERS UNEMPLOYED 15 WEEKS AND OVER, OCTOBER 1975

[Numbers in thousands; not seasonally adjusted]

Item	Total unemployed	Percent of total	Household head with relatives		Household head without relatives	Not household head
			Total	At least 1 member employed		
All persons	2,293	100.0	842	310	268	1,184
White	1,856	80.9	704	260	204	947
Black and other	438	19.1	138	50	63	238
Age 16 to 24	735	32.1	93	23	33	609
Age 25 to 54	1,248	54.4	595	238	150	698
Age 55 and over	310	13.5	154	50	87	69
White-collar	674	29.3	204	75	81	391
Blue-collar	1,157	50.5	564	210	133	463
Service	268	11.7	68	24	52	147
Farm	9	.4	3	1	1	5
Male	1,382	60.3	722	280	169	491
White	1,139	49.7	626	244	119	394
Black and other	242	10.6	96	46	49	97
Age 16 to 24	445	19.1	77	23	19	348
Age 25 to 54	746	32.5	502	220	111	130
Age 55 and over	192	8.4	143	48	40	105
White-collar	266	11.6	158	64	34	75
Blue-collar	882	38.5	517	205	106	262
Service	134	5.8	44	19	31	59
Farm	6	.3	2	1	1	4
Female	912	39.8	120	20	99	693
White	716	31.2	78	16	85	553
Black and other	195	8.5	42	4	14	141
Age 16 to 24	290	12.7	16	1	14	261
Age 25 to 54	504	22.0	93	18	39	373
Age 55 and over	119	5.2	11	2	47	59
White-collar	408	17.8	46	11	27	316
Blue-collar	275	12.0	47	5	27	201
Service	154	6.7	24	5	21	88
Farm	3	.1	1	1	1	1

TABLE V.—CHARACTERISTICS OF WORKERS UNEMPLOYED 27 WEEKS AND OVER, OCTOBER 1975

[Numbers in thousands; not seasonally adjusted]

Item	Total unemployed	Percent of total	Household head with relatives		Household head without relatives	Not household head
			Total	At least 1 member employed		
All persons	1,296	100.0	530	193	169	596
White	1,073	82.8	460	168	121	491
Black and other	223	17.2	70	25	48	106
Age 16 to 24	303	23.4	40	10	14	249
Age 25 to 54	784	60.5	386	150	101	299
Age 55 and over	209	16.1	104	34	56	50
White-collar	359	27.7	130	48	49	181
Blue-collar	744	57.4	364	131	90	291
Service	129	10.0	33	14	30	64
Farm	6	.5	1	1	1	4
Male	811	62.6	456	182	113	241
White	685	52.9	408	160	74	203
Black and other	126	9.7	48	22	39	39
Age 16 to 24	195	15.0	36	10	9	149
Age 25 to 54	489	37.7	324	139	79	87
Age 55 and over	128	9.9	96	34	26	7
White-collar	153	11.8	99	43	22	32
Blue-collar	570	44.0	337	128	74	160
Service	64	4.9	20	11	18	25
Farm	3	.2	1	1	1	3
Female	485	37.4	74	11	56	355
White	388	29.9	52	8	47	288
Black and other	97	7.5	22	3	9	67
Age 16 to 24	108	8.3	4	1	5	100
Age 25 to 54	296	22.8	62	11	22	212
Age 55 and over	82	6.3	8	1	30	43
White-collar	206	15.9	31	5	27	149
Blue-collar	174	13.4	27	3	16	131
Service	65	5.0	13	3	12	39
Farm	3	.2	1	1	1	1

TABLE VI.—CHARACTERISTICS OF THE UNEMPLOYED OCTOBER 1975 CPS
[Not seasonally adjusted; tabs in thousands]

Race by age: Total, all persons	Weeks of unemployment							Total unemployed						
	1 to 4	5 to 14	15 to 26	27 and over	27 to 51	52 and over	Total job-loosers seeking full-time work							
FAMILY RELATIONSHIP AND EMPLOYMENT STATUS														
Total, all persons.....	7, 418	2, 919	2, 206	997	1, 296	836	460	3, 422	1, 020	922	541	939	668	272
Male	3, 933	1, 390	1, 161	571	811	536	275	2, 282	695	629	339	618	438	180
Household head with relative(s) in household.....	1, 667	517	428	266	456	316	141	1, 260	370	311	199	381	279	103
At least 1 other member employed full time.....	641	187	164	108	182	129	53	495	139	114	83	159	114	45
None full time; at least 1 employed part time.....	180	64	54	26	36	21	15	142	53	36	20	33	21	12
None employed; at least 1 unemployed.....	195	64	46	24	61	43	18	159	45	36	22	55	42	13
No other member in labor force.....	652	203	164	108	177	122	55	465	131	125	73	135	102	33
Household head, not living with relatives.....	402	113	120	56	113	72	41	259	62	81	38	78	54	24
Relative of head.....	1, 722	690	580	239	213	134	79	698	233	223	97	145	96	49
Head employed full time.....	1, 113	474	380	169	133	85	48	442	152	137	62	92	66	32
Head employed part time.....	81	21	33	15	18	7	5	51	26	11	8	7	2	2
Head unemployed.....	971	141	132	45	53	32	21	169	45	66	23	35	23	10
Head not in labor force.....	142	70	33	11	28	14	14	65	31	15	13	14	10	5
Nonrelative of head.....	3, 485	1, 529	1, 044	427	485	300	185	1, 140	325	293	202	321	230	91
Household head with relative(s) in household.....	437	183	134	46	74	53	22	164	52	46	20	45	41	5
At least one other member employed full time.....	75	32	23	9	11	8	3	39	18	9	5	7	7	2
None full time; at least 1 employed part time.....	33	16	7	7	9	8	2	20	8	3	3	9	8	2
None employed; at least 1 unemployed.....	40	15	14	3	7	5	3	20	9	5	2	5	5	3
No other member in labor force.....	289	121	90	32	46	32	15	85	17	29	14	25	21	5
Household head, not living with relatives.....	244	88	57	43	56	38	18	143	40	29	31	44	31	13
Relative of head.....	2, 688	1, 197	814	335	342	202	140	800	220	205	148	226	153	72
Head employed full time.....	2, 006	894	624	247	240	154	86	572	151	152	112	157	118	39
Head employed part time.....	161	88	41	17	16	4	11	39	17	13	3	6	6	6
Head unemployed.....	233	89	75	28	41	21	19	93	23	24	17	29	14	15
Head not in labor force.....	289	126	74	43	46	23	23	95	29	17	16	34	22	12
Nonrelative of head.....	116	60	39	3	13	8	5	34	12	12	3	6	5	5

REHIRING OF PERSONS LAID OFF FOR BONA FIDE REASONS

There has been some confusion regarding the use of CETA funds to rehire persons laid off by local governments.

CETA funds may, of course, be used by local governments to hire workers laid off in the public sector, just as such funds are used for workers laid off in the private sector. Accordingly, the statute and legislative history have clearly stated certain principles to avoid abuse of this authority when a governmental unit is, after the required period of unemployment, rehiring persons previously laid off from a job with that government.

In adopting title II as a part of the Comprehensive Employment and Training Act of 1973, and later in adopting title VI in 1974, the Congress made clear that the rehiring of former employees who had lost their jobs due to bona fide lay-offs is authorized and permitted.

The Conference Report accompanying the enactment of title VI (H. Rept. 93-1621) contained the following statement: "The strong feeling of the conferees in opposition to 'paper lay-offs' should in no way be construed to mean opposition to the rehiring of laid off workers per se. The rehiring of former employees who lost their jobs due to a bona fide lay-off has always been permitted and is permitted here." That conference report goes on to state: "It should be further noted that the provisions of section 205(c)(7) prohibiting the hiring of any person when any other person is on lay-off from the same or substantially equivalent job still apply."

The primary purpose of the CETA Public Service Employment program is to provide a balanced program of services to the over-all unemployed population in the community.

The balance is to be achieved under provisions clearly set forth in CETA. Section 208(b) of CETA states, in a provision applicable to public service employment programs under titles I, II, and VI of CETA, that: "Consistent with the provisions of this title, the Secretary shall make financial assistance available under this title in such a manner that, to the extent practicable, public service employment opportunities will be available on an equitable basis in accordance with the purposes of this title among significant segments of the population of unemployed persons, giving consideration to the relative numbers of unemployed persons in each such segment."

The language of section 208(b) is clearly intended to give the Secretary maximum flexibility to deal with each individual situation on its merits. When the phrase "to the extent practicable" is used, it implies that a judgment should be made about what makes sense, and that the Secretary should not impose a specific or arbitrary numerical or percentage quota limiting the rehiring of former employees who have lost their jobs due to a bona fide lay-off. However, the Act requires detailed information concerning the characteristics of the prime sponsorship area's unemployed population and of persons proposed to be hired in public service jobs, so that the Secretary can determine when it is necessary to review a particular application for financial assistance to decide whether the lay-offs were bona fide and whether the maintenance of effort requirements are being met. It is the Secretary's responsibility to assure compliance with the clear legislative intent not to support paper lay-offs calculated to shift payroll costs to the CETA public service program—the purpose of which is to cre-

ate new job opportunities for persons who, in the absence of the CETA jobs, would be unemployed.

UNEMPLOYMENT ASSISTANCE FOR LAID-OFF CETA PUBLIC SERVICE EMPLOYEES

The Committee bill provides that the States and political subdivision shall be reimbursed under the Special Unemployment Assistance program (title II of the Emergency Jobs and Unemployment Assistance Act of 1974) for the costs of providing unemployment benefits to workers who are employed in public service jobs pursuant to the Comprehensive Employment and Training Act. This provision applies to such employees who are employed by the State or local government employers in states which provide for mandatory or elective coverage of employees of such employers, and any such employers covered under a local unemployment compensation plan. It also applies with regard to employees employed in public service employment by non-profit organizations, the employees of which are required to be covered under the applicable state unemployment insurance law by the Federal Unemployment Tax Act.

Public service employees of State and local governments in the majority of States generally receive unemployment assistance under the Special Unemployment Assistance program, which is funded by Federal general revenues. In a number of States, however, employees in the public sector are covered, to varying degrees, by the regular State unemployment insurance law, frequently on a reimbursable basis (under which the public employer reimburses a State or local unemployment compensation fund for the full amount of benefits paid to former employees of the employer). In these instances, funds intended for providing jobs are required to be reserved for payment of unemployment compensation in event of layoffs, while in the balance of the Nation, unemployment assistance is separately provided through SUA. Section 6 of the bill would eliminate this inequity.

The States most directly affected by the provisions of Section 6 are Connecticut, Florida, Hawaii, Michigan, Minnesota, Montana, Ohio, Oregon, and Wisconsin.

This section is effective with regard to weeks of unemployment beginning on and after January 1, 1976. Payments under this authorization would be made after October 1, 1976, to the States, or to political subdivisions in the case of coverage under local unemployment compensation plans, based on estimates made by the Secretary of Labor. The Secretary will certify his estimates to the Secretary of the Treasury, who will make the payments from the appropriation for Special Unemployment Assistance.

To avoid duplication of payments to the States and political subdivisions for the costs of unemployment insurance protection of public service employees, the States and political subdivisions are required to repay to employers who have reimbursed the State or political subdivision for any such benefits paid for weeks of unemployment beginning January 1, 1976, and may not charge the employers for benefits which are subject to payment by the United States. Also, an employer who is liable for contributions to the State or political subdivision with respect to public service employment must be repaid the amount of any contributions paid with respect to services performed in such employment on and after January 1, 1976, and in computing

the contribution rates for any such employer the relevant factors in the computations may not take into account any element pertaining to public service employment or compensation paid which is the subject of a payment by the United States under this section. Adherence to these requirements by a State is not intended to impair certifiability for credits under section 3303(b) and 3304 of the Federal Unemployment Tax Act, or certifiability of grants under title II of the Social Security Act.

WORK ON HOUSING WEATHERIZATION PROJECTS

The Committee bill includes a provision which would correct a problem that has developed as a result of an interpretation on the part of the Department of Labor in its cooperation with the Community Services Administration (CSA) on the "Weatherization Program" authorized under section 222(a)(12) of the Economic Opportunity Act.

When CSA developed the national guidelines to carry out congressional intent of the energy programs, eligibility was established at 125% of the CSA poverty guidelines. Community action programs have operated within these guidelines for 2 years with the assistance of CETA work crews to do necessary retrofitting and insulation work on low-income homes.

As of January 31st of this year, this working arrangement was overturned by the Department of Labor when, in response to a request from Region III, the Department interpreted "low income" to mean 100 percent of the poverty level as officially issued by the Office of Management and Budget and directed its regional office to notify community action programs that CETA workers could only work on homes of individuals whose income did not exceed 100 percent of that poverty level. The result has been that even though a community action program allocates funds for the insulation of the home of a senior citizen whose income is less than 125 percent of the poverty level but more than 100 percent of that level, a CETA crew cannot provide the labor to install the insulation.

The Department of Labor interpretation impacts hardest on the elderly whose incomes sometimes exceed the poverty level by only a few dollars. This provision would replace the Department of Labor interpretation of low income and apply the CSA 125 percent of the poverty level as the eligibility level for persons benefitted by work done by CETA crews in weatherizing their homes.

This amendment is not intended to mean that CSA should change its emphasis in the weatherization program away from serving the poorest on a priority basis.

PUBLIC SERVICE EMPLOYMENT PROGRAMS FOR INDIANS

The Committee-reported bill amends title VI of CETA to provide at least 4 percent of the title VI funds to Indian tribes, bands, and groups for carrying out public service employment programs.

Under title III of CETA (section 302) funds are provided directly to Indian tribes, bands, and groups approved by the Secretary as having demonstrated the capability to effectively administer comprehensive manpower programs. This means that Indian groups are equivalent to prime sponsors under title I. This has given a service population in excess of 900,000 native Americans nationally.

In contrast under title VI of CETA sponsorship is limited to those "Indian tribes on Federal and State reservations." With this definition, the service population is only 277,000.

Title III has a funding distribution formula that provides "at least 4 percent of the amount allocated to title I prime sponsors."

Many times over the past several years, Congress has stated its intent to allow Indian people to determine their goals and objectives for themselves. The concept of "Indian self-determination" is a matter of Federal law and policy. This change in title VI is consistent with that policy and extends the 4 percent set-aside (which is under the existing law applicable only to the funds under CETA exclusive of public service employment funds) at a time when the bulk of CETA funds are being appropriated for public service jobs.

VETERANS PROVISIONS

OJT AND APPRENTICESHIP TRAINING

Section 12 of the Committee bill amends title I (section 105(a)(3)) of the Comprehensive Employment and Training Act of 1973 to provide that the comprehensive manpower plan required to be submitted to the Secretary shall provide for appropriate arrangements by the prime sponsor to promote maximum use of Veterans' Administration apprenticeship or on-job training programs for eligible veterans conducted pursuant to section 1787 of title 38, U.S.C. Promotion by prime sponsors of available VA apprenticeship and on-job training (OJT) will be beneficial to and productive for both eligible veterans and prime sponsors.

Under the VA OJT program, an approved employer promises a permanent job to a veteran upon successful completion of an OJT program. The program, which originated as part of the GI Bill following World War II, is based on the principle of the veteran learning a trade by performing the necessary job operations. During the training program, the employer pays the veteran less than the full regular wage, while the VA supplements this with a training assistance allowance which it pays directly to the veteran. The amount of the training assistance allowance is contingent upon the number of dependents and the length of time the veteran has been in training.

The current GI Bill monthly training assistance allowance of an eligible veteran pursuing an OJT or apprenticeship program is as follows:

Col. I	Col. II	Col. III	Col. IV	Col. V
Periods of training	No dependents	One dependent	Two dependents	More than two dependents
First 6 months	\$196	\$220	\$240	\$10
Second 6 months	147	171	191	10
Third 6 months	98	122	142	10
Fourth and any succeeding 6-month periods	49	73	93	10

The amount in col. IV, plus the following for each dependent in excess of two:

Approval of an OJT program is made by the VA-designated State approving agency for each State in accordance with VA-specified criteria. Apprenticeship programs are approved by VA-designated State approving agencies pursuant to standards established by the Bureau of Apprenticeship and Training in the Department of Labor.

Implementation of the provision in the Committee bill could include the establishment by CETA prime sponsors of VA-approved and funded public sector OJT opportunities. In addition, CETA prime sponsors, in close coordination with the Department of Labor, the State Employment Service, and the Veterans' Administration, could refer unemployed veterans to available VA-approved apprenticeship or OJT opportunities in the private sector. It should be noted that prime sponsors can include in their public service job programs (conducted under titles I, II, and VI) veterans' outreach services as defined in CETA section 701. Such efforts can include the use of veterans in the development and maximum use of VA-approved OJT and apprenticeship opportunities in the public and private sectors.

The need for this amendment is underscored by the continuing high unemployment rates for veterans, particularly young, disabled, and minority group veterans. In its report accompanying S. 4079, the "Special Employment Assistance Act of 1974" (S. Rept. No. 93-1327), the Committee expressed grave concern about the employment rates for veterans at that time. The Committee predicted that "the burden of continued increases in unemployment will fall heavily on three groups of veterans who already have high unemployment rates: Young veterans in the 20-to-24 age bracket; minority-group veterans; and disabled veterans. . . . These three groups . . . are very likely going to face even more severe unemployment in the months ahead." Tragically, the Committee's predictions have been realized.

Bureau of Labor Statistics data for the first quarter of 1976 indicated that there were 604,000 unemployed Vietnam-era veterans. Among younger veterans, aged 20-24, a group that this Committee had feared would face particularly high rates of unemployment, the unemployment rate for the first quarter of 1976 was 21.7% more than 60% higher than the rate for similarly-aged nonveterans. In comparison, during the first quarter of 1975, the unemployment rate for younger veterans was 49 percent greater than similarly-aged nonveterans. From the first quarter of 1975 to the first quarter of 1976, younger veteran unemployment decreased less than one percent while the younger nonveteran rate decreased close to 9 percent or at rate nine times greater than the rate for veterans.

Yet in the face of this harsh data, during fiscal year 1975, only 13.6 percent of all CETA enrollees (titles I, II, and VI) were veterans. "Special Vietnam-era veterans" (those with service in Indochina or Korea) comprised only 6.9 percent of all CETA enrollees.

These enrollment figures compare most unfavorably with those of veterans under the Emergency Employment Act of 1971 (EEA), where specific hiring goals were established by EEA regulations, requiring generally that 30 percent of "new hire" positions be filled with Vietnam-era veterans. In actual practice, 43 percent of all enrollees in EEA public service jobs from 1971 to 1973 were veterans. Under the EEA through FY 1974, Vietnam-era veterans comprised 28.3 percent of all hires. The Committee, in its 1974 report accompanying

S. 4079, noted, in connection with the subject of the absence of specific hiring goals:

In the absence of that kind of authority attached to any public service employment bill, it is highly unlikely that veterans will get the special consideration this Committee believes they deserve.

The Committee went on to stress the need for utilization of OJT as an important device for battling continued high veteran unemployment and the need for coordination between the VA and the Department of Labor, especially in regard to OJT and apprenticeship opportunities. The record of Executive Branch performance on this point is sadly lacking.

Despite well-intentioned statements and promises, there has continued to be low utilization of the VA OJT and apprenticeship programs. The General Accounting Office reported in July 1975 that, although large numbers of VA OJT opportunities had been developed, veterans were not being referred to these openings. Hearings before the Senate Committee on Veterans' Affairs in October 1975 revealed that, of 153,765 VA-approved job training establishments, over 108,000 had no trainees enrolled whatsoever.

The GAO report further revealed that 58 percent of employers with approved OJT programs did not have any veterans in training. Of these employers, fully 23 percent stated that they had an immediate need for trainees and would accept one or more qualified veterans. Of those approved employers with a veteran in training, 29 percent stated that there was an immediate need for at least one additional trainee and that they would have accepted one or more qualified veterans if they had been referred. The GAO concluded: "It appears that many more qualified veterans could have been placed in approved programs."

This disappointing record is due in large part to the failure, pointed out in the GAO report, of coordination of Federal activities, especially effective coordination between the Department of Labor and the Veterans' Administration, in the development and utilization of this promising readjustment program. The Department of Labor and the VA must share the responsibility for these failures.

The Department of Labor, acknowledging the "higher than normal levels of unemployment" affecting veterans, has now pledged that special efforts on behalf of veterans will be undertaken to insure that veterans receive priority services in the apprenticeship program in fiscal year 1977. In hearings before the House of Representatives Committee on Appropriations on February 2, 1976, the Deputy Assistant Secretary for Employment of the Department of Labor, in response to an inquiry concerning whether there would be increased participation by Vietnam-era veterans in the apprenticeship program, testified:

Special efforts will be made to insure that veterans receive priority services. Large and small companies, program sponsors, as well as trade and labor organizations will be urged to select veterans for apprenticeship opportunities. Special emphasis will be given to those veterans who are experiencing higher than normal levels of unemployment—the disabled

and minority veterans. New approaches to veterans outreach will be designed and implemented.

The Committee hopes that the amendment in the Committee bill will contribute to the effectiveness of the Department's efforts to deliver on these commitments.

The Committee believes that during this continuing period of high rates of veterans' unemployment, every effort must be made to insure that all available and qualified veterans desiring assistance are placed in training or employment opportunities. The OJT program has a great unrealized potential for such placement.

The reported amendment is also consistent with past efforts by Congress to assure coordinated efforts with respect to veterans' programs. An amendment in Public Law 93-508, codified at 38 U.S.C. 220, provides that:

The VA Administrator shall seek to achieve the maximum feasible effectiveness, coordination, and interrelationship of services among all programs and activities affecting veterans and their dependents, carried out by and under all other departments, agencies, and instrumentalities of the executive branch and shall seek to achieve the maximum feasible coordination of such programs with programs carried out under this title.

In addition, section 104(b) of Public Law 93-567 provides:

(b) The Secretary of Labor, in consultation and cooperation with the Administrator of Veterans' Affairs and the Secretary of Health, Education, and Welfare, shall provide for an outreach and public information program utilizing, to the maximum extent, the facilities of the Veterans' Administration in order to (A) exercise maximum efforts to produce jobs and job training opportunities . . . and inform all eligible veterans about employment, job training, and educational opportunities, under the Comprehensive Employment and Training Act of 1973 . . .

SPECIAL VETERANS OUTREACH AND PUBLIC INFORMATION PROGRAM

The reported bill would also amend the above quoted section 104(b) of the Emergency Jobs and Unemployment Assistance Act of 1974 (P.L. 93-567). This section directed the Secretary of Labor to consult and cooperate with the Administrator of Veterans' Affairs and the Secretary of Health, Education, and Welfare in order to provide for an outreach and public information program. Further, the Secretary of Labor, in consultation and cooperation with the Administrator and the HEW Secretary was required to report to Congress on the steps taken and the regulations issued to carry out the outreach and public information program. The required report was to be submitted within 90 days after enactment of the Act.

Subsequently, the report was submitted to the Congress on May 16, 1975 (136 days after the enactment date). The letter of transmittal from then Secretary of Labor Dunlop noted that:

The Department of Labor (DOL) has held several meetings with veterans' organizations, the National Alliance of Businessmen and the Interagency Jobs for Veterans Advisory Committee to explore the many approaches to an outreach program. This report has been reviewed by both the Department of Health, Education, and Welfare and the Veterans' Administration. The Veterans' Administration has indicated that it strongly favors DOL and other agencies' participation in and increased support of its existing "one-step" service centers, the VETREACH program and the creation of a volunteer program for outreach utilizing the local chapters of the veterans' organizations.

Unfortunately, as noted above, veteran unemployment has continued at discouragingly high rates—particularly among young, minority group, and disabled veterans—while veteran participation in CETA, VA on-job training, and other government programs has been far too low.

In hearings earlier this year before the Senate Committee on Appropriations, the Deputy Assistant Secretary for Employment and Training responded to a question about what had been done under section 104(b) as follows:

The Department of Labor, in consultation and cooperation with the Administrator of Veterans' Affairs and the Secretary of the Department of Health, Education, and Welfare, has initiated a variety of outreach and public information programs to offer maximum job and job training opportunities to eligible veterans. A major thrust of these program initiatives is the outstationing of additional employment service personnel to the Veterans' Administration "one-stop" service centers. Agreements and contracts have been consummated and others are being initiated with community and veterans' organizations to perform outreach activities. Newspapers, television, radio, and other media will be fully utilized to tell employers of the unemployment plight of veterans and to publicize the services which are available to employers and veterans

The above response provides little specific information as to what has in fact been done, and tends to emphasize future plans. Thus, the Committee has required a new report to be filed within 90 days after enactment of this Act in order to permit the Department of Labor to identify and describe in greater detail the "[A]greements and contracts . . . being initiated with community and veterans' organizations to perform outreach activities." Further, this report on the status of outreach and public information programs will allow Congress to compare the report filed in May, 1975, with the new report in order to see the development and progress of the veterans outreach and public information program. The Committee also expects that the report to be filed will reveal that an adequate "CETA and Veterans" technical assistance guide, long awaited, has been distributed to all prime sponsors. Finally, the report will cover steps taken to produce jobs for veterans in connection with the title VI public service jobs

program extension and other amendments contained in the Committee bill.

NATIONAL COMMISSION ON EMPLOYMENT AND UNEMPLOYMENT STATISTICS

Section 13 of the Committee bill provides for the establishment of a National Commission on Employment and Unemployment Statistics which would have the responsibility of examining the concepts, procedures and methods involved in collecting, analyzing and presenting employment and unemployment data and of recommending ways and means of improving the current system. This section is based upon a proposal by Senators Cranston, Javits, and Stevenson.

The Commission is modeled along the lines of the President's Committee to Appraise Employment and Unemployment Statistics (popularly known as the "Gordon Committee" for its Chairman, Dr. Robert A. Gordon, University of California) which was appointed by President Kennedy on November 11, 1961, in response to a proposal by former Secretary of Labor Arthur Goldberg. The Gordon Committee completed its report to the President in 1962. Since that time, no comprehensive appraisal has been made of the employment and unemployment statistical process.

In appointing the Committee in 1961, President Kennedy stated that:

The statistics of employment and unemployment are of vital importance as measures of the economic health and well-being of the nation. They serve as guides to public policy in the development of measures designed to strengthen the economy, to improve programs to re-employ the unemployed, and to provide assistance to those who remain unemployed.

The Committee notes that this statement remains equally valid today, and that the need for timely, accurate, and uniform data on employment and unemployment is especially important in connection with the Comprehensive Employment and Training Act of 1973, since billions of dollars under this Act are distributed among prime sponsors on the basis of formulas that are heavily dependent upon employment estimates.

The Gordon Committee report was highly regarded as a thorough and objective study of the system of measurement of employment and unemployment, and most of its recommendations were adopted. However, developments in the nation's economy during the last decade and a half have created a need for effective public policies to deal not only with the unemployment problems facing the nation as a whole, but with special employment problems of particular segments of the workforce, including minorities, women, and youth. This necessarily requires a reliable and comprehensive measurement system upon which to base decisions in the public policy-making process, and calls for a new examination of these important labor force measurements.

The desirability of creating a new independent commission along the lines of the Gordon Committee has been widely recognized, and the present Commissioner of Labor Statistics, Mr. Julius Shiskin, has re-

peatedly stated his conviction that the time has come for another comprehensive review of employment and unemployment statistics. For example, at his July 13, 1973, Senate nomination hearings before the Committee On Labor and Public Welfare, he stated:

. . . About ten years ago, President Kennedy appointed a committee to take a look at the unemployment data and employment data and see what improvements were desirable. They recommended, among other things, that the committee activity be repeated in about ten years and I would [press this issue] if I were Commissioner.

Former Secretary of Labor Willard Wirtz and former Assistant Commissioner for Manpower and Employment Statistics, Bureau of Labor Statistics, Harold Goldstein, in their report, entitled "A Critical Look at the Measuring of Work", conclude that:

The United States has one of the world's superior systems for work measurement. . . . And yet the preservation of what is good, including continuity of measures over time so that long-term trends can be analyzed and the lessons of recent history learned, constitutes no barrier to improving the system.

Twelve years have elapsed since the last general review of work measurements by the President's Committee to Appraise Employment and Unemployment Statistics. The social and economic environment have changed greatly during these years. So have the questions the data are required to answer. New knowledge and techniques, the results of new research, are now available for the development of improved measurements and for their better applications to increasingly complex problems and to the improvement of new prospects. It is time that another general review of these measurements be made, by another Committee of competent, respected, and independent members.

Accordingly, it is the principal function of the Commission to identify the nation's requirements for statistics on the labor force, to undertake a thorough review of the current procedures, concepts, and methodology, and to make recommendations necessary to develop a comprehensive, reliable, timely, and consistent measurement system of persons employed and those looking for work.

The Committee expects the Commission, in light of the changes which have occurred in the economy and in the characteristics of the labor force during the last two decades, to determine whether the present statistical concepts of employment and unemployment accurately indicate whether the nation is making the best use of its human resources.

A number of questions have arisen over the last few years regarding the validity of the present concepts. Basically, the determination of whether a person is classified as employed, unemployed, or out of the labor force is based on the results of a monthly sample survey of 47,000 households to determine the chief activity of the individuals in the households during one week of the month. Any person who did some work for pay during that survey week—regardless of how little work

or for how little pay—is classified as employed. Anybody who did no work, but who was looking for work and had actively sought to find it, is considered unemployed. A person who neither worked nor looked for work is determined to be "not in the labor force".

This means that an unemployed household head seeking full-time employment for a number of weeks and finding a one-week, part-time job during the survey week, is counted as employed. If a teenager looks for part-time employment after school and cannot find a job, that individual is considered unemployed. If another unemployed household head has been seeking employment for a number of months, but has been unsuccessful in an attempt to find a job and has stopped looking, that person is determined to be "not in the labor force".

As an economic indicator, our measurement system should present the clearest possible picture of the utilization of our human resources, which necessarily goes beyond a simple classification of whether an individual is employed, unemployed, or not in the labor force. For example, we must be able to distinguish persons whose principal activity is education and who are seeking limited, part-time employment from skilled, full-time workers. Moreover, other factors, such as household status, occupational skill, and duration of employment affect the significance of the individual's activity in terms of contributions to the economy. The Commission is expected to examine and evaluate these issues in its report.

In addition, the Committee has been concerned for some time with the development of labor force data that would measure the degree of economic hardship experienced by individuals both in and out of the labor force. In the Comprehensive Employment and Training Act of 1973, the Secretary of Labor was directed to develop such data, including measures of "unemployment, labor force participation, involuntary part-time employment and full-time employment at less than poverty wages." No agreed-upon measurement system has yet been developed.

The Commission is directed in the bill to examine this issue and is expected by the Committee to make specific recommendations for implementing the directive expressed in CETA.

Governmental policies at all levels to promote economic growth and full employment also depend on the availability of timely and reliable measurements of employment trends on a regional and subregional basis. Although some improvements have been made, as called for by the Gordon Committee, the present system presents information which is typically too little and too late. Among the problems to which the Commission should address itself are the compatibility of national, state, regional, and local data, the coordination of data from the unemployment insurance system with data derived from the monthly household survey, and the availability of such data for local areas. This is of particular importance in connection with the design and implementation of governmental programs to assist areas of high unemployment.

COMMITTEE ACTION

The bill was unanimously ordered reported by the Committee on Labor and Public Welfare. There were no roll call votes during its consideration.

COMMITTEE'S ESTIMATE OF COSTS

This proposed legislation authorizes the appropriation of such sums as may be necessary for fiscal year 1976, for the transition quarter, and for fiscal year 1977. In view of the enactment of the Emergency Supplemental Appropriations Act of 1976, which appropriates funds for use in both title II and title VI areas (as would be statutorily ratified for hold harmless purposes by section 4 of this bill), the new authorization in this bill is likely to be used only for appropriations for fiscal year 1977. The authorization to appropriate such sums as may be necessary leaves it to the appropriations process to determine funding levels, within such limits as are imposed by the Congressional Budget Resolution.

The following tables shows the cost estimates for title VI of CETA, first, at the level necessary to continue public service jobs currently funded under title VI, and second, at the level anticipated by the Congressional Budget Resolution.

EMERGENCY JOBS PROGRAMS EXTENSION ACT OF 1976 (H.R. 12987 AS REPORTED, SENATE LABOR AND PUBLIC WELFARE COMMITTEE)

Fiscal Year 1977, Cost Estimates for Extension of Title VI of Comprehensive Employment and Training Act (CETA)

	Funds	Jobs
Funds necessary to continue current level of 260,000 title VI public service jobs through fiscal year ending Sept. 30, 1977 ¹	\$1,711,000,000	1: 260,000
Additional funds for employment projects for long-term unemployed, up to level assumed in the congressional budget resolution	1,789,000,000	2: 260,000
Total based on congressional budget resolution assumptions	3,500,000,000	4: 520,000

¹ In addition to the total current level of 260,000 public service jobs under title VI, there are 56,700 under the regular \$400,000,000 appropriation for public service jobs in areas of substantial unemployment under title II of CETA.
² Current level of title VI jobs.
³ Potential additional level of title VI jobs.
⁴ Total potential level of title VI jobs.

CONGRESS OF THE UNITED STATES,
 CONGRESSIONAL BUDGET OFFICE,
 Washington, D.C., May 14, 1976.

HON. HARRISON A. WILLIAMS, JR.,
 Chairman, Committee on Labor and Public Welfare,
 U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached gross cost estimate for the Emergency Jobs Program Extension Act of 1976.

Should the Committee so desire, we would be pleased to provide further details on the attached cost estimate.

Sincerely,

JAMES L. BLUM
 (For Alice M. Rivlin, Director)

Attachment.

CONGRESSIONAL BUDGET OFFICE

COST ESTIMATE

1. Bill number: H.R. 12987 (proposed Senate Substitute).
2. Bill title: Emergency Jobs Program Extension Act of 1976.
3. Purpose of bill: This bill provides for: (1) the reauthorization of Title VI of the Comprehensive Employment and Training Act through FY 1977; (2) employment projects for the long-term unemployed; (3) unemployment compensation benefits to public service employees under CETA who are employed by the State or local government employers in the nine states which provide for mandatory or elective coverage of employees of such employers, and any such employers covered under a local compensation effective January 1, 1976; and (4) the establishment of a National Commission on Employment and Unemployment Statistics.

4. Cost estimate: (Dollars in millions).

This bill authorizes that such sums as may be necessary for FY 1976, the Transition Quarter, and FY 1977 be appropriated. The estimated gross costs associated with this bill are \$3,507 million for FY 1977.

(In millions of dollars)

	Fiscal year 1976	Transition quarter	Fiscal year 1977	Fiscal year 1978
Continuing title VI public employment projects	0	0	1,711	
Unemployment compensation for CETA employees			1,789	
National Commission on Employment and Unemployment Statistics			1	1
Total	0	0	3,507	1

5. Basis for estimate:

REAUTHORIZATION OF TITLE VI

In order to estimate the Title VI costs of this bill, an assessment must be made of the costs per public employment job and the impact of recent appropriations for public service employment.

Costs per public employment job

The Department of Labor's most recent estimate of the cost and enrollment figure for FY 1976 for Title II and Title VI are illustrated in Table I on the following page:

TABLE I.—COSTS AND ENROLLMENTS IN PUBLIC EMPLOYMENT

	Average enrollment	Percent	Average cost
Title II	56,700	18	\$7,400
Title VI	260,000	82	8,300
Total	316,700		

Because prime sponsors have not differentiated between Title II and Title VI employees, a weighted average cost of \$8,138 was utilized to estimate costs of this bill.

Impact of recent public employment appropriations bill

The recent appropriation of \$1,200 million for holding harmless the number of Title II and Title VI employees through January 1, 1977 also impacts on the costs of this bill. With an enrollment of 316,700 and an average cost of \$8,138, the total costs for Title II and Title VI for FY 1977 are estimated at \$2,577 million. According to appropriations history, \$400 million of the \$2,577 million are outlays associated with Title II and the remaining \$2,177 million are generated from the Title VI program.

In developing the cost estimate for this bill, then, the recent \$1,200 million appropriation must be included to obtain the marginal costs of maintaining the current enrollment for Title VI through FY 1977. According to the DOL, \$150 million is required to hold harmless the public employees on Title II and Title VI for the remainder of FY 1976, which leaves a residual of \$1,050 million from the \$1,200 million appropriation. Thus, there are no costs for this bill for FY 1976, as part of the \$1,200 million appropriation covers these costs.

For the Transition Quarter, the costs of maintaining the current enrollment are \$644 million ($316,700 \times \$8,138 \times .25$). The Transition Quarter costs are also covered by the \$1,200 million appropriation as well as by a \$100 million appropriation for Title II, but it further reduces the amount left in those appropriations to \$506 million.

Based on past appropriations history for Titles II and VI, approximately \$405 million of these appropriations would be allocated to Title VI and \$101 million to Title II for FY 1977.

The costs of maintaining current enrollment through FY 1977, then, are the enrollment for Title VI, $260,000 \times \$8,138$, which is \$2,116 million minus the \$405 million residual from past appropriations. The marginal costs, then, of Title VI are \$1,711 million for FY 1977.

EMPLOYMENT PROJECTS FOR THE LONG TERM UNEMPLOYED

The intent of this legislation is to maintain the current enrollment for Title VI and, having accomplished that, provide for project-oriented public service employment for the long term unemployed. The concurrent resolution provides for at least \$4,400 million in outlays for FY 1977; additional funds may be available from the Allowance Function of the budget resolution. However, a number of subtractions must be made to arrive at the outlays available for Title VI for FY 1977. First, the \$506 million in past appropriations must be subtracted, leaving about \$3,900 million. In addition, the Title II appropriation for FY 1977 of about \$400 million must also be subtracted, leaving \$3,500 million for Title VI. Finally, from the \$3,500 million the costs of maintaining the current enrollment in the Title VI must also be subtracted, which leaves at least \$1,789 million for employment projects for the long term unemployed.

Because of the newness of the project-oriented approach, as well as the fact that individuals participating in these projects will be: (1) individuals who have been receiving unemployment compensation for

fifteen or more weeks; (2) individuals who are ineligible for such benefits and have been unemployed for fifteen or more weeks; (3) individuals who have exhausted unemployment compensation benefits; (4) AFDC recipients—it is difficult to determine the cost per job. At the maximum, the cost per job will be \$8,138, the same as for Title VI. On the other hand, because of the category of individuals being served, the costs per job are estimated to be as low as \$5,980.¹ The mid point between these two extremes (\$7,059) leads to a total number of jobs created by this provision of 260,000. This means that the total number of jobs provided by this legislation will be approximately 520,000.

The employment projects section of this bill have considerable offsets in the form of reduced AFDC payments, U.C. benefits, and increased tax receipts, which will substantially reduce the net costs of this section of the legislation.

U.C. BENEFITS FOR PUBLIC EMPLOYEES

The costs of this provision are negligible assuming that the current enrollment is maintained through FY 1977. However, since the provisions are retroactive to January 1, 1976, some eligible public employees may have received unemployment benefits during the three month period before the April appropriation of \$1,200 million.

The total estimated enrollment in CETA public employment Titles I, II, and VI for FY 1976 is estimated to be 326,000. The State and local government unemployment rate for the third quarter of FY 1976 is estimated to be about 4 percent.¹ Thus, the total number of unemployed public service employees during this quarter is estimated to be 13,040. However, this provision only applies essentially to nine states which represents 27 percent of the total insured unemployed. The 13,040 is further reduced, then, by 27 percent to 3,521. This caseload leads to an estimated cost of \$5.5 million. The cost is derived by multiplying $3,521 \times 26$ (average duration on UI) $\times \$70$ (average weekly benefit) $\times .85$ (participation rate).

NATIONAL COMMISSION ON EMPLOYMENT AND UNEMPLOYMENT STATISTICS

The estimated costs of the Commission are \$1 million for FY 1977 and \$1 million for FY 1978. This estimate is based on \$50,000 per man year.

6. Estimate comparison: Not Applicable.
7. Previous CBO estimate: Not Applicable.
8. Estimate prepared by: Robert F. Black.
9. Estimate approved by: James L. Blum, Assistant Director for Budget Analysis.

¹ This figure was developed by multiplying the minimum wage of \$2.30 x 40 hours x 52 weeks, which yields \$4,784. However, fringe benefits, allowances, and administrative costs will account for an additional 20 percent, which is similar to the Title VI program for these factors.

SECTION-BY-SECTION ANALYSIS

Section 1. Short title

This section provides that the Act may be cited as the "Emergency Jobs Programs Extension Act of 1976".

Section 2. Authorization of appropriations

This section amends section 601 of the Comprehensive Employment and Training Act of 1973 to authorize the appropriation of such sums as may be necessary for fiscal year 1976, the transition quarter beginning July 1 and ending September 30, 1976, and for fiscal year 1977, for carrying out title VI.

Section 3. Supplies and equipment

This section provides that not less than 85 percent of funds allocated for use for public service jobs programs under title II and VI of CETA shall be expended only for wages and employment benefits to persons employed in public service jobs. The remainder, up to 15 percent of a prime sponsor's allocation, may be used for administrative costs, including rental costs and necessary supplies, equipment and materials. This provision makes ineffective, for purposes of this authorization, the provisions of section 602(b) and 203(b) which provide that 90 percent of allocations must go to wages and employment benefits, and of section 208(a) (7) which provides that no funds may be used for rental or purchase of supplies and equipment.

Subsection (b) of this section provides that financial records of a prime sponsor relating to public service employment programs under CETA, and records of the names, addresses, positions, and salaries of all persons in public service jobs shall be maintained and made available to the public.

Section 4. Use of discretionary funds

Subsection (a) of this section provides that, with respect to appropriations made under the title II authorization, by the Emergency Supplemental Appropriations Act of 1976 (Public Law 94-266) funds made available out of the Secretary's discretionary 20 percent, may be used in any area under title VI so as to continue public service employment activities under both title II and title VI. In addition, with respect to allocations, whether under the formula or out of discretionary funds from the Emergency Supplemental Appropriations Act, the Secretary of Labor is authorized to waive the provision of section 205(a) of CETA requiring a 30-day period of unemployment in order to enable persons employed under title VI to be transferred to title II.

Subsection (b) amends section 603(b) of CETA by adding a provision specifically authorizing the Secretary of Labor to utilize discretionary funds (up to 10 percent of title VI appropriations) to assure a continuation of public service employment activities previously supported under the Act. In distributing such discretionary

funds, the Secretary must base allocations upon previously sustained public service employment activities within the jurisdiction of each unit of general local government eligible to be a prime sponsor whether or not such unit has entered into a consortium. In addition, the Secretary of Labor would be authorized to use remaining discretionary funds to provide financial assistance for the purpose of demonstrating the feasibility of new and innovative job creation approaches to public service employment programs.

Section 5. Employment projects for long-term, low-income unemployed persons

Subsection (a) of this section amends title VI of CETA by adding at the end thereof two new sections:

Section 607(a) provides that each prime sponsor shall, in accordance with regulations, utilize such portion of its title VI allocation for fiscal year 1977 as may be necessary to sustain throughout fiscal year 1977 public service jobholders who were supported under title VI during fiscal year 1976.

Section 607(b) provides that the remainder of each prime sponsor's allocation shall be used to provide public service jobs for eligible unemployed persons (described in section 607(c)) in projects and activities carried out by project applicants. Projects and jobs are not to exceed 12 months in duration and shall provide employment consistent with the aim of maintaining average federally supported wage rates for public service jobholders (adjusted on a regional and area basis) as set forth under section 209(b) of CETA—i.e., aiming at a nationwide average wage rate of \$7,800 annually.

Section 607(c) provides that, in filling public service jobs assisted under section 607(b), each prime sponsor shall determine that each person hired in such a public service job is a person who (A) has been receiving unemployment compensation for 15 or more weeks, or (B) is ineligible for such benefits and has been unemployed for 15 or more weeks, (C) has exhausted unemployment compensation benefits, or (D) is a recipient of aid to families with dependent children (AFDC). Such a person would not be eligible, however, if a member of a household having a gross income, exclusive of wages received in a title VI job, exceeding 70 percent of the lower living standard budget.

Section 607(d) defines lower living standard budget as the Bureau of Labor Statistics annually determined lower living standard budget, adjusted for regional and metropolitan and urban and rural differences, and family size.

Section 607(e) provides that each prime sponsor shall take steps to insure that funds provided in accordance with section 607(b) shall be equitably allocated among the categories of eligible persons described in subsection (c) in light of the composition of the population of unemployed eligible persons served by the prime sponsor.

Section 607(f) provides that, in providing public service jobs and determining hours of work for eligible persons with financial assistance provided in accordance with subsection (b), each prime sponsor shall take into account the household support obligations of men and women applying for such jobs. The prime sponsor shall also give special consideration to such alternative working arrangements as flexible hours of work, shared time, and part-time jobs, for eligible persons, including parents of young children and for older persons.

Section 607(g) directs the Secretary to take steps, through the affiliated State employment security agency, to assure that unemployment compensation recipients, after twelve weeks of continuing to receive unemployment compensation benefits, shall thereupon be notified of his or her potential eligibility for a public service job. Such notification must make clear that the recipient continues to be eligible for benefits and that the notification is to inform and not coerce the recipient.

Section 607(h) provides that no funds under the Act may be used to provide public services, through a private or nonprofit organization or institution, which are customarily provided by a State, a political subdivision, or a local educational agency in the area served by the project.

Section 608(a) provides for a project applicant to submit a copy of its project application to the prime sponsor's planning council to enable it to submit recommendations to the prime sponsor. No member of a prime sponsor's planning council may participate or cast a vote in the council's deliberations with respect to any project in which that member has an interest.

Section 608(b) provides that, consistent with such procedures as the prime sponsor establishes in accordance with regulations, the prime sponsor shall not disapprove a project application submitted by a project applicant unless it has first considered the comments and recommendations of the prime sponsor's planning council and unless it has afforded an opportunity for a hearing prior to final disapproval of any such application.

Subsection (b) of section 5 of the bill provides that, in reallocating discretionary funds, the Secretary shall give priority first to other areas within the same State and then to areas within other States, taking into account the number of eligible unemployed individuals (as described in section 607(c)) in such areas.

Section 6. Unemployment assistance for public service employees

This section provides that the States and political subdivisions shall be reimbursed under the Special Unemployment Assistance program for the costs of providing unemployment benefits to workers who are employed in public service employment pursuant to the Comprehensive Employment and Training Act. This provision applies to such employees who are employed by the State or local government employers in the States which provide for mandatory or elective coverage of employees of such employers, and any such employers covered under a local unemployment compensation plan. It also applies with regard to employees employed in public service employment by non-profit organizations, the employees of which are required to be covered under the applicable state unemployment insurance law by the Federal Unemployment Tax Act. Public service employees employed by State and local governments in the other States generally already receive unemployment assistance under the special unemployment assistance program. This amendment is effective with regard to weeks of unemployment beginning on and after January 1, 1976.

Payments under this authorization would be made on a monthly basis to the States, or to political subdivisions in the case of coverage under local unemployment compensation plans, on estimates made by the Secretary of Labor on the basis of reports made to the Secretary.

The Secretary will certify his estimates to the Secretary of the Treasury, who will make the payments from the appropriation for special unemployment assistance. The amendment is effective with respect to compensation or assistance paid for weeks of unemployment that begin on and after January 1, 1976.

To avoid duplication of payments to the States and political subdivisions for the costs of unemployment insurance protection of public service employees, the States and political subdivisions are required to repay to employers who have reimbursed the State or political subdivision for any such benefits paid after the January 1 effective date, and may not charge the employers for benefits which are subject to payment by the United States. Also, an employer who is liable for contributions to the State or political subdivision with respect to public service employment must be repaid the amount of any contributions paid with respect to services performed in such employment on and after January 1, 1976, and in computing the contribution rates for any such employer the relevant factors in the computations may not take into account any element pertaining to public service employment or compensation paid which is the subject of a payment by the United States under this section. Adherence to these requirements by a State is not intended to impair certifiability for credits under sections 3303(b) and 3304 of the Federal Unemployment Tax Act, or certifiability of grants under title III of the Social Security Act.

The amendments made by section 6 are effective October 1, 1976.

Section 7. Clarifying amendment

This section amends section 205(c)(24) of CETA which provides that applications for assistance shall contain a description of manpower needs of State governments, as well as of local governments, by changing the requirement with respect to such applications requiring that certain assurances relating to promotional opportunities in "job categories" be made, so that such assurances relate instead to "promotional lines."

Section 8. Indian programs

This section amends section 602(e) of CETA, which provides that Indian tribes on Federal or State reservations are eligible applicants to carry out public service employment programs, by eliminating the restrictions to tribes which are "on Federal or State reservations", providing instead that eligible applicants include Indian tribes, bands, and groups qualified under section 302(c)(1) of CETA.

Subsections (b) and (c) of this section provide that not less than 4 percent of the title VI allocations shall be allocated to Indian tribes, bands, or groups which are designated as eligible applicants to carry out public service employment programs.

Section 9. Community-based organizations

This section provides that the Secretary of Labor shall provide financial assistance under CETA, and shall assure that prime sponsors will provide financial assistance under CETA, for employment and training programs carried out by community-based organizations which have demonstrated their effectiveness in job creation and in placing disadvantaged persons in jobs with private industry and business, or which provide full-time or part-time job opportunities for older persons and others for whom job opportunities are lacking.

Emphasis is to be placed on the utilization of public works projects and other Federal financial assistance to local public agencies to increase the employability of unemployed persons and provide opportunities for industry to create additional jobs for the unemployed in rural and urban communities.

Subsection (b) of this section provides that the Secretary of Labor shall seek the cooperation of the heads of other Federal agencies administering financial assistance programs having significant job-creating impact in order to assure special consideration for the utilization of community-based organizations for the provision of comprehensive employment services and job opportunities for unemployed persons. Such financial assistance programs include the State and Local Fiscal Assistance Act of 1972, title I of the Housing and Community Development Act of 1974, and any programs for public works and economic development, and railroad rehabilitation projects.

Subsection (c) provides that, notwithstanding any other provision of law, allocations for employment of individuals under CETA may be used in conjunction with funds from any other public or private source.

Subsection (d) authorizes the Secretary of Labor to support projects demonstrating the feasibility of providing relocation assistance to unemployed workers in areas of substantial unemployment. The Secretary is authorized to provide relocation assistance in such form and amount as he deems appropriate, using as a general guideline the form and amount of readjustment assistance under title II of the Trade Act of 1974.

Section 10. Work on weatherization projects

This section provides that, notwithstanding any other provision of law, employment and training services, furnished pursuant to any provision of the Comprehensive Employment Training Act of 1973 in connection with winterization projects authorized under section 222 (a) (12) of the Economic Opportunity Act of 1964 may include work on such projects for the near poor, including families having incomes of 125 per centum of the poverty guideline or less.

Section 11. Project applicants

Subsection (a) of this section makes clear that funds made available by the prime sponsor to project applicants may be used for projects and activities extending over a period of one year from the commencement of the project or activity.

Subsection (b) defines project applicants to include States and agencies thereof, units of general local government and agencies thereof, special purpose political subdivisions, local educational agencies, institutions of higher education, community-based organizations, community development corporations, nonprofit groups and organizations serving Indians or Native Hawaiians, and other nonprofit organizations or institutions engaged in public service.

Section 12. Veterans employment and training assistance

Subsection (a) requires a report to Congressional Committees within ninety days of the legislation's enactment.

Subsection (b) amends section 106(b) (5) of CETA title I to conform with the recently revised statutory language codified at section 2012(a) of title 38. Currently, section 106(b) (5) of title I of CETA provides that any state comprehensive manpower plan shall:

set forth arrangements for assisting the Secretary in carrying out his responsibilities for enforcing the requirement for Federal contractors and subcontractors to list all suitable employment openings with local offices of the State employment service and provide special emphasis as required in section 2012(a) of title 38, United States Code.

As originally enacted in 1972 in Public Law 92-540, section 2012(a) of title 38, United States Code, required Federal contractors to give "special emphasis" to the employment of qualified disabled veterans and veterans of the Vietnam era. Subsequent to the enactment of the Comprehensive Employment and Training Act of 1973, Congress amended section 2012 (a) of title 38 in the Vietnam Era Veterans Readjustment Assistance Act of 1974 (Public Law 93-508) by changing "special emphasis" to "affirmative action."

This is a conforming amendment to section 106(b) (5) of title I of CETA to reflect the changes made by the 1974 GI Bill amendments.

Section 13. National Commission on Employment and Unemployment Statistics

This section establishes the "National Commission on Employment and Unemployment Statistics" and charges it with the responsibility of evaluating and making recommendations to the Congress and to the President with respect to the needs of the Nation for employment and unemployment statistics. The bill declares that the reliable and comprehensive measurement of employment and unemployment is vital to assessing the Nation's economic well-being and the utilization of its work force, and that these statistics are important determinants of public policies toward job creation, education, training, assistance for the jobless, and other labor market programs.

Directs the Commission to consider a number of issues in the course of its examination. Going beyond a critical and comprehensive look at the current methodology of collection, analysis, and presentation of employment statistics, the bill directs the Commission to consider ways of making improvements in the statistical process such as in the analysis of the employment conditions of particular groups and methods of achieving current, accurate, and uniform statistics on a State and local basis. The Commission is directed to study the need for and methods to obtain data relating employment status and earning, economic hardship, and family support obligations. The Commission is also to direct its attention to statistical data on the functioning of education and training programs, and statistical indicators of the relationship between those programs and subsequent employment, earnings, and unemployment experience. The committee also directs the Commission to look at the need for and availability of occupational information, particularly on a local basis, to assist youths and adults in making training, education, and career choices. The Committee notes a need for educational data and analysis on job vacancies, job turnover, and job matching, part-time workers, youth, women, older persons, minorities, women, handicapped individuals, and other labor market participants. These issues, along with others enumerated in the Committee bill, will be put before the Commission for its study.

Subsection (b) provides that the Commission shall consist of nine members who are appointed by the President, with the advice and consent of the Senate. Seven of the members are to be selected on the basis

of their particular knowledge and experience, and are to be broadly representative of labor, business and finance, education and training, economics and statistics, and state and local government. The remaining two members are to be selected from the general public. The bill also requires that the membership of the Commission shall be generally representative of significant segments of the labor force, including women and minority groups.

Subsection (b) further provides that certain members of the executive and legislative branches are to assist and participate in the activities of the Commission on an advisory basis. The Commission may also wish to invite representatives from the Council of Economic Advisors and the Federal Reserve Board to assist in its work.

The Committee intends that the provision for executive and legislative advisory participation will not hinder the Commission's objective and independent inquiry, but rather will provide first-hand information on their special concerns and interests and thus enhance the prospect that the Commission's recommendations will be implemented.

Provision is made for the selection of a Chairman by the President from among the members of the Commission, and the appointment of an executive director, and of the necessary professional, technical, and clerical staff to carry out the Commission's charge without regard to the Civil Service classification laws and regulations. The Commission is required to submit its report to the Congress and to the President on its findings and recommendations with respect to the labor force statistical process within 18 months of its establishment.

In submitting the final report to the Congress and the President, the Commission is to include a feasible schedule for implementation of its recommendations, cost estimates of such implementation, and any appropriate draft regulations and legislation necessary to implement such recommendations.

In order to provide assurance of full consideration and appropriate followup on the Commission recommendations, the Committee bill requires that the Secretary of Labor, in coordination with other affected executive agencies, take action on the Commission's recommendations. In a six-month interim report to the Congress, the Secretary is to include comments on the desirability, feasibility, and cost of implementing each of the Commission's recommendations, and the actions taken or planned with respect to implementation, as well as any recommendations the Secretary may have for alternative or additional legislation necessary to strengthen and improve the measurement of employment and unemployment. A final report by the Secretary on the actions taken with respect to the Commission's recommendations is to be submitted within two years.

Provision is made for administrative support and services (such as those provided by the General Services Administration and the Postal Service) to be provided to the Commission by all Federal departments, agencies, and instrumentalities, as well as for the termination of the Commission 180 days after submission of its final report—the date by which the Labor Department's interim follow-up report is due.

The appropriation of such sums as may be necessary is authorized in section 13 of the Committee bill. The best estimate of cost available is that the Commission work will cost approximately \$1,000,000 for the first year and \$1,000,000 for the second year.

CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman):

COMPREHENSIVE EMPLOYMENT AND TRAINING ACT OF 1973, AS AMENDED

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Comprehensive Employment and Training Act of 1973".

TITLE I—COMPREHENSIVE MANPOWER SERVICES

* * * * *

CONDITIONS FOR RECEIPT OF FINANCIAL ASSISTANCE

SEC. 105. (a) The Secretary shall not provide financial assistance for any fiscal year to a prime sponsor unless such sponsor submits a comprehensive manpower plan, in such detail as the Secretary deems necessary, which—

(1) sets forth a comprehensive manpower program which meets the objectives of this title, including (A) a description of the services to be provided, and performance goals, (B) assurance that such services will be administered by or under the supervision of the prime sponsor, (C) a description of the geographical areas to be served under the plan, and (D) assurances that to the maximum extent feasible manpower services, including the development of job opportunities, will be provided to those most in need of them, including low-income persons and persons of limited English-speaking ability, and that the need for continued funding of programs of demonstrated effectiveness is taken into account in serving such groups and persons;

(2) provides, in the case of prime sponsors who are recipients of funds under title II for the development of a public service employment program, that it is fully integrated with the services under this title in order to assure that persons employed in such a program are afforded a better opportunity to find regular employment not supported under this Act;

(3) (A) provides appropriate arrangements with community-based organizations serving the poverty community, and other special target groups for their participation in the planning of programs included in the plan; (B) provides for utilizing those services and facilities which are available, with or without reimbursement of the reasonable

cost, from Federal, State, and local agencies to the extent deemed appropriate by the prime sponsor, after giving due consideration to the effectiveness of such existing services and facilities, including, but not limited to, the State employment service, State vocational education and vocational rehabilitation agencies, area skills centers, local educational agencies, post secondary training and education institutions, and community action agencies, but nothing contained herein shall be construed to limit the utilization of services and facilities of private agencies, institutions and organizations (such as private business, labor organizations, private employment agencies, and private educational and vocational institutions) which can, at comparable cost, provide substantially equivalent training or services or otherwise aid in reducing more quickly unemployment or current prospective manpower shortages; (C) provides that in making arrangements for institutional training priority shall be given (to the extent feasible) to the use of skills center established under the authority of section 231 of the Manpower Development and Training Act of 1962; (D) provides arrangements to the extent feasible for the coordination of services for which financial assistance is provided under programs administered by the Secretary of Labor relating to manpower and manpower-related services; and (E) provides arrangements to promote maximum use of apprenticeship or other on-job training opportunities pursuant to section 1787 of title 38, United States Code;

* * * * *

SPECIAL PROVISIONS RELATING TO STATE PRIME SPONSORS

Sec. 106. (a) Any State seeking assistance under this Act shall submit a State comprehensive manpower plan to the Secretary for approval in accordance with the requirements of this section.

(b) The State comprehensive manpower plan shall in addition to meeting the requirements of section 105—

(1) provide satisfactory arrangements for serving all geographical areas under its jurisdiction except areas served by an eligible applicant who has filed a notice of intent under section 102(c), except that such plan may be amended to include areas served by an eligible applicant whose plan is finally disapproved without prejudice to the remedies available to such eligible applicant under section 109;

(2) provide for the cooperation and participation of all State agencies providing manpower and manpower-related services in the implementation of comprehensive manpower services plans by prime sponsors in accordance with the provisions of this Act;

(3) set forth an overall State plan for the development and sharing of resources and facilities needed to conduct manpower programs under its direct sponsorship without unnecessary duplication and otherwise in the most efficient and economical manner;

(4) provide for the coordination of programs financed under the Wagner-Pevser Act in accordance with such rules, regulations, and guidelines as the Secretary determines necessary for the purpose of providing coordinated and comprehensive assistance to those individuals requiring manpower and manpower-related services to achieve their full occupational potential in accordance with the policies of this Act;

(5) set forth arrangements for assisting the Secretary in carrying out his responsibilities for enforcing the requirement for Federal contractors and subcontractors to list all suitable employment openings with local offices of the State employment service and [provide special emphasis.] take affirmative action, as required in section 2012(a) of title 38, United States Code;

(6) set forth arrangements, if any, which the State may desire to provide for planning areas to serve geographical regions within the State; and

(7) make adequate provisions for the coordination of the manpower and related services to be provided by the State in areas to be served by prime sponsors other than the State, and that provision has been made for the establishment of mechanisms to (A) provide for the exchange of information between States and local governments on State, intrastate, and regional planning in areas such as economic development, human resource development, education, and such other areas that may be relevant to manpower planning; and (B) promote the coordination of all manpower plans in a State so as to eliminate conflict, duplication, and overlapping between manpower services.

* * * * *

TITLE II—PUBLIC EMPLOYMENT PROGRAMS

STATEMENT OF PURPOSE

Sec. 201. It is the purpose of this title to provide unemployment and underemployed persons with transitional employment in jobs providing needed public services in areas qualifying for assistance and, wherever feasible, related training and manpower services to enable such persons to move into employment or training not supported under this title.

ALLOCATIONS OF FUNDS

Sec. 202. (a) Eighty per centum of funds available for any fiscal year for use in areas of substantial unemployment under this title shall be allocated among eligible applicants in accordance with the number of unemployed residing in areas of substantial unemployment within the jurisdiction of the applicant compared to the number of unemployed residing in all such areas.

(b) The remainder may be distributed by the Secretary in his discretion taking into account the severity of unemployment within such areas.

FINANCIAL ASSISTANCE

Sec. 203. (a) The Secretary shall enter into arrangements with eligible applicants in accordance with the provisions of this title in order to make financial assistance available in areas of substantial unemployment for the purpose of providing transitional employment for unemployed and underemployed persons in jobs providing needed public services, and training and manpower services related to such employment which are otherwise unavailable, and enabling such persons to move into employment or training not supported under this title.

(b) Not less than 90 per centum of the funds appropriated pursuant to this title which are used by an eligible applicant for public service employment programs shall be expended only for wages and employment benefits to persons employed in public service jobs pursuant to this title.

ELIGIBLE APPLICANTS

SEC. 204. (a) Financial assistance under this title may be provided by the Secretary only pursuant to applications submitted by eligible applicants which are—

- (1) prime sponsors qualified under title I; or
- (2) Indian tribes on Federal or State reservations.

(b) For fiscal year 1974, eligible applicants included any entity eligible to be a prime sponsor under section 102(a).

(c) For the purpose of this title "areas of substantial unemployment" means any area of sufficient size and scope to sustain a public service employment program and which has a rate of unemployment equal to or in excess of 6.5 per centum for three consecutive months as determined by the Secretary. Determinations concerning the rate of unemployment shall be made by the Secretary at least once each fiscal year.

(d) (1) Whenever an area qualifying for assistance within the jurisdiction of an eligible applicant is also within the jurisdiction of a unit of general local government or a combination of such units having a population of 50,000 or more (but less than the necessary to qualify as a prime sponsor under title I), the eligible applicant shall delegate such unit or units of general local government the functions of program agent with respect to the funds allocated to such eligible applicant on account of such area qualifying for assistance.

(2) For purposes of this subsection the functions of program agent include the administrative responsibility for developing, funding, overseeing, and monitoring programs within the area but such functions shall be carried on consistently with the application for financial assistance which shall be developed by the eligible applicant in cooperation with the program agent.

(3) Whenever two or more units of general local government qualify as program agents with respect to the same area qualifying for assistance the provisions of section 102(b)(2) shall be applicable.

(e) Whenever the Secretary makes any determination required by this section, he shall promptly notify the Congress and shall publish such determination in the Federal Register.

APPLICATIONS

SEC. 205. (a) Financial assistance under this title may be provided by the Secretary for any fiscal year only pursuant to an application which is submitted by an eligible applicant and which is approved by the Secretary in accordance with the provisions of this title. Any such application shall set forth a public service employment program designed to provide employment, in jobs providing needed public services, for persons residing in areas qualifying for assistance who have been unemployed for at least thirty days and, where appropriate, training and manpower services related to such employment

which are otherwise unavailable, and to enable such persons to move into employment or training not supported under this title.

(b) Programs assisted under this title shall, to the extent feasible, be designed with a view toward—

- (1) developing new careers, or
- (2) providing opportunities for career advancement, or
- (3) providing opportunities for continued training, including on-the-job training, or
- (4) providing transitional public service employment which will enable the individuals so employed to move into public or private employment or training not supported under this Act.

(c) An application for financial assistance for a public service employment program under this title shall include provisions setting forth—

(1) assurances that the activities and services for which assistance is sought under this title will be administered by or under the supervision of the applicant, identifying any agency or institution designated to carry out such activities or services under such supervision;

(2) a description of the area to be served by such programs, and a plan for effectively serving on an equitable basis the significant segments of the population to be served, including data indicating the number of potential eligible participants and their income and employment status;

(3) assurances that only persons residing within the area qualifying for assistance will be hired to fill jobs created under this title, and that the public services provided by such jobs shall, to the extent feasible, be designed to benefit the residents of such areas;

(4) assurances that special consideration will be given to the filling of jobs which provide sufficient prospects for advancement or suitable continued employment by providing complementary training and manpower services designed to (A) promote the advancement of participants to employment or training opportunities suitable to the individuals involved, whether in the public or private sector of the economy, (B) provide participants with skills for which there is an anticipated high demand, or (C) provide participants with self-development skills, but nothing contained in this paragraph shall be construed to preclude persons or programs for whom the foregoing goals are not feasible or appropriate;

(5) assurances (A) that special consideration in filling transitional public service jobs will be given to unemployed persons who served in the Armed Forces in Indochina or Korea on or after August 5, 1964, in accordance with criteria established by the Secretary (and who have received other than dishonorable discharges), and a description of the specific steps to be undertaken during such fiscal year to provide such special consideration, and of the types of jobs to be made available to such veterans, with special emphasis on the development of jobs which will utilize, to the maximum extent feasible, the skills which such veterans acquired in connection with their military training and service, and (B) that the applicant shall (i) make special efforts to ac-

quaint such veterans with the program and the public service jobs available to veterans under this Act, and (ii) coordinate efforts in behalf of such veterans with those activities authorized by chapter 41 of title 38, United States Code (relating to Job Counseling and Employment Services for Veterans), or carried out by other public or private organizations or agencies;

(6) assurances that, to the extent feasible, public service jobs shall be provided in occupational fields which are most likely to expand within the public or private sector as the unemployment rate recedes;

(7) assurances that special consideration in filling transitional public service jobs will be given to unemployed persons who are the most severely disadvantaged in terms of the length of time they have been unemployed and their prospects for finding employment without assistance under this title, but such special consideration shall not authorize the hiring of any person when any other person is on lay-off from the same or any substantially equivalent job;

(8) assurances that no funds received under this title will be used to hire any person to fill a job opening created by the action of an employer in laying off or terminating the employment of any regular employee not supported under this title in anticipation of filling the vacancy so created by hiring an employee to be supported under this title;

(9) assurances that due consideration be given to persons who have participated in manpower training programs for whom employment opportunities would not be otherwise immediately available;

(10) a description of the methods to be used to recruit, select, and orient participants, including specific eligibility criteria, and programs to prepare the participants for their job responsibilities;

(11) a description of unmet public service needs and a statement of priorities among such needs;

(12) a description of jobs to be filed, a listing of the major kinds of work to be performed and skills to be acquired and the approximate duration for which participants would be assigned to such jobs;

(13) the wages or salaries to be paid persons employed in public service jobs under this title and a comparison with the wages paid for similar public occupations by the same employer;

(14) where appropriate, the education, training, and supportive services (including counseling and health care services) which complement the work performed;

(15) the planning for and training of supervisory personnel in working with participants;

(16) a description of career opportunities and job and advancement potentialities for participants;

(17) assurances that procedures established pursuant to section 207 (a) will be complied with;

(18) assurances that agencies and institutions to whom financial assistance is made available under this title have undertaken, or will undertake, analyses of job descriptions and reevaluations

and, where shown necessary, revisions of qualification requirements at all levels of employment, including civil service requirements and practices relating thereto, in accordance with regulations prescribed by the Secretary, with a view toward removing artificial barriers to public employment of those whom it is the purpose of this title to assist;

(19) assurances that the applicant will, where appropriate, maintain or provide linkages with upgrading and other manpower programs for the purpose of (A) providing those persons employed in public service jobs under this title who want to pursue work with the employer, in the same or similar work, with opportunities to do so and to find permanent upwardly mobile careers in that field, and (B) providing those persons so employed who do not wish to pursue permanent careers in such field, with opportunities to seek, prepare for, and obtain work in other fields;

(20) assurances that all persons employed under any such program, other than necessary technical, supervisory, and administrative personnel, will be selected from among unemployed and underemployed persons;

(21) assurances that the program will, to the maximum extent feasible, contribute to the elimination of artificial barriers to employment and occupational advancement, including civil service requirements which restrict employment opportunities for the disadvantaged;

(22) assurances that not more than one-third of the participants in the program will be employed in a bona fide professional capacity (as such term is used in section 13(a) (1) of the Fair Labor Standards Act of 1938), except that this paragraph shall not be applicable in the case of participants employed as classroom teachers, and the Secretary may waive this limitation in exceptional circumstances;

(23) a description of the manpower needs of local governments and of local educational agencies within the area to be served together with the comments of such governments and agencies where appropriate, and assurances that jobs will be allocated equitably to such governments and agencies taking into account the number of unemployed within their jurisdictions and the needs of the agencies;

(24) assurances that the jobs in each [job category] *promotional line* in no way infringe upon the promotional opportunities which would otherwise be available to persons currently employed in public service jobs not subsidized under this title, and assurances that no job will be filled, in other than an entry level position in each [job category] *promotional line* until applicable personnel procedures and collective bargaining agreements have been complied with;

(25) assurances that jobs funded under this title are in addition to those that would be funded by the sponsor in the absence of assistance under this Act; and

(26) such other assurances, arrangements, and conditions, consistent with the provisions of this title, as the Secretary deems necessary, in accordance with such regulations as he shall prescribe.

APPROVAL OF APPLICATIONS

SEC. 206. An application, or modification or amendment thereof, for financial assistance under this title may be approved only if the Secretary determines that—

- (1) the application meets the requirements set forth in this title;
- (2) an opportunity has been provided to officials of the appropriate units of general local government to submit comments with respect to the application to the applicant and to the Secretary;
- (3) an opportunity has been provided to the Governor of the State to submit comments with respect to the application to the applicant and to the Secretary; and
- (4) where a labor organization represents employees who are engaged in similar work in the same area to that proposed in the application, an opportunity has been provided such organization to submit comments with respect to the application to the applicant and to the Secretary.

SPECIAL RESPONSIBILITIES OF THE SECRETARY

SEC. 207. (a) The Secretary shall establish procedure for periodic reviews by an appropriate agency of the status of each person employed in a public service job under this title to assure that in the event that any person employed in a public service job under this title and the reviewing agency find that such job will not provide sufficient prospects for advancement or suitable continued employment, maximum efforts shall be made to locate employment or training opportunities providing such prospects, and such person shall be offered appropriate assistance in securing placement in the opportunity which he chooses after appropriate counseling.

(b) The Secretary shall review the implementation of the procedures established under subsection (a) of this section six months after funds are first obligated under this title and at six month-intervals thereafter.

(c) Where the Secretary determines that an Indian tribe on a Federal or State reservation is unable to submit an application to carry out a public service employment program which meets the requirements of section 205, the Secretary shall assist such tribe in preparing, submitting, and implementing a public service employment program. The provisions of section 208 shall apply to programs carried out under this subsection.

SPECIAL CONDITIONS

SEC. 208. (a) The Secretary shall not provide financial assistance for any program or activity under this title unless he determines, in accordance with such regulations as he shall prescribe, that—

- (1) the program (A) will result in an increase in employment opportunities over those opportunities which would otherwise be available, (B) will not result in the displacement of currently employed workers (including partial displacement such as a reduction in the hours of non-overtime work or wages or employment benefits), (C) will not impair existing contracts for services

or result in the substitution of Federal for other funds in connection with work that would otherwise be performed, and (D) will not substitute public service jobs for existing federally assisted jobs;

(2) persons employed in public service jobs under this Act shall be paid wages which shall not be lower than whichever is the highest of (A) the minimum wage which would be applicable to the employee under the Fair Labor Standards Act of 1938, if section 6(a)(1) of such title applied to the participant and if he were not exempt under section 13 thereof, (B) the State or local minimum wage for the most nearly comparable covered employment, or (C) the prevailing rates of pay for persons employed in similar public occupations by the same employer;

(3) funds under this title will not be used to pay persons employed in public service jobs under this title at a rate in excess of \$10,000 per year;

(4) all persons employed in public service jobs under this title will be assured of workmen's compensation, health insurance, unemployment insurance, and other benefits at the same levels and to the same extent as other employees of the employer and to working conditions and promotional opportunities neither more nor less favorable than such other employees enjoy;

(5) the provisions of section 2(a)(3) of Public Law 89-286 (relating to health and safety conditions) shall apply to such program or activity;

(6) the program will, to the maximum extent feasible, contribute to the occupational development or upward mobility of individual participants;

(7) no funds under this title will be used for the acquisition of, or for the rental or leasing of supplies, equipment, materials, or real property; and

(8) every participant shall be advised, prior to entering upon employment, of his rights and benefits in connection with such employment.

(b) Consistent with the provisions of this title, the Secretary shall make financial assistance under this title available in such a manner that, to the extent practicable, public service employment opportunities will be available on an equitable basis in accordance with the purposes of this title among significant segments of the population of unemployed persons, giving consideration to the relative numbers of unemployed persons in each such segment.

(c) Where a labor organization represents employees who are engaged in similar work in the same area to that proposed to be performed under any program for which an application is being developed for submission under this title, such organization shall be notified and afforded a reasonable period of time prior to the submission of the application in which to make comments to the applicant and to the Secretary.

(d) The Secretary shall prescribe regulations to assure that programs under this title have adequate internal administrative controls, accounting requirements, personnel standards, evaluation procedures, and other policies as may be necessary to promote the effective use of funds.

(e) The Secretary shall not provide financial assistance for any program under this title unless he determines, in accordance with regulations which he shall prescribe, that periodic reports will be submitted to him containing data designed to enable the Secretary and the Congress to measure the relative and, where programs can be compared appropriately, comparative effectiveness of the programs authorized under this title and other federally supported manpower programs. Such data shall include information on—

(1) characteristics of participants including age, sex, race, health, education level, and previous wage and employment experience;

(2) duration in employment situations, including information on the duration of employment of program participants for at least a year following the termination of participation in federally assisted programs and comparable information on other employees or trainees of participating employers; and

(3) total dollar cost per participant, including breakdown between wages, training, and supportive services, all fringe benefits, and administrative costs.

The Secretary shall compile such information on a State, regional, and national basis, and shall include such information in the report required by section 209 of this title.

(f) The Secretary shall not provide financial assistance for any program under this title unless the grant, contract, or agreement with respect thereto specifically provides that no person with responsibilities in the operation of such program will discriminate with respect to any program participant or any applicant for participation in such program because of race, creed, color, national origin, sex, political affiliation, or beliefs.

(g) The Secretary shall not provide financial assistance for any program under this title which involves political activities; and neither the program, the funds provided therefor, nor personnel employed in the administration thereof, shall be, in any way or to any extent, engaged in the conduct of political activities in contravention of chapter 15 of title 5, United States Code.

(h) The Secretary shall not provide financial assistance for any program under this title unless he determines that participants in the program will not be employed on the construction, operation, or maintenance of so much of any facility as is used or to be used for sectarian instruction or as a place for religious worship.

SPECIAL REPORT

Sec. 209. (a) The Secretary shall transmit to the Congress at least annually a detailed report setting forth the activities conducted under this title, including information derived from evaluations required by this title and information on the extent to which (1) participants in such activities subsequently secure and retain public or private employment or participate in training or employability development programs, (2) segments of the population of unemployed persons are provided public service opportunities in accordance with the purposes of this title.

(b) In compiling the data which the Secretary is required to report to the Congress under section 208(e), the Secretary shall obtain and compile information on practices and procedures implemented by prime sponsors affecting average annual wage rates paid to public service job holders and public service job opportunities described under this title. The Secretary is authorized to make general recommendations to prime sponsors, on a regional and area basis, as he may deem appropriate, consistent with section 208(a)(3) (relating to the maximum annual wage rate per public service job holder), taking into account average wages in the various areas served and the cost of living in such areas, with the aim of maintaining the number of jobs on a nationwide average in federally supported wage rates equivalent to \$7,800 per public service job holder.

UTILIZATION OF FUNDS

SEC. 210. Funds available under this title to an eligible applicant may, at its option, be utilized for residents of the area qualifying for such assistance for programs authorized under title I and part A of title III of this Act.

SPECIAL PROVISIONS

SEC. 211. (a) The determinations to be made under section 204(c) shall taken into account the rate of unemployment for a period of three consecutive months even though all or part of such period may have occurred prior to the enactment of this Act.

(b) No officer or employee of the Department of Labor shall, by regulation or otherwise, impose on any eligible applicant, as a condition for the receipt of financial assistance under the title, any requirement that any eligible applicant must place in other jobs a specific number or proportion of public service jobholders supported under this title. The Secretary may establish placement goals for eligible applicants, except that such goals must be identified as goals, not requirements, and any form or other document developed pursuant to such regulations shall give written notice to that effect. Any eligible applicant shall have the right, clearly stated in such regulations, to request a waiver of such goals if, in his judgment, such goals are not feasible. Such waiver, a request for which may be submitted at any time, may be granted by the Secretary where, in his judgment, local conditions warrant it. Wherever such a waiver has been granted, failure to meet placement goals shall not be cited in any official review or evaluation of that eligible applicant's programs.

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TITLE VI—EMERGENCY JOB PROGRAMS

【AUTHORIZATION OF APPROPRIATIONS

【SEC. 601. There are authorized to be appropriated \$2,500,000,000 for fiscal year 1975 for carrying out the provisions of this title. Any amounts so appropriated for such fiscal year which are not obligated prior to the end of such fiscal year shall remain available for obligation until December 31, 1975.】

AUTHORIZATION OF APPROPRIATIONS

SEC. 601. There are authorized to be appropriated such sums as may be necessary for fiscal year 1976, and for the period beginning July 1, 1976, and ending September 30, 1976, and for fiscal year 1977, for carrying out the provisions of this title.

FINANCIAL ASSISTANCE

SEC. 602. (a) The Secretary shall enter into arrangements with eligible applicants in accordance with the provisions of this title in order to make financial assistance available for the purpose of providing transitional employment for unemployed and underemployed persons in jobs providing needed public services, and training and manpower services related to such employment which are otherwise unavailable, and enabling such persons to move into employment not supported under this Act.

(b) Not less than 90 per centum of the funds appropriated pursuant to this title which are used by an eligible applicant for public service employment programs shall be expended only for wages and employment benefits to persons employed in public service jobs pursuant to this title.

(c) The provisions of section 204(d) and sections 205 through 211 shall apply to financial assistance under this title.

(d) In filling public service jobs with financial assistance under this title, eligible applicants shall give preferred consideration, to the maximum extent feasible and consistent with other provisions of this Act, to unemployed persons who have exhausted unemployment insurance benefits, to unemployed persons who are not eligible for unemployment insurance benefits (except for persons lacking work experience), and to unemployed persons who have been unemployed for fifteen or more weeks.

(e) For purposes of this section, the term "eligible applicants" means prime sponsors qualified under title I and [Indian tribes on Federal or State reservations.] *Indian tribes, bands, and groups qualified under section 302(c) (1) of this Act.*

ALLOTMENT OF FUNDS

SEC. 603. (a) (1) The Secretary shall reserve an amount equal to not less than 4 per centum of the amounts appropriated under section 601 for any fiscal year to enable Indian tribes, bands, and groups which are designated as eligible applicants under this title to carry out public service employment programs.

[SEC. 603. (a) (1)] (2) Not less than 90 per centum of the remainder of the amounts appropriated under section 601 for any fiscal year shall be allotted among eligible applicants by the Secretary in accordance with the provisions of this subsection.

[(2)] (3) (A) Fifty per centum of the amount allotted under this subsection shall be allotted among eligible applicants in proportion to the relative number of unemployed persons who reside in areas within the jurisdiction of each such applicant as compared to the number of unemployed persons who reside in all such areas in all the States.

(B) Twenty-five per centum of the amount allotted under this subsection shall be allotted among eligible applicants in accordance with the number of unemployed persons residing in areas of substantial unemployment (as defined in section 204(c)) within the jurisdiction of the applicant compared to the number of unemployed persons residing in all such areas.

(C) Twenty-five per centum of the amount allotted under this subsection shall be allotted among eligible applicants on the basis of the relative excess number of unemployed persons who reside within the jurisdiction of the applicant as compared to the total excess number of unemployed persons who reside within the jurisdiction of all eligible applicants. For purposes of this subparagraph, the term "excess number" means (i) the number which represents unemployed persons in excess of 4½ per centum of the labor force in the jurisdiction of the applicant in whose jurisdiction such persons reside or (ii), in the case of an applicant which is a State, the term "excess number" means such number as defined in clause (i) or the number which represents unemployed persons in excess of 4½ per centum of the labor force in areas eligible for assistance under title II located in the geographical area served by such State prime sponsor under title I or II, whichever is greater.

(b) The remainder of the amount appropriated under section 601 shall be available to the Secretary for financial assistance under section 602 as the Secretary deems appropriate to carry out the purposes of this title, taking into account changes in rates of unemployment. *In distributing funds available for the discretionary use of the Secretary of Labor under this subsection, the Secretary is authorized to utilize such funds to assure a continuation of public service employment activities previously supported under this Act. In distributing such funds under this subsection to prime sponsors, the Secretary shall base allocations upon the public service employment activities sustained within the jurisdiction of each unit of general local government within the area served by each such prime sponsor in accordance with subsection (c) of this section. The Secretary of Labor is authorized to provide financial assistance, out of any funds remaining under this subsection, for the purpose of demonstrating the feasibility of new and innovative job creation approaches to public service employment programs.*

(c) For purposes of determining allocations under this section, the term "jurisdiction" includes the jurisdiction of each unit of general local government as described in section 102(a)(2) whether or not such unit has entered into a combination of units of general local government for purposes of section 102(a)(3) or section 102(a)(4).

SPECIAL PROVISION FOR AREAS OF EXCESSIVELY HIGH UNEMPLOYMENT AND TO EXPAND JOB OPPORTUNITIES

SEC. 604. (a) Funds allocated from appropriations for carrying out this title to any eligible applicant, which certifies to the Secretary that the application of the provisions of this section is necessary in order to provide sufficient job opportunities in the area served by such eligible applicant, may be used for making payments to public employers to expand the provision of job opportunities of the type

described in paragraphs (3), (4), (5), and (6) or section 304(a) of this Act.

(b) In accordance with the provisions of subsection (c), and notwithstanding the provisions of sections 602(a) and 602(b), funds allotted under section 603 to eligible applicants may be used for—

(1) public service employment programs without regard to the provisions of sections 205(b), 205(c)(4), 205(c)(6), 205(c)(16), 205(c)(19), and 208(a)(6).

(2) providing employment for persons who have been unemployed for at least 15 days without regard to the provision of section 205(a) relating to 30 days of unemployment, if the applicant certifies that the hiring of an individual will not violate the provisions of section 205(c)(8).

(3) payment of wages (at rates not less than those prevailing on similar construction in the locality as determined by the Secretary in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5)), for unemployed and underemployed persons as employees of public employers in jobs on community capital improvement projects which would not otherwise be carried out, including the rehabilitation, alteration, or improvement of public buildings, roads and other public transportation facilities, health and education facilities, and other facilities for the improvement of the community in which the project is or will be located, and including construction, rehabilitation, alteration, or improvement of water and waste disposal facilities in communities having populations of 10,000 individuals or less which are outside the boundaries of a Standard Metropolitan Statistical Area (as defined by the Bureau of the Census).

(c) The provisions of subsection (b) shall apply to any area having an unemployment rate in excess of 7 per centum, and to any area, without regard to the rate of unemployment of such area, if such area is served by a prime sponsor which qualifies under section 102(a)(4) or section 102(a)(5) or is in an area which is eligible for assistance under title II and which is served by a State prime sponsor, and if the prime sponsor for such area certifies to the Secretary that the application of such provisions is necessary in order to provide sufficient job opportunities, and gives public notice of such certification.

EXPENDITURE OF FUNDS

SEC. 605. Funds obligated for the purposes of providing public service employment under this title may be utilized by prime sponsors for projects and activities, *including projects and activities to be carried out by project applicants as defined in section 701(a)(15) of this Act*, planned to extend over a twelve-month period from the commencement of any such project or activity.

REALLOCATION OF FUNDS

SEC. 606. The Secretary is authorized to make such reallocations as he deems appropriate of any amount of any allocation under this title to the extent that the Secretary determines that an eligible applicant will not be able to use such amount within a reasonable period of time.

Any such amount may be reallocated only if the Secretary has provided thirty days' advance notice to the prime sponsor for such area and to the Governor of the State of the proposed reallocation, during which period of time the prime sponsor and the Governor may submit comments to the Secretary. After considering any comments submitted during such period of time, the Secretary shall notify the Governor and affected prime sponsors of any decision to reallocate funds, and shall publish any such decision in the Federal Register. **[Any such funds shall be reallocated to other areas within the same State.]** *In reallocating any such funds, the Secretary shall give priority first to other areas within the same State and then to areas within other States, taking into account the number of eligible unemployed individuals (as described in section 607(c)) in such areas.*

EMPLOYMENT PROJECTS FOR LONG-TERM, LOW-INCOME UNEMPLOYED PERSONS

SEC. 607. (a) *Each prime sponsor shall, in accordance with regulations which the Secretary shall prescribe, utilize such portion of the allocation which it receives under this title, out of appropriations for fiscal year 1977, as may be necessary to enable the prime sponsor to sustain throughout such fiscal year public service jobholders supported under this title during fiscal year 1976.*

(b) *The amount of each prime sponsor's allocation under this title remaining after funds are utilized for the purpose described in subsection (a) of this section shall be used to provide public service jobs for eligible unemployed persons (as described in subsection (c) of this section) in projects and activities carried out by project applicants (as defined in section 701(a)(15) of this Act). Such projects and jobs shall not exceed twelve months in duration and shall provide employment consistent with the aim of maintaining average federally supported wage rates for public service jobholders (adjusted on a regional and area basis) as set forth under section 209(b) of this Act.*

(c) *In filling public service jobs with financial assistance available for the purpose described in subsection (b) of this section, each prime sponsor shall determine that any person employed in such public job*

(1) *is an individual—*

(A) *who has been receiving unemployment compensation for fifteen or more weeks;*

(B) *who is ineligible for such benefits and has been unemployed for fifteen or more weeks;*

(C) *who has exhausted unemployment compensation benefits;*

or
(D) *who is, or whose family is, receiving aid to families with dependent children provided under a State plan approved under part A of title IV of the Social Security Act;*

and (2) is not a member of a household which has a gross family income, exclusive of wages received by such individual under this title, exceeding 70 per centum of the lower living standard budget.

(d) *For purposes of this section, the term "lower living standard budget" means that income level (adjusted for regional and metropolitan and urban and rural differences and family size) determined annually by the Bureau of Labor Statistics of the Department of*

Labor which is referred to by such Department as the "lower living standard budget".

(e) In filling public service jobs, each prime sponsor shall take steps to insure that funds provided in accordance with subsection (b) shall be equitably allocated for jobs among the categories of eligible persons described in subsection (c) in light of the composition of the population of unemployed eligible persons served by the prime sponsor.

(f) In providing public service jobs and determining hours of work for eligible persons with financial assistance provided in accordance with subsection (b), each prime sponsor shall take into account the household support obligations of the men and women applying for such jobs, and shall give special consideration to such alternative working arrangements as flexible hours of work, shared time, and part-time jobs, for eligible persons, particularly for parents of young children and for older persons.

(g) The Secretary, through the affiliated State employment security agency, shall take steps to assure that each recipient of unemployment compensation benefits shall, upon the twelfth week of continuing to receive such benefits, be notified of the potential eligibility of such recipient for a public service job established with financial assistance provided in accordance with subsection (b); but such notification shall clearly state that such recipient continues to be eligible for receipt of such benefits and that such notification is designed only to inform, and in no way to coerce such recipient, with respect to the potential availability of such jobs.

(h) No funds under this Act may be used to provide public services, through a private or nonprofit organization or institution, which are customarily provided by a State, a political subdivision, or a local educational agency in the area served by the project.

APPROVAL OF PROJECTS

SEC. 608. (a) In order for a project application submitted by a project applicant to be approved by the prime sponsor for financial assistance provided in accordance with subsection (b) of section 607, copies of such application shall have been submitted at the time of such application to the prime sponsor's planning council established under section 104, for the purpose of affording such council an opportunity to submit comments and recommendations with respect to that application to the prime sponsor. No member of a prime sponsor's planning council shall participate in the deliberations of such council with respect to any project in which that member (or any organization with which that member is associated) has a direct interest, or cast a vote on any matter in connection with such a project.

(b) Consistent with procedures established by the prime sponsor in accordance with regulations which the Secretary shall prescribe, the prime sponsor shall not disapprove a project application submitted by a project applicant unless it has first considered any comments and recommendations made by the prime sponsor's planning council and unless it has afforded an opportunity for a hearing prior to final disapproval of any such application.

TITLE VII—GENERAL PROVISIONS

DEFINITIONS

SEC. 701. (a) As used in this Act, the term—

(1) "Community-based organizations" means organizations which are representative of communities or significant segments of the communities and which provide manpower services (for example, Opportunities Industrialization Centers, Jobs for Progress, Mainstream, and Community Action Agencies).

(2) "Governor" means the chief executive of any State.

(3) "Health care" includes, but is not limited to, preventive and clinical medical treatment, family planning services, nutrition services, and appropriate psychiatric, psychological, and prosthetic services, to the extent any such treatment or services are necessary to enable the recipient of manpower services to obtain or retain employment.

(4) "Low-income level" means \$7,000 with respect to income in 1969, and for any later year means that amount which bears the same relationship to \$7,000 as the Consumer Price Index for that year bears to the Consumer Price Index for 1969, rounded to the nearest \$1,000.

(5) "Manpower allotment" means sums received by a State or area under title I of this Act for any fiscal year (or, where applicable, under title II of the Manpower Development and Training Act of 1962, and part B of title I of the Economic Opportunity Act of 1964).

(6) "Offender" means any adult or juvenile who is confined in any type of correctional institution and also includes any individual or juvenile assigned to a community-based facility or subject to pretrial, probationary, or parole or other stages of the judicial correctional or probationary process where manpower training and services may be beneficial, as determined by the Secretary, after consultation with judicial, correctional, probationary, or other appropriate authorities.

(7) "Public service" includes, but is not limited to, work, including part-time work for individuals who are unable, because of age, handicap, or other factors, to work full time, in such fields as environmental quality, health care, education, child care, public safety, crime prevention and control, prison rehabilitation, transportation, recreation, maintenance of parks, streets, and other public facilities, solid waste removal, pollution control, housing and neighborhood improvements, rural development, conservation, beautification, veterans outreach, and other fields of human betterment and community improvement.

(8) "Secretary" means the Secretary of Labor.

(9) "State" includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

(10) "Unit of general local government" means any city, municipality, county, town, township, parish, village or other general purpose political subdivision which has the power to levy

taxes and spend funds, as well as general corporate and police powers.

(11) "Underemployed persons" means—

(A) persons who are working part-time but seeking full-time work;

(B) persons who are working full-time but receiving wages below the poverty level determined in accordance with criteria as established by the Director of the Office of Management and Budget.

(12) "Unemployed persons" means—

(A) persons who are without jobs and who want and are available for work; and

(B) except for purposes of sections 103 and 202, adults who or whose families receive supplemental security income or money payments pursuant to a State plan approved under title I, IV, X, or XVI of the Social Security Act or would, as defined in regulations to be issued by the Secretary, be eligible for such payments but for the fact that both parents are present in the home (1) who are determined by the Secretary of Labor, in consultation with the Secretary of Health, Education, and Welfare, to be available for work, and (2) who are either (i) persons without jobs, or (ii) persons working in jobs providing insufficient income to enable such persons and their families to be self-supporting without welfare assistance;

and the determination of whether persons are without jobs shall be made in accordance with the criteria used by the Bureau of Labor Statistics of the Department of Labor in defining persons as unemployed, but such criteria shall not be applied differently on account of a person's previous employment.

(13) "Wagner-Peyser Act" means "An Act to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes", approved June 6, 1933 (48 Stat. 113), as amended (29 U.S.C. 49 et seq.).

(14) "veterans outreach" means the veterans outreach services program carried out under subchapter IV of chapter 3 of title 38, United States Code, with full utilization of veterans receiving educational assistance or vocational rehabilitation under chapter 31 or 34 of such title 38.

(15) "project applicants" includes States and agencies thereof, units of general local government and agencies thereof, special purpose political subdivisions having the power to levy taxes and spend funds or serving such special purpose within an area served by one or more units of general local government, local educational agencies as defined in section 801(f) of the Elementary and Secondary Education Act of 1965, institutions of higher education as defined in section 1201(a) of the Higher Education Act of 1965, community-based organizations as defined in paragraph (1) of this subsection, community development corporations, nonprofit groups and organizations serving Indians or Native Hawaiians, and other nonprofit private organizations or institutions engaged in public service.

EMERGENCY JOBS AND UNEMPLOYMENT ASSISTANCE ACT OF 1974 (PUBLIC LAW 93-567)

* * * * *
VETERANS' EMPLOYMENT PROVISIONS

SEC. 104. (a) The Director of the Veterans' Employment Service, Department of Labor established by section 2002 of title 38, United States Code together with the Secretary and Under Secretary of Labor and such Assistant Secretaries of Labor as the Secretary may designate, shall be responsible for formulating and monitoring the implementation of all departmental policies and programs as they affect veterans, especially those relating to unemployment, job training, employment, and placement under any provision of law.

(b) The Secretary of Labor, in consultation and cooperation with the Administrator of Veterans' Affairs and the Secretary of Health, Education, and Welfare, shall provide for an outreach and public information program utilizing, to the maximum extent, the facilities of the Departments of Labor and Health, Education, and Welfare and the Veterans' Administration in order to (A) exercise maximum efforts to produce jobs and job training opportunities for individuals who served in the Armed Forces and were discharged within 4 years before the date of their application for such jobs or job training and inform all eligible veterans about employment, job training, on-the-job training, and educational opportunities, under the Comprehensive Employment and Training Act of 1973, [as amended by this Act] as amended, as provided for under title 38, United States Code, and under any other provision of law, and (B) inform all eligible applicants under the Comprehensive Employment and Training Act of 1973, Federal contractors and subcontractors, all Federal departments and agencies, educational institutions, labor unions and other employers, of their responsibilities under this subsection and under all such laws, and (C) provide the entities described in clause (B) of this subsection technical assistance in carrying out those responsibilities. The Secretary of Labor, in consultation and cooperation with the Administrator of Veterans' Affairs and the Secretary of Health, Education, and Welfare shall report to the appropriate committees of the Congress not later than 90 days after the date of enactment of this Act on the steps taken and regulations issued to carry out the provisions of this section and of section 205(c)(5) of the Comprehensive Employment and Training Act of 1973. They shall also report to such committees on the same subjects not later than ninety days after the date of enactment of the Emergency Jobs Programs Extension Act of 1976.

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TITLE II—SPECIAL UNEMPLOYMENT ASSISTANCE PROGRAM

STATEMENT OF PURPOSE

SEC. 201. It is the purpose of this title to establish a temporary Federal program of special unemployment assistance for workers who are unemployed during a period of aggravated unemployment and who are not otherwise eligible for unemployment allowances under any other law.

GRANTS TO STATES: AGREEMENT WITH STATES

SEC. 202. Each State which enters into an agreement with the Secretary of Labor, pursuant to which it makes payments of special unemployment assistance in accordance with the provisions of this title and the rules and regulations prescribed by the Secretary of Labor hereunder, shall be paid by the United States from time to time, prior to audit or settlement by the General Accounting Office, such amounts as are deemed necessary by the Secretary of Labor to carry out the provisions of this title in the State. Assistance may be paid under this title to individuals only pursuant to such an agreement.

ELIGIBLE INDIVIDUALS

SEC. 203. (a) An individual shall be eligible to receive a payment of assistance or waiting period credit with respect to a week of unemployment occurring during and subsequent to a special unemployment assistance period in accordance with the provisions of this title if—

(1) the individual is not eligible for compensation under any State or Federal unemployment compensation law (including the Railroad Unemployment Insurance Act (45 U.S.C. 351 et seq.)) with respect to such week of unemployment, and is not receiving compensation with respect to such week of unemployment under the unemployment compensation law of Canada and is not eligible for assistance or an allowance payable with respect to such week of unemployment under such laws as the Public Works and Economic Development Act Amendments of 1974, the Disaster Relief Act of 1974, the Trade Expansion Act of 1962, as amended, or any successor legislation or similar legislation, as determined by the Secretary: *Provided*, That the individual meets the qualifying employment and wage requirements of the applicable State unemployment compensation law in a base year which, notwithstanding the State law, shall be the fifty-two-week period preceding the first week with respect to which the individual: (1) files a claim for assistance or waiting period credit under this title; (2) is totally or partially unemployed; and (3) meets such qualifying employment and wage requirements: and for the purpose of this proviso employment and wages which are not covered by the State law shall be treated as though they were covered, except that employment and wages covered by any State or Federal unemployment compensation law, including the Railroad Unemployment Insurance Act (45 U.S.C. 351 et seq.),

shall be excluded to the extent that the individual is or was entitled to compensation for unemployment thereunder on the basis of such employment and wages; and

(2) the individual is totally or partially unemployed, and is able to work, available for work, and seeking work, within the meaning of, or as required by, the applicable State unemployment compensation law, and is not subject to disqualification under that law; and

(3) the individual has filed a claim for assistance or waiting period credit under this title; and

(4) in the area in which the individual was last employed for at least five work days prior to filing a claim under this title for assistance or waiting period credit with respect to such week of unemployment, a special unemployment assistance period is in effect with respect to such week of unemployment: *Provided*, That if the individual, except for the imposition of a disqualification in accordance with paragraph (2) was otherwise eligible for a payment of assistance or waiting period credit under this title with respect to a week of unemployment which began during a special unemployment assistance period, but did not exhaust entitlement to assistance during such period, entitlement shall continue after the end of the period but no assistance shall be paid under this title for any week of unemployment that begins more than twenty-six weeks after the end of such period; and

(5) the State in which the individual was last employed for at least five work days period to filing a claim under this title for assistance or waiting period credit with respect to such week of unemployment, has an agreement with the Secretary of Labor under section 202 which is in effect with respect to such week of unemployment.

(b) An individual who performs services in an instructional, research, or principal administrative capacity for an educational institution or agency shall not be eligible to receive a payment of assistance or a waiting period credit with respect to any week commencing during the period between two successive academic years (or, when the contract provides instead for a similar period between two regular but not successive terms, during such similar period) if—

(1) such individual performed services in any such capacity for any educational institution or agency in the first of such academic years or terms; and

(2) such individual has a contract to perform services in any such capacity for any educational institution or agency for the later of such academic years or terms.

SPECIAL UNEMPLOYMENT ASSISTANCE PERIOD

SEC. 204. (a) A special unemployment assistance period shall commence in an area designated by the Secretary with the third week after the first week for which the Secretary determines that there is an "on" indicator for such area, and shall terminate with the third week after the first week for which the Secretary determines that there is an "off" indicator for such area except that no special unemployment assistance period shall have a duration of less than thirteen weeks.

(b) The Secretary shall designate as an area under this section areas served by an entity which is eligible to be a prime sponsor under section 102(a) of the Comprehensive Employment and Training Act of 1973 (Public Law 93-203).

(c) There is an "on" indicator in an area for a week if for the most recent three consecutive calendar months for which data are available the Secretary determines that—

(1) the rate (seasonally adjusted) of national unemployment averaged 6 per centum or more; or

(2) the rate of unemployment in the area averaged 6.5 per centum or more.

(d) There is an "off" indicator for a week, if for the most recent three consecutive calendar months for which data are available the Secretary determines that both subsections (c)(1) and (c)(2) are not satisfied.

(e) The determinations made under this section shall take into account the rates of unemployment for three consecutive months, even though any or all of such months may have occurred not more than three complete calendar months prior to the enactment of this Act.

WEEKLY BENEFIT AMOUNT

SEC. 205. (a) The amount of assistance under this title to which an eligible individual shall be entitled for a week of unemployment shall be the weekly benefit amount for a week of unemployment that would be payable to the individual as regular compensation as computed under the provisions of the applicable State unemployment compensation law: *Provided*, That in computing the weekly benefit amount under this subsection the individual's base year, notwithstanding the State law, shall be the fifty-two-week period preceding the first week with respect to which the individual: (1) files a claim for assistance or waiting period credit under this title; (2) is totally or partially unemployed; and (3) meets the qualifying employment and wage requirements of subsection (a) of section 203; and for the purpose of this proviso employment and wages which are not covered by the applicable State unemployment compensation law shall be treated as though they were covered, except that employment and wages covered by any State or Federal unemployment compensation law, including the Railroad Unemployment Insurance Act (45 U.S.C. 351 et seq.), shall be excluded to the extent that the individual is or was entitled to compensation for unemployment thereunder on the basis of such employment and wages.

(b) Notwithstanding any provisions of State law, claims for assistance under this title may be determined, where an employment record is not available, on the basis of an affidavit submitted by an applicant.

(c) If an individual knowingly has made, or caused to be made by another, a false statement or representation of a material fact, or knowingly has failed, or caused another to fail, to disclose a material fact, and as a result of such false statement or representation or of such nondisclosure such individual has received an amount of assistance under this title to which he was not entitled, such individual—

(1) shall be ineligible for further assistance under this title in accordance with the provisions of the applicable State unemploy-

ment compensation law relating to fraud in connection with a claim for unemployment compensation; and

(2) shall be subject to prosecution under section 1001 of title 18, United States Code.

(d) (1) In the case of individuals who have received amounts of assistance under this title to which they were not entitled, the State is authorized to require such individuals to repay the amounts of such assistance to the State agency, except that the State agency may waive such repayment if it determines that—

(A) the payment of such assistance was without fault on the part of any such individual, and

(B) such repayment would be contrary to equity and good conscience.

(2) The State agency may recover the amount to be repaid, or any part thereof, by deductions from any assistance payable under this title or from any unemployment compensation payable to such individual under any Federal unemployment compensation law administered by the State agency or under any other Federal law administered by the State agency which provides for the payment of any assistance or allowance with respect to any week of unemployment, during the three-year period after the date such individuals received the payment of the assistance to which they were not entitled, except that no single deduction may exceed 50 percentum of the weekly benefit amount from which such deduction is made.

(3) No repayment shall be required, and no deduction shall be made, until a determination has been made, notice thereof and an opportunity for a fair hearing has been given to the individual, and the determination has become final.

(e) Any determination by a State agency under subsection (c) or (d) shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in that manner and to that extent.

MAXIMUM BENEFIT AMOUNT

SEC. 206. (a) Except as provided by subsection (b), the maximum amount of assistance under this title which an eligible individual shall be entitled to receive during any special unemployment assistance benefit year shall be 150 per centum of the maximum amount that would have been payable to such individual during such benefit year as computed under the provisions of the applicable State unemployment compensation law, but not exceeding thirty-nine times the weekly benefit payable to the individual for a week of total unemployment as determined under subsection (a) of section 205: *Provided*, That for the purposes of this subsection the individual's base year, notwithstanding the State law, shall be the fifty-two-week period preceding the first week with respect to which the individual: (1) files a claim for assistance or waiting period credit under this title; (2) is totally or partially unemployed; and (3) meets the qualifying employment and wage requirements of section 203(a); and for the purpose of this proviso employment and wages which are not covered by the State law shall be treated as though they were covered, except that employment and wages covered by any State or Federal unemployment

compensation law, including the Railroad Unemployment Insurance Act (45 U.S.C. 351 et. seq.), shall be excluded to the extent that the individual is or was entitled to compensation for unemployment thereunder on the basis of such employment and wages.

(b) In the case of any individual who files a claim for assistance under this title during a benefit year which such individual has established under any State unemployment compensation law, the maximum amount of assistance under this title which such individual shall be entitled to receive during the special unemployment assistance benefit year established pursuant to such claim (as determined under subsection (a) without regard to this subsection) shall be reduced by the amount of any unemployment compensation received during the benefit year established under the State unemployment compensation law.

APPLICABLE STATE LAW PROVISIONS

SEC. 207. Except where inconsistent with the provisions of this title, the terms and conditions of the applicable State unemployment compensation law which apply to claims thereunder for regular compensation and the payment thereof shall apply to claims for assistance under this title and the payment thereof.

TERMINATION DATE

SEC. 208. Notwithstanding any other provisions of this title, no payment of assistance under this title shall be made to any individual with respect to any week of unemployment ending after March 31, 1977; and no individual shall be entitled to any compensation with respect to any initial claim for assistance or waiting period credit made after December 31, 1976.

AUTHORIZATION OF APPROPRIATIONS

SEC. 209. There are hereby authorized to be appropriated for purposes of this title such sums as may be necessary.

DEFINITIONS

SEC. 210. (a) As used in the title, the term—

- (1) "Secretary" means the Secretary of Labor;
 - (2) "State" means the States of the United States, the District of Columbia, Puerto Rico, and the Virgin Islands;
 - (3) "applicable State unemployment compensation law" means the law of the State in which the individual was last employed for at least five work days prior to filing a claim for assistance or waiting period credit under this title;
 - (4) "week" means a calendar week;
 - (5) "State agency" means the agency of the State which administers the program established by this title; and
 - (6) "special unemployment assistance benefit year" means the fifty-two week period beginning with the first week for which an individual files a valid claim for special unemployment assistance.
- (b) Assistance under this title shall not be considered to be regular compensation for purposes of qualifying for benefits under the Fed-

eral-State Extended Unemployment Compensation Act of 1970, and claims filed under this title shall not be treated as claims for weeks of unemployment for purposes of determining the rate of insured unemployment under section 203(f) (1) of such Act.

(c) Employment and wages which are not covered by the State law may be treated, under sections 203(a) (1), 205(a), and 206(a), as though they were covered only if the employment—

- (1) is performed by an employee (as defined in section 3121(d) of the Internal Revenue Code of 1954), and
 - (2) constitutes employment as determined under section 3306(c) of such Code without regard to paragraphs (1) through (9), (10)(B) (ii), (14), (15), and (17) of such section.
- For purposes of paragraph (2), section 3306(c) of such Code shall be applied as if the term "United States" includes the Virgin Islands.

SPECIAL PROVISIONS

SEC. 211. (a) DEFINITIONS.—For purposes of this section—

- (1) "State" means the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands;
 - (2) "compensation" means cash benefits payable to individuals with respect to their unemployment, and includes "regular compensation," "additional compensation," and "extended compensation" as defined in section 205 of the Federal-State Extended Unemployment Compensation Act of 1970;
 - (3) "public service job" means any public service job funded with assistance provided under the Comprehensive Employment and Training Act of 1973;
 - (4) "public service wages" means remuneration for services performed in a public service job;
 - (5) "base period" means the base period as determined under the State law;
 - (6) "Secretary" means the Secretary of Labor;
 - (7) "State agency" means the agency of the State or political subdivision which administers the State law; and
 - (8) "State law" means the unemployment compensation law of a State which has been approved by the Secretary of Labor under section 3304(a) of the Internal Revenue Code of 1954 (26 U.S.C. 3304(a)), the unemployment compensation plan of a political subdivision of a State, and, with respect to the Virgin Islands, the unemployment compensation law of the Virgin Islands.
- (b) PAYMENTS TO STATES.—(1) Each State and political subdivision shall be paid by the United States, with respect to each individual whose base period wages include public service wages, an amount which shall bear the same ratio to the total amount of compensation paid to the individual with respect to weeks of unemployment which begin on and after January 1, 1976, as the amount of the individual's public service wages in the base period with respect to the current benefit year (or most recent benefit year if there is no current benefit year) bears to the total base period wages used in the calculation of the individual's rights to regular compensation.
- (2) Each State and political subdivision shall be paid either in advance or by way of reimbursement, as may be determined by the Secretary, the sum that the Secretary estimates is payable to the State or

political subdivision under this section for each calendar month. The sum shall be reduced or increased by the amount which the Secretary finds that his estimate for an earlier calendar month was greater or less than the sum which should have been paid to the State or political subdivision. Estimates shall be made on the basis of reports made by the State agency to the Secretary as prescribed by the Secretary.

(3) The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State or political subdivision the sums payable under this section. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payment in accordance with such certification, from the funds appropriated for the purposes of title II of the Emergency Jobs and Unemployment Assistance Act of 1974. Payment to a State shall be made by crediting the payment to the State's account in the unemployment trust fund.

(c) *Repayment of Employers.*—Notwithstanding the provisions of any other law—

(1) a State or political subdivision shall repay to an employer liable for making reimbursements to the unemployment fund of the State or political subdivision the amount equal to the amount by which the sums paid to the State or political subdivision under subsection (b) of this section are duplicative of the employer's reimbursements to the unemployment fund; and shall not charge a reimbursing employer the amounts which are subject to payment by the United States under subsection (b) of this section; and

(2) a State or political subdivision shall repay to an employer liable for contributions with respect to public service jobs and public service wages, the total amount of the contributions paid by the employer into the unemployment fund of the State or political subdivision with respect to public service wages paid for services performed in public service jobs on and after January 1, 1976, and shall not take into account, for the purposes of computing contribution rates for the employer, the compensation with respect to which payment is made under subsection (b) of this section, or the employment, wages, payrolls, or separations pertaining to such compensation.



EMERGENCY JOB PROGRAMS STOP-GAP EXTENSION

APRIL 8, 1976.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. PERKINS, from the Committee on Education and Labor,
submitted the following

REPORT

together with

ADDITIONAL, SUPPLEMENTAL, AND INDIVIDUAL VIEWS

[To accompany H.R. 12987]

The Committee on Education and Labor, to whom was referred the bill (H.R. 12987) to authorize appropriations for fiscal year 1976, and for the period beginning July 1, 1976, and ending September 30, 1976, for carrying out title VI of the Comprehensive Employment and Training Act of 1973, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

On page 1, immediately after line 7, insert the following:

“AUTHORIZATION OF APPROPRIATIONS

and on page 2, line 16, insert “of Labor” immediately after “Secretary”.

Explanation of the bill

This bill is a simple, stopgap extension of authority to appropriate funds for the public service employment programs provided under title VI of the Comprehensive Employment and Training Act of 1973 (CETA). The authority to appropriate is provided for fiscal year 1976 and for the period known as the “transition quarter” (July 1, 1976, through September 30, 1976).

The bill’s only other provision lowers from 90 to 85 percent the amount of public service employment funds that must be used for

wages and employment benefits. The remainder had been available for administrative costs as determined by the Secretary of Labor. The new provision specifically defines administrative costs to include the purchase of necessary supplies, equipment and materials, and rental costs.

The extension of authority is provided in order to sustain the existing program and job levels under title VI of CETA (approximately 273,000 out of the estimated total of 320,000 jobs under titles II and VI) through the transition quarter. Separate authority dealing with fiscal year 1977 has already passed the House (February 10, 1976).

Need for the legislation

This legislation is urgently needed because all authority to appropriate under title VI of CETA expired on June 30, 1975, and the program will run completely out of funds on June 30 of this year unless new authority is enacted in time for a title VI appropriation to be included in the second supplemental. Some areas have already begun to exhaust their title VI funds and still more will have done so between now and July.

The House has already passed legislation (February 10, 1976) extending existing title VI authority and adding new authority to expand this program to a total of 600,000 jobs. This legislation has not yet been acted upon in the other body, nor has it been marked up in committee. It is the failure of the other body to consider this measure more expeditiously that has necessitated this emergency, stopgap legislation. Meanwhile, the House is scheduled to act on the second supplemental appropriations bill on the 14th of this month. The best estimate is that the Appropriations Committee in the other body will begin markup on the second supplemental during the first week of May. If this is true, then quick enactment of continued title VI authority is imperative. Failure to do so would jeopardize the possibility of including in the second supplemental funds needed to continue title VI beyond June 30, and would force a mass conversion from title VI (which provides 85 percent of all existing public service jobs) to the more restrictive title II. This can never be more than a partial solution with many adverse consequences. (An analysis of the differences between titles II and VI follows immediately after this section).

The committee has recommended extension of title VI authority only through the "transition quarter" because it wants to give the Congress an opportunity to expand job opportunities instead of keeping them indefinitely at current levels. The bill that passed the House (H.R. 11453) provided for a reform and expansion of the title VI program. Its aim was to raise the number of jobs now supported under titles II and VI of CETA from 320,000 to 600,000. This was consistent with the Democratic leadership's program of economic stimulus and within the guidelines and limits established by the second concurrent resolution on the budget. That legislation is now expected to be acted upon by the other body in mid-May.

The difference between title II and title VI

Public service employment under CETA is divided into two parts. The first is under title II; the second—and lion's share—is under title

VI. Of the \$2.7 billion now being spent annually for public service jobs, \$2.3 billion of that total (or 85%) is spent for jobs funded under title VI. Title VI was enacted in December of 1974 as a response to dramatic increases in the national unemployment rate. Title II, on the other hand, was enacted during a period of relatively low national unemployment and was designed to deal with the kind of chronic, high unemployment that always seems to exist in particular rural areas and inner cities. The economists call this structural unemployment; widespread national joblessness is called cyclical unemployment.

Because they were designed for different purposes, the two programs have different characteristics and requirements. In the first place, title II programs operate only in areas which have unemployment rates in excess of 6.5 percent for 3 consecutive months. These areas are determined annually, and a new determination must be made between now and July 1. The record high levels of unemployment experienced over the last 16 months resulted in a great many areas qualifying last year for title II funds (such areas are known as "areas of substantial unemployment" or ASU's). As unemployment goes down, of course, many of these areas will cease to qualify as ASU's, which is entirely consistent with the purpose and design of title II. Title VI, on the other hand, is distributed throughout the United States. Since the program is countercyclical in purpose it is altogether appropriate that it should be pervasive, although areas with exceptionally high unemployment rates receive relatively more funds than do those with low rates.

Titles II and VI differ in other ways as well. For example, a preference in hiring under title II is given to the long-term disadvantaged: the person who has been out of work for a long period of time and who has poor prospects of competing successfully in the labor market. Title VI, however, gives a hiring preference to those who have exhausted their unemployment insurance benefits or those who are not eligible to receive unemployment compensation, in addition to the long-term unemployed. The people this program is designed to help are not necessarily those who traditionally have trouble competing in the labor market, but rather those who are temporarily without work and expect to rejoin the labor force without much difficulty when general economic conditions improve.

Beyond this, more varied kinds of jobs can be performed under title VI than under title II. Probably the most significant example of this is the authority in title VI which permits the employment of persons to undertake small-scale capital improvements, such as the rehabilitation, renovation, and repair of existing facilities and, in rural areas, the new construction of water and sewer facilities.

Finally, it should be borne in mind that one cannot simply move an individual from a title VI slot to a title II slot. Not only must that individual meet all the different requirements of title II, both as to eligibility, preference and job characteristics, but no "paper" transfers are permitted either. This means that a person moving from title VI to title II would be subjected to a minimum 30-day layoff before he could be rehired, even if he met the title II requirements.

Rehiring of persons laid off for bona fide reasons

The Committee would like to remind members and the Administration that in adopting CETA, and later in adopting title VI, the Conferees made clear their intention that the rehiring of former employees who had lost their jobs due to bona fide lay-offs were authorized and permitted. The Conference Report accompanying CETA (H. Rept. 93-737) contains the following statement: "The Conferees adopted both provisions with the understanding that the language in the Senate bill is not intended to preclude the rehiring of persons who have been laid off for bona fide reasons . . ." And more directly on the point, the Conference Report accompanying the title VI amendments (H. Rept. 93-1621) contained the following statement: "The strong feeling of the conferees in opposition to 'paper lay-offs' should in no way be construed to mean opposition to the rehiring of laid off workers per se. The rehiring of former employees who lost their jobs due to a bona fide lay off has always been permitted and is permitted here. The conferees also wish to point out that many government employees will be in a preferred category for employment under this Act by reason of their ineligibility for unemployment insurance benefits. It should be further noted that the provisions of section 205 (c) (7) prohibiting the hiring of any person when any other person is on lay-off from the same or substantially equivalent job still apply."

This recital of Congressional intent was precipitated by Field Memorandum 109-76 issued by the Labor Department on the subject of rehires. The Committee voted (21 aye, 6 no, 1 present) to express its view in this report that nothing in the Comprehensive Employment and Training Act of 1973 shall be construed to authorize any rule, policy, regulation or guideline imposing a numerical or percentage limitation upon the rehiring of former employees who lose their jobs due to a bona fide lay off. In so saying, the Committee is mindful of the provisions of section 208 (b) of CETA which calls upon the Secretary to assure, to the extent practicable, that public service employment opportunities are equitably distributed among "significant segments of the population of unemployed persons, giving consideration to the relative numbers of unemployed persons in each such segment." We do not disavow the intent of this provision, but we do object most vigorously to its misinterpretation. The term "significant segment" was never intended to relate to the nature of a person's previous employment; it refers to the socio-economic characteristics of the unemployed. The Conferees' intention was to urge the Secretary to use his discretion and judgment to see that, wherever practicable, minorities, youth, the elderly, women and other groups who have been the traditional victims of job discrimination had equal access to jobs created under CETA. To claim otherwise is, at best, inaccurate. Furthermore, the language of that section is so clearly intended to give the Secretary maximum flexibility to deal with individual situations on their merits, and that is what we call upon the Secretary to do. When the phrase "to the extent practicable" is used it implies that a judgment should be made about what makes sense, and that the Secretary should not arbitrarily tie his hands by issuing a set of guidelines that take away his discretion and judgment.

Committee cost estimate

The committee has already indicated its belief that the annual cost per job under title VI of CETA is higher than the figure arrived at by C.B.O. (viz. H. Rept. 94-804). The committee's best estimate is that the annual cost per job is approximately \$8,500; this figure is also used by the Labor Department for its own planning purposes. The basic purpose of this bill is to provide continued authority for title VI programs during the transition quarter. The current annual cost of such programs is \$2.3 billion. Therefore, the cost of maintaining this program through the transition quarter would be \$575 million. In addition, if it is possible to appropriate any funds under title VI in fiscal year 1976 to deal with the shortfall problems of those not aided by the expected title II appropriation, the committee hopes that this will be done. The cost of such an appropriation could be as high as \$200 million:

	<i>in thousands</i>	<i>Title VI (CETA)</i>
Fiscal year 1976	-----	\$200,000
Transition quarter	-----	575,000
Fiscal year 1977 ¹	-----	0
Fiscal year 1978	-----	0
Fiscal year 1979	-----	0
Fiscal year 1980	-----	0
Total	-----	775,000

¹ There will be title VI costs in fiscal year 1977. They will be determined by the outcome of H.R. 11453, and are not attributable to this bill.

At the time of the filing of this report the committee had not received a detailed estimate of cost from the administration.

Congressional Budget Office estimate

CONGRESS OF THE UNITED STATES,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., April 7, 1976.

HON. CARL D. PERKINS,
Chairman, Committee on Education and Labor,
U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for H.R. 12987, the Emergency Job Programs Stop-Gap Extension.

Should the Committee so desire, we would be pleased to provide further details on the attached cost estimate.

Sincerely,

ALICE M. RIVLIN, *Director.*

Attachment.

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

1. *Bill number:* H.R. 12987.
2. *Bill Title:* Emergency Job Programs Stop-Gap Extension.
3. *Purpose of Bill:* This bill is a stop-gap extension of authority to appropriate funds for the public service employment programs provided under Title VI of CETA. The authority to appropriate is

provided for fiscal year 1976 and for the transition quarter. The extension of authority is provided in order to sustain the existing program and job levels under Title VI of CETA through the transition quarter. This bill is an authorization and does not directly provide budget authority. Actual funding is subject to appropriations action.

4. *Cost Estimate*: H.R. 12987 authorizes that such sums as may be necessary for FY 1976 and the transition quarter be appropriated. The estimated costs associated with H.R. 12987 are \$161 million for FY 1976 and \$482 million for the transition quarter. *Estimated Costs*: Fiscal year 1976, \$161 million, transition quarter, \$482 million.

5. *Basis for estimate*: The critical variables in estimating the costs of H.R. 12987 are the cost per public employment job and the rate of spendout likely during the remainder of FY 1976. It is assumed that enactment and appropriation for this bill will occur before the end of May and expenditures of funds will begin in June. Estimated outlays stem from the costs of maintaining current benefit levels for the recent enrollment level of 274,210 in the Title VI program. The average annual cost per job in the Title VI program, including wages, benefits, and administrative costs, is \$7,033. A monthly rate of \$586 per job based on this figure was used to calculate expected costs for the final month of FY 1976. For the transition quarter, an average cost of \$1,758 is expected to maintain the same level of services for each of the 274,210 program participants.

6. *Estimate comparison*: Not applicable.

7. *Previous CBO estimate*: Not applicable.

8. *Estimate prepared by*: Robert F. Black (225-4972).

9. *Estimate approved by*: James L. Blum, Assistant Director for Budget Analysis.

Committee action

It has already been explained that this bill provides stopgap authority between its enactment and the final enactment of H.R. 11453, which was passed in the House on February 10, 1976. The hearings held in connection with the earlier bill are detailed in the report accompanying it (H. Rept. 94-804). H.R. 12987 was introduced on April 2, 1976. On April 6, 1976, the committee on Education and Labor ordered the bill favorably reported by a voice vote.

Oversight

No oversight findings or recommendations have been presented to the committee by the Committee on Government Operations. The oversight findings of the committee with respect to public service employment programs were reflected in many provisions of the House-passed bill (H.R. 11453). H.R. 12987 is a stopgap measure and, since it provides only interim authority, does not attempt the kind of comprehensive reform contained in the earlier bill.

Inflationary impact

Total expenditures under this bill are estimated at \$775 million. These amounts are required to maintain the existing job levels through the transition quarter. With unemployment at 7.5 percent nationally, labor markets throughout the country remain loose. Under these con-

ditions, such small expenditures in job creation cannot possibly generate a demand for labor of sufficient magnitude to generate the kind of inflation associated with an insufficient supply of labor to meet job demand. So long as prime sponsors continue to insist that the jobs performed under this authority provide needed public services there will not be any inflation associated with them. Furthermore, during a period of substantial underutilization of the Nation's productive capacity such small additions to net effective demand cannot be expected to have any effect on the general price level. And, finally, to the extent that persons paid wages under this title no longer receive governmental income support in some other form, such as unemployment insurance, food stamps or welfare, there is actually a deflationary effect. In this connection it is worth noting that wages paid to workers under this authority is fully taxable, while the transfer payments mentioned above are not.

SECTION-BY-SECTION ANALYSIS OF H.R. 12987, AS REPORTED

First section

The first section of the bill provides that the act may be cited as the "Emergency jobs program stopgap extension."

Section 2

Section 2 of the bill amends title VI (Emergency job programs) of the Comprehensive Employment and Training Act of 1973 by striking out section 601 (Authorization of appropriations) and inserting in lieu thereof a new section 601 which authorizes to be appropriated to carry out title VI such sums as may be necessary for fiscal year 1976 and for the period beginning July 1, 1976, and ending September 30, 1976, and which provides that the provisions of section 4(b) (relating to the availability of appropriated funds which are not delegated or expended prior to the end of the fiscal year) of the Comprehensive Employment and Training Act of 1973 shall not apply to any amounts appropriated under the new section 601.

Section 3

Section 3 of the bill provides that not less than 85 percent of funds allocated in accordance with and subject to the Comprehensive Employment and Training Act of 1973 which are used by an eligible applicant for public service employment programs under title II and title VI of that act shall be expended only for wages and employment benefits to persons employed in public service jobs, and the remainder may be used for administrative costs (including rental costs, within such reasonable limitations as the Secretary of Labor may prescribe with respect to rental of space) and to obtain necessary supplies, equipment, and materials.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is

enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman) :

COMPREHENSIVE EMPLOYMENT AND TRAINING ACT OF 1973

* * * * *

TITLE VI—EMERGENCY JOB PROGRAMS

AUTHORIZATION OF APPROPRIATIONS

[SEC. 601. There are authorized to be appropriated \$2,500,000,000 for fiscal year 1975 for carrying out the provisions of this title. Any amounts so appropriated for such fiscal year which are not obligated prior to the end of such fiscal year shall remain available for obligation until December 31, 1975.]

Sec. 601. There are authorized to be appropriated such sums as may be necessary for fiscal year 1976, and for the period beginning July 1, 1976, and ending September 30, 1976, for carrying out the provisions of this title. The provisions of Section 4(b) shall not apply to any amounts appropriated under this section.

* * * * *

ADDITIONAL VIEWS

The issue here does not revolve around the merits of public service employment, but rather what reasonable expectations we can provide localities that current enrollments will be maintained through fiscal year 1977. Although we do not oppose enactment of this legislation per se, we feel that extending the program for but a few months will not provide that needed assurance and will only continue to hold current PSE participants hostage to election-year politics.

It is argued in the report that the purpose of extending PSE through the transition quarter is "because it wants to give Congress the opportunity to expand job opportunities instead of keeping them indefinitely at current levels." This is utter nonsense. Just how, do we ask, does extending the existing program's authority through the end of fiscal year 1977 preclude enactment of legislation to change it?

The answer is rather obvious. If we provided that assurance to over 300,000 Americans; namely, that their jobs will not suddenly disappear out from under them on September 30, then who would support H.R. 11453—A 7.4 billion dollar boondoggle ostensibly designed to double these so-called "job opportunities." Clearly, the authors of this bill are desirous to force everyone to hang on a limb—including those 300,000 Americans currently employed, just to engender support for their other spurious proposal. (H.R. 11453).

As we noted before, the Administration has already proposed a 1.7 billion dollar urgent supplemental appropriation to assure the continuation of current levels at least through the end of the calendar year. We have suggested that such a continuation be made through the end of fiscal year 1977, a suggestion that we have urged the House Appropriations Committee to adopt in its next supplemental appropriation.

As everyone clearly understands, such an appropriation would resolve the serious problems public service employment shortfalls affecting a substantial number of prime sponsors, notwithstanding the fact that title II targets the funds into areas of higher unemployment. And secondly, we do not agree with the assertion made in the Report that title II is somehow different than title VI. In theory, this might be true—in practice it has not been the case. Ever since the Department of Labor required prime sponsors to expend title II funds at a furious pace toward the end of fiscal year 1975, title II and title VI have been for all intents and purposes, identical countercyclical programs. Wholesale transfer between title II and title VI is made every day by prime sponsors with full Labor Department endorsement, despite these so-called "differences." The Labor Department has allowed such "blanketing" for years, which occurred in the transfer of the early PEP program into CETA, and it is inconceivable that Congress would now prohibit it.

(9)

It seems incongruous that we not hear about such "differences" when not a sound was heard when DOL forced title II down the throats of prime sponsors.

During floor action on this legislation we intend to offer an amendment to continue the Title VI program without change through fiscal year 1977. This amendment would be identical to that which we offered in the full committee and similar to that which we offered on H.R. 11453.

The purpose of this amendment would be to assure that whatever occurs in the next few months that localities will have some assurance that funding will be, or can be made available, quickly to prevent massive lay-offs from occurring.

In closing, we would like to point out the realities of this election year—which is that it will continue to be unpredictable. Other legislation, such as the full employment proposals and other CETA-related bills may be passed, and subject to a veto fight. Nothing is certain. Passage of H.R. 12987 will only assure that this uncertainty will prevail at the expense of 300,000 Americans currently enrolled under public service employment. Not to provide assurances that their jobs will not be lost to election-year tom-foolery would be the height of irresponsibility—and any party who fails to support those assurances is being irresponsible.

ALBERT H. QUITE.
JOHN M. ASHBROOK.
JOHN N. ERLBORN.
MARVIN L. ESCH.
RONALD A. SARASIN.
JAMES M. JEFFORDS.
WILLIAM F. GOODLING.

SUPPLEMENTAL VIEWS

As we have stated, we do not oppose enactment of this legislation. Even so, we wish to disassociate ourselves completely and without reservation from the language spelling out the Committee's so-called "intent" regarding the Labor Department's policy on rehires.

The pertinent part of this statement on intent pertaining to rehires reads as follows:

The Committee voted . . . to express its view in this report that nothing in the Comprehensive Employment and Training Act of 1973 shall be construed to authorize any rule, policy, regulation or guideline imposing a numerical percentage limitation upon the rehiring of former employees who lose their jobs due to a bona-fide layoff . . .

This language is extraordinary—not in its inappropriateness to the bill under consideration, and in its misstatements regarding Congressional intent, but in its possible undermining of the basic premise of public service employment: namely, to help those most in need of a job.

It seems incredible to us that the authors of the original title VI program—designed to go first to those who have exhausted unemployment insurance and to the long-term unemployed—would turn face on those most in need by advocating a policy which benefits only one group of individuals, namely government employees. Whatever happened of those high-blown promises made to black unemployed, the auto worker, the unemployed father who had exhausted all his benefits, the welfare recipients? What has happened to our "concern" for those most in need? Why are we so afraid to serve those significant segments of the unemployed—such as youth, minorities, and women when the evidence shows that title VI is going toward everyone but these needy groups?

Even without this added incentive to localities to abuse the program, title VI has failed to reach those most in need of employment. Only 1 in 4 at the time of enrollment was receiving either public assistance or welfare—and many of those enrolled are perfectly qualified to find employment without resorting to PSE.

As we have pointed out on several occasions, PSE has become little more than disguised revenue sharing. If we are to provide such assistance to localities, we do not believe we should fool the American people by claiming that it will help the unemployed or have any significant impact on reducing other federal expenditures or reducing unemployment. This is a myth and ought to be clearly revealed as such.

This language is absurd on two other counts. The first is that this language not only misstates the law—and suffers from poor legal thinking—it also undermines the clear intent of CETA to serve those

"segments" of the unemployed most in need of employment and opens CETA to wholesale substitution of federal for local funds.

On the question of the legal interpretation of existing title VI statutory requirements, we would like to point out that nowhere in the law does there exist any specific direction on what policy the Secretary is to follow on the issue of rehires. What does exist, however, explicitly directs the Secretary as to how he must use PSE funding.

As the Committee report points out, the requirements of section 208(b) of CETA require the Secretary, to the extent practicable, to make public service employment available among significant segments of the population of unemployed persons on an equitable basis. Unfortunately, the law is unclear as to what is meant by "significant segments" of the unemployed, which, in absence of such direction, is anything the Secretary deems it to be. Secondly, the law stipulates that in submitting an application for the title II and title VI funds, prime sponsors are required to "include provisions for setting forth a description of the area to be served by such provisions and a plan for effectively serving on an equitable basis the significant segments of the population to be served." (section 205(a) (c) (2)).

A third provision in the law again protects against an inequitable distribution of PSE funds. As section 205(c) (8) stipulates "no funds received under this title shall be used to hire any person to fill a job vacancy created by the action of an employer not supported under this title in anticipation of filling the vacancy so created by hiring an employee to be supported under this title."

The only countervailing statement in the body of this law is section 205(c) (7) which prohibits the hiring of any person "when another person is on lay-off from the same or equivalent job."

Nowhere in the body of the law does there exist any specific discussion of rehiring of the sort envisioned, currently, by many localities. Absent such language, the Secretary therefore, has broad discretion to pursue any policy "any such procedures as he may deem necessary to carry out the provisions of this Act."

The authors of the Committee report language attempt to claim that the language of the conference report on allowing rehiring for bona-fide budgetary reasons somehow has precedence over section 208(b) which requires an equitable distribution of job opportunities. They also seem to infer that the language of the conference report has precedence over the statute, which is not only silent on the issue of rehiring for bona-fide reasons, but contains several specific statutory requirements that the Secretary do otherwise.

We seriously doubt that any court would rule that this added language would make any difference.

In adopting the policy contained in Field Memo 109-76, the Secretary is carrying out the specific requirement of the law that the Secretary distribute jobs on an equitable basis among the significant segments of the unemployed—and that he is doing so to the extent practicable. In fact, we would suggest that the Secretary carry the policy to the fullest extreme—to require that auto and construction workers, that women and minorities, are *the* individuals benefiting from the program.

Finally, there is no precedent, as far as we are aware, of attempting to include Committee report language that has no basis in the bill under consideration. A Committee report is intended to describe the intent of the Committee only insofar as it relates to the specific language of the legislation being reported. It is not to be used as a soap-box to decrease Congressional intent regarding existing law. As far as we are concerned this language has no legal effect either as law or legislative history.

RONALD A. SARASIN.
 JAMES M. JEFFORDS.
 WILLIAM F. GOODLING.
 ALBERT H. QUIE.
 JOHN M. ASHBROOK.
 JOHN N. ERLBORN.
 EDWIN D. ESHLEMAN.

INDIVIDUAL VIEWS OF THE HONORABLE MARIO
BIAGGI OF NEW YORK TO H.R. 12987

While I fully support this legislation, I wish to take this opportunity to express my regret over the Senate's failure thus far, to act affirmatively on H.R. 11453. Contained in the latter proposal is important language which will allow prime sponsors to give a preference in the use of CETA funds to the rehiring of essential public health and safety personnel. For New York City, it could mean the rehiring of many of the thousands of police, firemen, correction officers and school crossing guards who have become casualties of the City's extreme fiscal crisis.

It is imperative that the House and Senate swiftly pass this legislation which will extend the authority to appropriate funds under title VI of CETA for three months. This authority expired on June 30, 1975 and already, more than 12,000 Americans have lost their public service jobs and the number is expected to exceed 100,000 by the end of May. Unless a new appropriation for title VI is included in the second supplemental appropriations legislation, the entire title VI program will expire on June 30—adding almost 300,000 new Americans to the unemployment rolls.

The title VI program remains one of our strongest weapons in the war against unemployment. This bill is for its survival. H.R. 11453 is for its enhancement through expanded employment opportunities and a recognition of the need to rehire essential public health and safety personnel. Let us give these bills our immediate approval.

MARIO BIAGGI.

INDIVIDUAL VIEWS OF MR. ESCH

During the Full Committee mark-up, an effort was made to offer an amendment to prohibit the Department of Labor from arbitrarily disallowing the rehiring of public employees by localities suffering bona-fide budget restraints. This amendment, which I strongly supported, would have required the Department to look at each situation where localities desired to use CETA funds to rehire laid-off employees, and judge each request on the merits and not on the basis of an arbitrary figure developed in the creative mind of some government bureaucrat.

This effort to amend the bill might not have been necessary had Secretary of Labor, William J. Usery, followed my suggestion to delay implementation of Field Memo 109-76, which contains the new departmental policy on layoffs, until such time as all parties could reasonably discuss the potential impact of the policy, and to allow the Members of Congress an opportunity to explain Congressional intent on the matter of rehiring.

As it stands now, localities are limited, no matter what the status of their financial situation, to rehiring only that percentage "which the total laid-off regular employees constitute of the total unemployment persons in the jurisdiction." (Page 6, Field Memo 109-76, U.S. Dept. of Labor, March 31, 1976.) The legal arguments, and the clear violation of Congressional intent, is clearly spelled out in the Committee Report and in the letter I wrote to the Secretary, which follows these views. But more importantly, in the case of Detroit, Michigan, for whose economic health and survival I have particular concern, the application of this policy would be ruinous, and would grievously impair the vitality, social and economic health of this struggling city. It would most certainly assure that the City of Detroit would not be able to maintain essential police and fire protection to its citizens.

In advocating such a change in policy, I do not endorse the blanket requirement to rehire now contained in H.R. 11453, the so-called "Emergency Employment Projects Amendments of 1976." This language is indiscriminate and would encourage even economically healthy cities to substitute wholesale federal for local dollars. What I do support is a more reasoned approach by the Department of Labor to those cities which do have serious economic problems—and not to include them in an equally indiscriminate policy.

I would expect that the Secretary of Labor would recognize the clear intent of the Committee when we state that "*nothing* in the Comprehensive Employment and Training Act of 1973 shall be construed to authorize any rule, policy, regulation, or guideline imposing a numerical percentage limitation upon the rehiring of former employees who lose their jobs due to a bona-fide layoff."

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., April 2, 1976.

MR. W. J. USERY, JR.,
*Secretary of Labor, Department of Labor,
Washington, D.C.*

DEAR SECRETARY USERY: The purpose of this letter is to indicate my deep concern over the arbitrary decision of the Chicago Regional Office of the Department of Labor to limit the City of Detroit's use of public service funds for maintaining essential city employees.

It is my understanding that unless the city is allowed to rehire under Title VI that several hundred permanent city employees will be permanently laid off.

Although I strongly support the need to prevent indiscriminate substitution of federal for local funds, the Congress never indicated any desire to prevent localities, faced with bona fide budgetary problems, from rehiring with CETA funds. I refer you to this clear statement of intent contained in House Report 93-1621:

"The strong feelings of the conferees in opposition to 'paper layoffs' should in no way be construed to mean opposition to rehiring of laid-off workers per se. The rehiring of former employees who have lost their jobs due to bona-fide budgetary reasons has always been permitted and is permitted *here* . . . it should also be noted that the provisions of Section 205(c)(7) prohibiting the hiring of any persons when another person is on lay-off from the same or equivalent job still applies."

The exercising of an arbitrary across-the-board policy of allowing only 10% of all CETA employees to be laid-off city personnel clearly countervenes this intent, and would irreparably damage the level of services provided the residents of Detroit by forcing the layoff of many hundreds of permanent city employees.

I urge you to delay implementation of this policy to allow for a thorough review of its compliance with Congressional policy, but more importantly, its potential effect on the people of Detroit. I would invite you and the appropriate members of the Department to meet with me and officials of the City of Detroit to discuss this matter as soon as such a meeting can be arranged.

Sincerely,

MARVIN L. ESCH, *Member of Congress.*

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EMERGENCY JOBS PROGRAMS EXTENSION ACT
OF 1976

SEPTEMBER 13, 1976.—Ordered to be printed

Mr. PERKINS, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany H.R. 12987]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 12987) to authorize appropriations for fiscal year 1976, and for the period beginning July 1, 1976, and ending September 30, 1976, for carrying out title VI of the Comprehensive Employment and Training Act of 1973, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Emergency Jobs Programs Extension Act of 1976".

Sec 2. Title VI of the Comprehensive Employment and Training Act of 1973 is amended by striking out section 601 and inserting in lieu thereof the following:

"AUTHORIZATION OF APPROPRIATIONS

"Sec. 601. There are authorized to be appropriated such sums as may be necessary for fiscal year 1976, and for the period beginning July 1, 1976, and ending September 30, 1976, and for fiscal year 1977, for carrying out the provisions of this title."

Sec. 3. (a) (1) Section 203(b) of the Comprehensive Employment and Training Act of 1973 is amended to read as follows:

"(b) Notwithstanding the provisions of section 208(a) (7) of this Act, not less than 85 per centum of the funds allocated in accordance with the provisions of this title which are used by an eligible applicant

for public service employment programs under this title shall be expended only for wages and employment benefits to persons employed in public service jobs pursuant to this title, and the remainder of such funds may be used for administrative costs, including rental costs (within such reasonable limitations as the Secretary may prescribe with respect to the rental of space), and to obtain necessary supplies, equipment, and materials.”

(2) Section 602(b) of the Comprehensive Employment and Training Act of 1973 is amended to read as follows:

“(b) Notwithstanding the provisions of section 208(a)(7) of this Act, not less than 85 per centum of the funds allocated in accordance with the provisions of this title which are used by an eligible applicant for public service employment programs under this title shall be expended only for wages and employment benefits to persons employed in public service jobs pursuant to this title, and the remainder of such funds may be used for administrative costs, including rental costs (within such reasonable limitations as the Secretary may prescribe with respect to the rental of space), and to obtain necessary supplies, equipment, and materials.”

(b) Section 704 of the Comprehensive Employment and Training Act of 1973 is amended by inserting at the end thereof the following new subsection:

“(d) Financial records of a prime sponsor relating to public service employment programs assisted under this Act and records of the names, addresses, positions, and salaries of all persons employed in public service jobs assisted under this Act shall be maintained and made available to the public.”

SEC. 4(a)(1) With respect to appropriations made by the Emergency Supplemental Appropriations Act of 1976 (Public Law 94-266, enacted April 15, 1976) for the purpose of carrying out activities authorized by title II of the Comprehensive Employment and Training Act of 1973—

(A) notwithstanding any other provision of law, funds made available under section 202(b) of the Comprehensive Employment and Training Act of 1973 may be used in any areas qualifying under title VI of such Act to provide a continuation of public service employment activities under both title II and title VI of such Act; and

(B) in order to enable persons employed in public service jobs financially assisted under title VI of such Act to be transferred to jobs financially assisted under title II of such Act, the Secretary of Labor is authorized to waive the provision of section 205(a) of such Act requiring a thirty-day period of unemployment.

(2) The provisions of paragraph (1) of this subsection shall be deemed to have taken effect on the date of enactment of the Emergency Supplemental Appropriations Act of 1976. Persons transferred after such date from jobs financially assisted under title VI of the Comprehensive Employment and Training Act of 1973 to jobs financially assisted under title II of such Act, using funds made available under the Emergency Supplemental Appropriations Act of 1976, shall after the date of enactment of this Act be considered to be public service jobholders financially assisted under such title VI.

(b) Subsection (b) of section 603 of the Comprehensive Employment and Training Act of 1973 is amended by adding at the end of such subsection the following new sentences: “In distributing funds available for the discretionary use of the Secretary of Labor under this subsection, the Secretary is authorized to utilize such funds to assure a continuation of public service employment activities supported under this Act. In distributing such funds under this subsection to prime sponsors, the Secretary shall base allocations upon the public service employment activities sustained within the jurisdiction of each unit of general local government within the area served by each such prime sponsor in accordance with subsection (c) of this section.”

SEC. 5. (a) Title VI of the Comprehensive Employment and Training Act of 1973 is further amended by adding at the end thereof the following new sections:

“RESERVATION OF FUNDS; EMPLOYMENT OF LONG-TERM UNEMPLOYED, LOW-INCOME PERSONS

“SEC. 607. (a) Each prime sponsor, in accordance with regulations which the Secretary shall prescribe, shall reserve out of any allocation which it receives under this title from appropriations for fiscal year 1977 such amount as will be sufficient, when added to funds available for use under title II of this Act during such fiscal year, to enable the prime sponsor to sustain throughout such fiscal year the number of public service jobholders supported under this title and title II of this Act on June 30, 1976.

“(b) The amount of each prime sponsor’s allocation under this title remaining after funds are reserved for the purpose described in subsection (a) of this section shall be used to provide public service jobs for eligible unemployed persons (as described in section 608) in projects and activities carried out by project applicants (as defined in section 701(a)(15) of this Act). Such projects and jobs shall not exceed twelve months in duration and shall provide employment consistent with the aim of maintaining average federally supported wage rates for public service jobholders (adjusted on a regional and area basis) as set forth under section 209(b) of this Act.

“(c) Vacancies occurring after June 30, 1976, in jobs supported under this title and the Emergency Supplemental Appropriations Act of 1976 (Public Law 94-266) to which subsection (a) of this section is applicable shall be filled as follows:

“(1) Fifty per centum of such vacancies shall be filled in accordance with the provisions of section 608.

“(2) Fifty per centum of such vacancies shall be filled in accordance with the provisions of this title (other than the provisions of this section, except for this paragraph, and of sections 608 and 609) except that a prime sponsor may give preference in filling such vacancies to unemployed public health and safety personnel in public health and safety positions for which they are qualified.

“ELIGIBILITY OF LONG-TERM UNEMPLOYED LOW-INCOME PERSONS

“SEC. 608. (a) In filling public service jobs with financial assistance available for the purposes of subsections (b) and (c)(1) of section

607, each prime sponsor shall determine that any person to be employed in any such public service job (1) is an individual—

“(A) who has been receiving unemployment compensation for fifteen or more weeks;

“(B) who is not eligible for such benefits and has been unemployed for fifteen or more weeks;

“(C) who has exhausted unemployment compensation benefits;

or

“(D) who is, or whose family is, receiving aid to families with dependent children provided under a State plan approved under part A of title IV of the Social Security Act;

and (2) is not a member of a household which has current gross family income, adjusted on an annualized basis (exclusive of unemployment compensation and other public payments which such individual will be disqualified from receiving by reason of employment under this title) at a rate exceeding 70 per centum of the lower living standard income level.

“(b) For purposes of this section, the term ‘lower living standard income level’ means that income level (adjusted for regional and metropolitan and urban and rural differences and family size) determined annually by the Secretary based upon the most recent ‘lower living standard budget’ issued by the Bureau of Labor Statistics of the Department of Labor.

“(c) In filling public service jobs, each prime sponsor shall take reasonable steps, which such sponsor shall determine, to insure that funds provided in accordance with subsections (b) and (c) (1) of section 607 shall be equitably allocated for jobs among the categories of eligible persons described in section 608(a) in light of the composition of the population of unemployed eligible persons served by the prime sponsor.

“(d) In providing public service jobs and determining hours of work for eligible persons with financial assistance provided in accordance with subsections (b) and (c) (1) of section 607, each prime sponsor shall take into account the household support obligations of the men and women applying for such jobs, and shall give special consideration to such alternative working arrangements as flexible hours of work, shared time, and part-time jobs, for eligible persons, particularly for parents of young children and for older persons.

“(e) The Secretary, through the affiliated State employment security agencies, shall take steps to inform the recipients of unemployment compensation benefits of any available public service jobs for which such recipients may be eligible, but such notification shall clearly state that such notification is designed only to inform, and in no way to coerce, such recipients with respect to the availability of such jobs.

“APPROVAL OF PROJECTS

“SEC. 609. (a) In order for a project application submitted by a project applicant to be approved by the prime sponsor for financial assistance provided in accordance with subsection (b) of section 607, copies of such application shall have been submitted at the time of such application to the prime sponsor’s planning council established under section 104, for the purpose of affording such council an oppor-

tunity to submit comments and recommendations with respect to that application to the prime sponsor. No member of a prime sponsor’s planning council shall cast a vote on any matter in connection with a project in which that member (or any organization with which that member is associated) has a direct interest.

“(b) Consistent with procedures established by the prime sponsor in accordance with regulations which the Secretary shall prescribe, the prime sponsor shall not disapprove a project application submitted by a project applicant unless it has first considered any comments and recommendations made by the prime sponsor’s planning council and unless it has provided such applicant and the planning council with a written statement of its reasons for such disapproval.”

(b) (1) Section 701(a) of the Comprehensive Employment and Training Act of 1973 is amended by adding at the end thereof the following new paragraph:

“(15) ‘project applicants’ includes States and agencies thereof, units of general local government and agencies thereof or combinations or associations of such governmental units when the primary purpose of such combinations or associations is to assist such governmental units to provide public services, special purpose political subdivisions having the power to levy taxes and spend funds or serving such special purpose within an area served by one or more units of general local government, local educational agencies as defined in section 801(f) of the Elementary and Secondary Education Act of 1965, institutions of higher education as defined in section 1201(a) of the Higher Education Act of 1965, community-based organizations as defined in paragraph (1) of this subsection, community development corporations, nonprofit groups and organizations serving Indians or Native Hawaiians, and other nonprofit private organizations or institutions engaged in public service.”

(2) The last sentence of section 606 of the Comprehensive Employment and Training Act of 1973 is amended to read as follows: “In real-locating any such funds, the Secretary shall give priority first to other areas within the same State and then to areas within other States, taking into account the number of eligible unemployed individuals (as described in section 608) in such areas.”

(3) Section 605 of the Comprehensive Employment and Training Act of 1973 is amended by inserting after “projects and activities” a comma and the following: “including projects and activities to be carried out by project applicants as defined in section 701(a) (15) of this Act.”

(c) Section 702 of the Comprehensive Employment and Training Act of 1973 is amended by adding at the end thereof the following new subsection:

“(c) The Secretary shall not, by regulation or otherwise, impose any quota or limitation on the number or percentage of persons hired under title II or VI, or both, of this Act who were former employees of public employers under this Act and who held jobs supported under title II or VI of this Act on June 30, 1976, or who are hired to fill vacancies under the provisions of section 607(c) (2). Any person who, between June 30, 1976, and the date of enactment of this Act, was laid off from a job supported under title II or VI of this Act by reason of

such a quota or limitation may be reinstated by the prime sponsor without regard to the provisions of section 607 (c). Nothing in this subsection shall be construed to relieve any prime sponsor from complying with section 205 (c) (8) of this Act."

(d) Section 605 of the Comprehensive Employment and Training Act of 1973 is amended by inserting "(a)" after such section designation and by adding at the end thereof the following new subsection:

"(b) No funds for public service employment programs under this Act may 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 served by the project."

Sec. 6. (a) Title II of the Emergency Jobs and Unemployment Assistance Act of 1974 is amended by adding at the end thereof the following new part:

"PART B—REIMBURSEMENT FOR UNEMPLOYMENT BENEFITS PAID ON BASIS OF PUBLIC SERVICE EMPLOYMENT

"PAYMENTS TO STATES

"Sec. 220. (a) Each State shall be paid by the United States with respect to each individual—

"(1) who receives compensation with respect to any benefit year, and

"(2) whose base period wages for such benefit year include public service wages,

an amount which bears the same ratio to the total amount of compensation paid to such individual with respect to such benefit year for weeks of unemployment which begin on or after January 1, 1976, as the amount of the public service wages included in the individual's base period wages bears to the total amount of the individual's base period wages.

"(b) Each State shall be paid, either in advance or by way of reimbursement, as may be determined by the Secretary, the sum that the Secretary estimates is payable to such State under this part for each calendar month. The sum shall be reduced or increased by the amount which the Secretary finds that his estimate for an earlier calendar month was greater or less than the sum which should have been paid to the State. Estimates shall be made on the basis of reports made by the State to the Secretary as prescribed by the Secretary.

"(c) The Secretary shall, from time to time, certify to the Secretary of the Treasury the sum payable to each State under this part. The Secretary of the Treasury, prior to audit and settlement by the General Accounting Office, shall pay the State in accordance with the certification from funds for carrying out the purposes of this part.

"(d) Money paid to a State under this part may be used solely for the purpose of paying compensation. Money so paid which is not used for such purpose shall be returned, at the time specified by the Secretary, to the Treasury of the United States and credited to current applicable appropriations, funds, or accounts from which payments to States under this part may be made.

"(e) In the case of any political subdivision of a State which has in effect an unemployment compensation program which provides

for the payment of compensation on the basis of services performed in its employ, such political subdivision shall be entitled to payments under this part in the same manner and to the same extent as if such political subdivision were a State.

"STATE LAW PROVISIONS

"Sec. 221. (a) The unemployment compensation law of any State may provide that any organization which elects to make payments (in lieu of contributions) into the State unemployment compensation fund—

"(1) shall not be liable to make such payments after the date of the enactment of this section with respect to any compensation to the extent that such State is entitled to payments with respect to such compensation under this part; and

"(2) shall receive credit against payments required to be made after such date of enactment for any such payments made on or before such date of enactment to the extent that such payments were made with respect to compensation for which the State is entitled to receive payments under this part.

"(b) The unemployment compensation law of any State may, without being deemed to violate the standards set forth in section 3303 (a) of the Internal Revenue Code of 1954, provide for appropriate adjustments, as may be determined by the Secretary, in the account of any employer who has paid public service wages to reflect the payments to which such State is entitled under this part with respect to compensation attributable to such wages.

"AUTHORIZATION OF APPROPRIATIONS

"Sec. 222. There are hereby authorized to be appropriated for purposes of this part such sums as may be necessary.

"DEFINITIONS

"Sec. 223. As used in this part, the term—

"(1) 'State' means the States of the United States, the District of Columbia, Puerto Rico, and the Virgin Islands;

"(2) 'compensation' means cash benefits payable to individuals with respect to their unemployment, except that such term shall not include special unemployment assistance payable under part A;

"(3) 'public service job' means any public service job funded with assistance provided under the Comprehensive Employment and Training Act of 1973;

"(4) 'public service wages' means remuneration for services performed in a public service job to the extent that such remuneration is paid with funds provided under the Comprehensive Employment and Training Act of 1973;

"(5) 'benefit year' means the benefit year as defined by the applicable State unemployment compensation law;

"(6) 'base period' means the base period as defined by the applicable State unemployment compensation law for the benefit year; and

"(7) 'Secretary' means the Secretary of Labor."

(b) Title II of such Act is further amended—

(1) by inserting after the heading of such title the following:

"PART A—SPECIAL UNEMPLOYMENT ASSISTANCE";

(2) by striking out "this title" each place it appears and inserting in lieu thereof "this part"; and

(3) by striking out "the title" in section 210(a) and inserting in lieu thereof "this title".

(c) The amendments made by this section shall take effect on October 1, 1976, with respect to compensation paid for weeks of unemployment beginning after December 31, 1975.

SEC. 7. Section 205(c)(24) of the Comprehensive Employment and Training Act of 1973 is amended by striking out "job category" in both places where that term occurs in such clause and inserting in lieu thereof "promotional line".

SEC. 8. (a) Section 602(e) of the Comprehensive Employment and Training Act of 1973 is amended by striking out "Indian tribes on Federal or State reservations" and inserting in lieu thereof "Indian tribes, bands, and groups qualified under section 302(c)(1) of this Act".

(b) Section 603(a) of the Comprehensive Employment and Training Act of 1973 is amended by redesignating paragraphs (1) and (2) thereof as paragraphs (2) and (3), respectively, and by inserting immediately after "(a)" the following: "(1) The Secretary shall reserve an amount equal to not less than 2 per centum of the amounts appropriated under section 601 for any fiscal year to enable Indian tribes, bands, and groups which are designated as eligible applicants under this title to carry out public service employment programs."

(c) Section 603(a)(2) of such Act, as redesignated by subsection (b) of this section, is amended by inserting after "per centum" the following: "of the remainder".

SEC. 9. (a) Section 704 of the Comprehensive Employment and Training Act of 1973 (as amended by section 3(b) of this Act) is further amended by adding at the end thereof the following new subsection:

"(e) Notwithstanding any other provision of law, funds allocated by a prime sponsor or an Indian tribe, band, or group for the employment of individuals under this Act may be expended in conjunction with funds from any other public or private source, but funds allocated under this Act may only be expended in accordance with the requirements of this Act."

(b) The heading of such section 704 is amended to read as follows:

"SPECIAL PROVISIONS".

SEC. 10. Section 311 of the Comprehensive Employment and Training Act of 1973 is amended by adding at the end thereof the following new subsection:

"(e) The Secretary is authorized to undertake projects (either directly or by grant or contract) for the purpose of demonstrating the feasibility of providing relocation assistance to unemployed workers

residing in areas of substantial unemployment who would otherwise be eligible for public service employment under this Act. Such assistance shall be in such form and amount as the Secretary deems appropriate for demonstration purposes, except that he shall use as a general guideline the form and amount of relocation assistance available under chapter 2 of title II of the Trade Act of 1974."

SEC. 11. Section 704 of the Comprehensive Employment and Training Act of 1973 (as amended by sections 3(b) and 9 of this Act) is further amended by adding at the end thereof the following new subsection:

"(f) Notwithstanding any other provision of law, employment and training services furnished under this Act in connection with weatherization projects authorized under section 222(a)(12) of the Economic Opportunity Act of 1964 may include work on such projects for the near poor, including families having incomes which do not exceed 125 per centum of the poverty line as established by section 625 of the Economic Opportunity Act of 1964."

SEC. 12. (a) Section 104(b) of the Emergency Jobs and Unemployment Assistance Act of 1974 is amended by—

(1) striking out "by this Act" after "amended"; and

(2) inserting at the end of such subsection the following new sentence: "They shall also report to such committees on the same subjects not later than ninety days after the date of enactment of the Emergency Jobs Programs Extension Act of 1976."

(b) Title I of the Comprehensive Employment and Training Act of 1973 is amended by—

(1) inserting at the end of section 105(a)(3) the following "and (E) provides such arrangements as may be appropriate to promote maximum feasible use of apprenticeship or other on-job training opportunities available under section 1787 of title 38, United States Code;"; and

(2) striking out in section 106(b)(5) "provide special emphasis" and inserting in lieu thereof "take affirmative action".

SEC. 13. (a) (1) The Congress finds and declares that—

(A) the reliable and comprehensive measurement of employment and unemployment is vital to assessing the Nation's economic well-being and the utilization of its work force, and is an important determinant of public policies toward job creation, education, training, assistance for the jobless, and other labor market programs;

(B) the allocation of billions of dollars of Federal funds on the basis of unemployment data is increasing, making even more crucial the timely, accurate, and uniform measurement of the labor force;

(C) the formulation of public policies to promote the most effective use of our human resources is hindered by inadequate information on the utilization and effect of education and training programs;

(D) in order for governmental and private sector policy decisions to have maximum effect upon reducing unemployment and strengthening the labor force, an accurate and precise system for measuring employment and unemployment and its impacts on particular segments of the potential work force is essential;

(E) the current method of data collection and the form of its presentation, at national, regional, and subregional levels, may not fully reflect unemployment and employment trends, and may produce incomplete and, therefore, misleading conclusions, thus impairing the validity and utility of this critical economic indicator;

(F) it is critical to retain public confidence in the procedures, concepts, and methodology of collecting, analyzing, and presenting employment and unemployment statistics; and

(G) objectivity is a necessity in considering reform of statistical processes.

(2) It is the purpose of this section to establish a National Commission on Employment and Unemployment Statistics to have responsibility for examining the procedures, concepts, and methodology involved in employment and unemployment statistics and suggesting ways and means of improving them.

(b) (1) There shall be established a National Commission on Employment and Unemployment Statistics (hereinafter in this section referred to as the "Commission") which shall consist of nine members appointed by the President, by and with the advice and consent of the Senate. Seven of the members shall be selected on the basis of their knowledge of and experience in the procedures, methodology, or use of employment and unemployment statistics, and shall be broadly representative of labor, business and finance, education and training, economics and statistics, and State and local government. Two of the members shall be selected from the general public. The membership of the Commission shall be generally representative of significant segments of the labor force, including women and minority groups. Any vacancy in the Commission shall not affect its powers as long as there continues to be at least five members; and any such vacancy may be filled in the same manner as the original appointment is made.

(2) Except when six members of the Commission shall vote to hold an executive session for a particular purpose, the Secretary of Labor, the Secretary of Commerce, the Commissioner of Labor Statistics, the Director of the Bureau of the Census, the Director of the Office of Management and Budget, the Chairman of the National Commission for Manpower Policy, the Chairman of the Council of Economic Advisers, and a majority and a minority member each of the Joint Economic Committee, of the Committee on Labor and Public Welfare of the Senate, and of the Committee on Education and Labor of the House of Representatives, or in each case a designee, shall assist and participate in the hearings, deliberations, and other activities of the Commission on an advisory basis.

(3) The President shall designate a Chairman from among the appointed members of the Commission.

(4) The Chairman, with the concurrence of the Commission, shall appoint an executive director, who shall be the chief executive officer of the Commission and shall perform such duties as are prescribed by the chairman or the Commission. The executive director may appoint, with the concurrence of the Chairman, such professional, technical, and clerical staff as are necessary to carry out the provisions of this section. The executive director and staff shall be appointed with-

out regard to the provisions of title 5, United States Code, governing appointments to the competitive service, governing appointments to the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate of GS-18 of the General Schedule under section 5332 of such title. The executive director, with the concurrence of the Chairman, may obtain temporary and intermittent services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code. The Commission may utilize such staff, with or without reimbursement, from the Department of Labor, the Department of Commerce, and such other appropriate Federal agencies as may be available to assist the Commission in carrying out its responsibilities.

(5) The Commission shall determine its own internal procedures, including the constituting of a quorum.

(6) The Commission is authorized to accept and utilize voluntary and uncompensated services notwithstanding the provisions of section 665(b) of title 31, United States Code.

(7) Members of the Commission who are not officers or employees of the Federal Government shall be paid compensation at a rate of not to exceed the per diem equivalent of the rate for GS-18 of the General Schedule under section 5332 of title 5, United States Code, when engaged in the work of the Commission, including traveltime; and while serving away from their homes or regular places of business, shall be allowed travel expenses including per diem in lieu of subsistence, in the same manner as such expenses are authorized by law (5 U.S.C. 5703) for persons in the Government service employed intermittently.

(c) The Commission shall—

(1) identify the needs of the Nation for labor force statistics and assess the extent to which current procedures, concepts, and methodology in the collection, analysis, and presentation of such statistics constitute a comprehensive, reliable, timely, and consistent system of measuring employment and unemployment and indicating trends therein; and

(2) conduct or provide (through contract with institutions, organizations, and individuals, or appropriate Federal or State agencies, or otherwise) for such studies, hearings, research, or other activities as it deems necessary to enable it to formulate appropriate recommendations.

The commission or, on the authorization of the Commission, any subcommittee or members thereof, may, for the purposes of carrying out the provisions of this section, hold such hearings, take such testimony, and sit and act at such times and places as the Commission deems advisable. Any member authorized by the Commission may administer oaths or affirmations to witnesses appearing before the Commission or any subcommittee or members thereof.

(d) (1) The Commission shall make a report of its findings and recommendations to the President and the Congress within eighteen months after the date of appointment of the first five members of the Commission.

(2) In preparing its report, the Commission shall consider the following:

(A) The methodology of collection of employment and unemployment data at all levels, including National, regional, State, and local statistics.

(B) The methodology of analysis of such data, including its relevance and application.

(C) The methodology of presentation of employment and unemployment statistics, including the dissemination, current utilization, and application of such statistics.

(D) Alternative methods of such collection, analysis, and presentation.

(E) The need for additional special statistical surveys (including longitudinal studies) and reports on a continuing basis.

(F) The need for additional data and analysis on job vacancies, job turnover, job matching, discouraged workers, part-time workers, youth, minorities, women, and other labor force participants.

(G) Accuracy and uniformity of seasonal adjustments in all categories of labor force statistics.

(H) Methods of achieving current, accurate, and uniform employment and unemployment statistics on a State and local basis, including their use as a determinant of the allocation of Federal assistance.

(I) The need for, and methods to obtain, data relating employment status and earnings, economic hardship, and family support obligations.

(J) The extent to which employment and earnings data assist in determining the impact of public programs and policies upon persons who are economically disadvantaged, unemployed, or underemployed.

(K) The availability of and need for periodic information on education and training enrollments and completions in the public and private sectors.

(L) Statistical indicators of the relationship between education and training and subsequent employment, earnings, and unemployment experience.

(M) The value and usefulness of other statistics regarding employment and unemployment, such as those obtained through operation of the unemployment insurance system.

(N) The availability of and need for current and projected occupational information, particularly on a local basis, to assist youths and adults in making training, education, and career choices.

(O) Such other matters as the Commission deems appropriate or necessary, including such matters as are suggested by the President or by the Congress that the Commission deems appropriate.

(3) The Commission's report shall contain its findings and recommendations, including a feasible schedule for their implementation, cost estimates, and any appropriate draft regulations and legislation to implement such recommendations.

(4) The Commission may make such interim reports or recommendations as it may deem desirable.

(e) Upon submission of the Commission's final report, the Secretary of Labor shall take steps to ascertain the views of each affected execu-

tive agency and, within six months after the report's submission, shall make an interim report to the Congress on—

(1) the desirability, feasibility, and cost of implementing each of the Commission's recommendations, and the actions taken or planned with respect to their implementation; and

(2) recommendations with respect to any legislation proposed by the Commission, the need for any alternative or additional legislation to implement the Commission's recommendations, and any other proposals to strengthen and improve the measurement of employment and unemployment.

Within two years after submission of the Commission's final report, the Secretary shall submit a final report to the Congress detailing the actions taken with respect to the recommendations of the Commission, together with any further recommendations deemed appropriate.

(f) (1) Each department, agency, and instrumentality of the Federal Government is authorized and directed to cooperate fully with the Commission in furnishing appropriate information to assist the Commission in carrying out its functions under this section.

(2) The head of each department, agency, or instrumentality of the Federal Government is authorized to provide such support and services to the Commission, upon request of the Chairman, as may be agreed between the head of the department, agency, or instrumentality and the Chairman.

(g) The Commission shall cease to exist one hundred and eighty days after submission of its final report as required under subsection (d) (1) of this section.

(h) (1) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

(2) Notwithstanding any other provision of law, any funds appropriated to carry out this section which are not obligated prior to the end of the fiscal year for which such funds were appropriated shall remain available for obligation during the succeeding fiscal year.

SEC. 14. (a) Section 202 of the Comprehensive Employment and Training Act of 1973 is amended by adding at the end thereof the following new subsection:

"(c) Whenever the Secretary allocates any funds available under subsection (b) of this section through a distribution based upon a formula, he shall, not later than 30 days prior to such allocation, publish in the Federal Register for comment the specific formula upon which such distribution is based, the rationale supporting the selection of the formula, and the proposed distribution to each prime sponsor. After consideration of comments received under the preceding sentence, the Secretary shall publish final allocations."

(b) Section 603 of such Act is amended by adding at the end thereof the following new subsection:

"(d) Whenever the Secretary allocates any funds available under subsection (b) of this section through a distribution based upon a formula, he shall, not later than 30 days prior to such allocation, publish in the Federal Register the specific formula upon which such distribution is based, the rationale behind the selection of the formula, and the proposed distribution for each prime sponsor. After consideration of comments received under the preceding sentence, the Secretary shall publish final allocations."

Sec. 15. (a) The National Commission for Manpower Policy, established under title V of the Comprehensive Employment and Training Act of 1973, shall conduct a study of the net employment effects of the public service employment programs authorized by title II and title VI of the Comprehensive Employment and Training Act of 1973.

(b) The National Commission for Manpower Policy shall prepare and submit to the Congress not later than March 31, 1978, a report on the study required by this section, together with such recommendations, including recommendations for legislation, as such Commission deems advisable.

(c) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same.

CARL D. PERKINS,
DOMINICK V. DANIELS,
JOHN H. DENT,
JAMES G. O'HARA,
PHILLIP BURTON,
JOSEPH M. GAYDOS,
EDWARD P. BEARD,
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ALBERT H. QUITE,
JOHN M. ASHBROOK,
M. L. ESCH,
RONALD A. SARASIN,
JOHN N. ERLNBORN,

Managers on the Part of the House.

GAYLORD NELSON,
EDWARD M. KENNEDY,
WALTER F. MONDALE,
ALAN CRANSTON,
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JACOB K. JAVITS,
DICK SCHWEIKER,
J. GLEN BEALL, JR.,
PAUL LAXALT,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12987) to authorize appropriations for fiscal year 1976, and for the period beginning July 1, 1976, and ending September 30, 1976, for carrying out title VI of the Comprehensive Employment and Training Act of 1973, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

1. The House bill may be cited as the "Emergency Job Programs Stop-Gap Extension"; the Senate amendment as the "Emergency Jobs Programs Extension Act of 1976."

The House recedes.

2. The House bill authorizes "such sums" for fiscal year 1976 and for the Transition Quarter (July through September 1976). The Senate amendment includes the House bill's provision and extends the authorization through fiscal year 1977.

The House recedes.

3. The House bill makes inapplicable to the new authorizations that section of CETA (section 4(b)) which provides that funds remain available for obligation for one year after appropriation and may be expended with a two year period after obligation. The Senate amendment has no comparable provision.

The House recedes.

4. The Senate amendment provides for the public disclosure of the names, addresses, and salaries of persons employed in public service jobs. The House bill has no comparable provision.

The House recedes.

5. The Senate amendment provides that the discretionary funds available under the Title II supplemental appropriation enacted last April may be used in areas not qualifying under Title II and that the 30 days of unemployment requirement in that Title may be waived by the Secretary where necessary to transfer a person from a job funded under Title VI to one funded under Title II. The House has no comparable provision.

The House recedes.

6. The Senate amendment provides that the Secretary may use his discretionary funds so as to prevent layoffs of public service jobholders supported under CETA.

The House bill has no comparable provision.

The House recedes

The Senate amendment provides that the remaining discretionary funds may be used for public service employment demonstration projects. The House bill has no comparable provision.

The Senate recedes.

7. The Senate amendment provides that funds received by a prime sponsor in excess of those needed to maintain through FY 77 those employed in FY 76 shall be used to fund public service employment projects for the long-term unemployed persons (or AFDC recipients) who have low household income. The House bill has no comparable provision.

The House recedes with an amendment.

The conference agreement provides that each prime sponsor shall reserve from the allocation made to it under any appropriation for title VI for fiscal year 1977 an amount sufficient, when added to funds available for use under title II of this Act during such fiscal year, to enable the prime sponsor to sustain the number of public service employees that were employed under titles II and VI on June 30, 1976. Any jobs in excess of that number must be in a new program of employment projects and activities with the eligibility limited to long-term unemployed persons (or AFDC recipients) who have low household income. For purposes of determining income eligibility based on the "lower living standard budget", the managers expect that the Secretary's regulations will provide that a period of three months prior to the date of hire shall be used and that the annualized income shall be extrapolated from that period. However, the Conferees recognize that such a three month period may be unrepresentative because of seasonal employment, summer work for teenagers or other special circumstances, and they expect that the Secretary's regulations will take into account the fact that the three month period may not give a proper picture of annualized income. In determining household income, unemployment compensation received by the applicant for the job is not to be used and neither are any public payments received by the applicant from which that person will be disqualified when such individual is employed, such as, for example, under the program of aid to families with dependent children of unemployed fathers.

With respect to any vacancies resulting from attrition below the June 30, 1976, number of Titles II and VI jobholders for any prime sponsor, the conference agreement provides that one-half of such vacancies shall be filled by persons meeting the new long-term, low-income eligibility requirements. However, the project requirements do not apply to these jobs.

The other half of the vacancies resulting from attrition may be filled without regard to the new eligibility requirements and in accordance with other requirements of the Act except that prime sponsors

may give preference to the hiring of unemployed former public health and safety employees for public health and safety jobs.

The conference agreement also prohibits the Secretary of Labor from applying any quota or numerical restriction on the number of rehired public service employees that may be employed in those jobs to which the new eligibility requirements do not apply. If any public service employee has been laid off by a prime sponsor after June 30, 1976, but before the enactment of this legislation (at which time the provisions described in the preceding sentence will take effect), because of such a quota, he may be rehired. However, the conference agreement makes plain that this provision in no way affects the continuing prohibition against hiring any employee who was laid off in anticipation that he be rehired under the Act.

The conference agreement provides that each prime sponsor shall take steps which it determines will insure that the new jobs are equitably allocated among the different categories of long term unemployed persons (and AFDC recipients) specified in the Act. The Conferees are aware that prime sponsors may lack data concerning the number of eligibles in each category but intend that prime sponsors make a good faith effort to meet this requirement to the extent that such data is made available to them. The Conferees intend that the Secretary issue no regulations imposing stricter requirements on prime sponsors will respect to this equitable allocation requirement.

The Conferees emphasize that the new program of work projects for long-term unemployed persons from low-income families in no way diminishes the importance of CETA's existing maintenance-of-effort requirements, labor standards, or other provisions protecting the rights of existing employees.

The Conferees expect prime sponsors to provide a substantial portion of the project funds to nonprofit agencies which both insure that real, new jobs are created and avoid the substitution of Federal funds for services customarily provided by State and local governments.

A new requirement has been included in Section 605(b) to prevent prime sponsor from substituting Federal for State or local funds by contracting out any of their customary services to nonprofit agencies or by reducing their customary level of such services. Moreover, where State and local governments themselves operate projects, the Conferees expect strict enforcement of Sections 205(c)(7), 205(c)(8), and 208(a)(1) regarding maintenance-of-effort requirements. The Labor Department should carefully review the type of work performed by all of the projects in order to insure compliance with all such requirements.

If administrative funds authorized under Section 602(b) are used to pay the wages of supervisory personnel for the projects, the promotional rights of existing employees to fill the supervisory positions shall be protected.

Work performed on the projects must be compared with similar work performed by regular employees of the same employer in order to establish appropriate prevailing wages for such work.

Strict enforcement of these requirements is essential to prevent the projects from undermining existing employment standards and agreements.

8. The Senate amendment amended Title II of the Emergency Jobs and Unemployment Assistance Act (providing for the Special Unemployment Assistance program) to provide that unemployment benefits for certain laid-off public service employees shall be a charge to that program rather than to CETA funds. It provided for each State to be reimbursed out of Title II funds for the amount of unemployment compensation paid on the basis of CETA public service employment after December 31, 1975. The Senate amendment further required the States or political subdivisions to reimburse the employers for any amounts they have paid or will pay to provide unemployment benefits for laid-off CETA workers, or, in the case of employers who participate in the State unemployment insurance system on a contributory basis (making regular contributions based upon an experience rating), to reimburse such employers for their contributions with respect to public service employees and adjust the experience ratings of such employers accordingly. The House bill has no comparable provisions.

The House recedes with an amendment making technical changes in the Senate language and the following substantive changes:

The Conference agreement authorizes rather than requires the States to make appropriate adjustments in the accounts of affected individual employers. The Conference agreement also authorizes the States to provide credits to such employers against existing or future obligations, rather than reimbursements which would require withdrawals from unemployment trust funds in order to make such reimbursements. In sum, the States would be authorized to:

(1) waive any liability for future CETA unemployment insurance claims against employing agencies, and

(2) apply a credit for past payments (since January 1, 1976) of CETA unemployment insurance claims against future unemployment charges to the CETA employing agency.

The Conference agreement further provides for the Secretary of the Treasury to recapture any Federal funds which are paid to the States and are not credited by the States to the accounts of the affected employers. In addition, political subdivisions acting as proxies for the States in providing unemployment insurance benefits are to be treated as if they were a State.

The Conference agreement is designed to avoid, to the maximum extent possible, the delays that would result from a necessity to amend State laws to implement the purposes of these provisions. The Conferees are depending heavily upon the States to promptly arrange administrative procedures for providing credits to the accounts of individual employers, so as to avoid diversion of funds from providing jobs to providing unemployment assistance. The Secretary of Labor is directed to act expeditiously to provide the States the necessary guidance and assistance with respect to procedures for adjusting the accounts of employers who are participating in the State system on a contributory basis. Utilizing procedures already established for correcting erroneous contributions, for example, such adjustments might be made (in the case of contributing employers) by recomputing the experience rating of affected employers, disallowing the effect of layoffs of public service employees on the computation.

The Conferees note that, while the Senate provisions were initiated originally to remedy a situation in 9 States that provide unemployment insurance coverage of public employees (including public service employees) under the regular State system, the provisions as passed by the Senate and as modified by the Conference agreement would impact in all States, to the extent that private, non-profit organizations are employing public service employees under CETA. These provisions, therefore, are addressed toward insuring that the States utilize the Federal reimbursements provided to adjust the accounts of all employers of public service employees—public agencies as well as private, non-profit organizations.

9. The Senate amendment specifies that public service jobs in each promotional line, rather than in each job category, not infringe on the promotional opportunities of existing employees. The House bill has no comparable provision.

The House recedes.

10. The Senate amendment expands the definition of Indian tribes eligible to receive Title VI funds by eliminating the restriction to those tribes on "Federal or State reservations." The House bill has no comparable provisions.

The House recedes.

11. The Senate amendment provides that 4% of Title VI funds be reserved for Indian programs. The House bill has no comparable provision.

The House recedes, with an amendment providing that 2 percent of such funds be reserved for Indian public service employment programs.

12. The Senate amendment provides that the Secretary of Labor shall provide, and shall assure that prime sponsors provide, financial assistance to community-based organizations of demonstrated effectiveness, and shall seek to have other Federal agencies give them special consideration in administering job creation programs. The House bill has no comparable provision.

The Senate recedes.

13. The Senate amendment provides that public service employment funds may be expended in conjunction with funds from other public or private sources. The House bill has no comparable provision.

The House recedes.

14. The Senate amendment provides for relocation assistance demonstration projects for unemployed workers. The House bill has no comparable provision.

The House recedes.

15. The Senate amendment authorizes CETA employees to work on weatherization projects on homes of the near poor, including persons with incomes up to 125 percent of the poverty level. The House bill has no comparable provision.

The House recedes.

16. The Senate amendment includes a definition of project applicants for the purpose of the proposed new sections of title VI. The House bill contains no comparable provision.

The House recedes.

17. The Senate amendment provides for a report on certain veteran's employment provisions 90 days after enactment. The House bill has no comparable provision.

The House recesses.

18. The Senate amendment requires prime sponsor plans to promote maximum use of the veterans' apprenticeship and on-the-job training program. The House bill has no comparable provision.

The House recesses with an amendment designed to make clear that prime sponsors shall provide such arrangements as may be appropriate to promote maximum feasible uses of these opportunities.

The Conferees stress that this does not authorize the Secretary to establish any quotas for prime sponsors' performance for carrying out the provisions of this section.

19. The Senate amendment provides for a National Commission on Employment and Unemployment Statistics. The House bill has no comparable provision.

The House recesses with three minor amendments.

20. The Senate Amendment provides for a reduction from 20 percent to 10 percent in the discretionary funds available to the Secretary of Labor under title II of CETA. The House bill contains no comparable provision.

The Senate recesses.

21. The Senate amendment provides that, in distributing public service employment funds which are set aside for use in the Secretary of Labor's discretion (10 percent of CETA title VI and 20 percent of CETA title II), the Secretary shall, for purposes of receiving public comment, give 30 days notice in the Federal Register of the specific formula and the rationale upon which the proposed distribution of funds is based, and the proposed distribution to each prime sponsor. The House bill contains no comparable provision.

The House recesses with an amendment making clear that such publication of a formula is required only if the Secretary chooses to distribute discretionary funds by formula.

The Conferees wish to emphasize that it is not their purpose here to encourage the Secretary to distribute discretionary funds by formula distribution. The Conferees believe that the discretionary funds should be used in a genuinely discretionary manner, consistent with the provisions of the Act. Specifically, the provision applicable to title II discretionary funds (section 202(b) of CETA) states: "The remainder may be distributed by the Secretary in his discretion taking into account the severity of unemployment with such areas." Section 603(b) of CETA, as amended by this legislation, provides for the use of title VI discretionary funds "as the Secretary deems appropriate to carry out the purposes of this title, taking into account changes in rates of unemployment. In distributing funds available for the discretionary use of the Secretary of Labor under this subsection, the Secretary is authorized to utilize such funds to assure a continuation of public service employment activities supported under this Act."

22. The Senate amendment authorizes financial assistance under certain conditions for manpower services to projects involving the operation of a business enterprise. The House bill contains no comparable provision.

The Senate recesses.

23. The Senate amendment provides for a study of the net job-creating impact of public service employment programs under CETA by the National Commission for Manpower Policy (the existing Presidentially-appointed Commission established under title V of CETA). The House bill contains no comparable provision.

The House recesses.

CARL D. PERKINS,
DOMINICK V. DANIELS,
JOHN H. DENT,
JAMES G. O'HARA,
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J. GLENN BEALL, JR.
PAUL LAXALT,

Managers on the Part of the Senate.

○

Ninety-fourth Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the nineteenth day of January,
one thousand nine hundred and seventy-six*

An Act

To authorize appropriations for carrying out title VI of the Comprehensive Employment and Training Act of 1973, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Jobs Programs Extension Act of 1976".

SEC. 2. Title VI of the Comprehensive Employment and Training Act of 1973 is amended by striking out section 601 and inserting in lieu thereof the following:

"AUTHORIZATION OF APPROPRIATIONS

"Sec. 601. There are authorized to be appropriated such sums as may be necessary for fiscal year 1976, and for the period beginning July 1, 1976, and ending September 30, 1976, and for fiscal year 1977, for carrying out the provisions of this title."

SEC. 3. (a) (1) Section 203(b) of the Comprehensive Employment and Training Act of 1973 is amended to read as follows:

"(b) Notwithstanding the provisions of section 208(a)(7) of this Act, not less than 85 per centum of the funds allocated in accordance with the provisions of this title which are used by an eligible applicant for public service employment programs under this title shall be expended only for wages and employment benefits to persons employed in public service jobs pursuant to this title, and the remainder of such funds may be used for administrative costs, including rental costs (within such reasonable limitations as the Secretary may prescribe with respect to the rental of space), and to obtain necessary supplies, equipment, and materials."

(2) Section 602(b) of the Comprehensive Employment and Training Act of 1973 is amended to read as follows:

"(b) Notwithstanding the provisions of section 208(a)(7) of this Act, not less than 85 per centum of the funds allocated in accordance with the provisions of this title which are used by an eligible applicant for public service employment programs under this title shall be expended only for wages and employment benefits to persons employed in public service jobs pursuant to this title, and the remainder of such funds may be used for administrative costs, including rental costs (within such reasonable limitations as the Secretary may prescribe with respect to the rental of space), and to obtain necessary supplies, equipment, and materials."

(b) Section 704 of the Comprehensive Employment and Training Act of 1973 is amended by inserting at the end thereof the following new subsection:

"(d) Financial records of a prime sponsor relating to public service employment programs assisted under this Act and records of the names, addresses, positions, and salaries of all persons employed in public service jobs assisted under this Act shall be maintained and made available to the public."

SEC. 4. (a) (1) With respect to appropriations made by the Emergency Supplemental Appropriations Act of 1976 (Public Law 94-266, enacted April 15, 1976) for the purpose of carrying out activities authorized by title II of the Comprehensive Employment and Training Act of 1973—

(A) notwithstanding any other provision of law, funds made available under section 202(b) of the Comprehensive Employment and Training Act of 1973 may be used in any areas qualifying under title VI of such Act to provide a continuation of public service employment activities under both title II and title VI of such Act; and

(B) in order to enable persons employed in public service jobs financially assisted under title VI of such Act to be transferred to jobs financially assisted under title II of such Act, the Secretary of Labor is authorized to waive the provision of section 205(a) of such Act requiring a thirty-day period of unemployment.

(2) The provisions of paragraph (1) of this subsection shall be deemed to have taken effect on the date of enactment of the Emergency Supplemental Appropriations Act of 1976. Persons transferred after such date from jobs financially assisted under title VI of the Comprehensive Employment and Training Act of 1973 to jobs financially assisted under title II of such Act, using funds made available under the Emergency Supplemental Appropriations Act of 1976, shall after the date of enactment of this Act be considered to be public service jobholders financially assisted under such title VI.

(b) Subsection (b) of section 603 of the Comprehensive Employment and Training Act of 1973 is amended by adding at the end of such subsection the following new sentences: "In distributing funds available for the discretionary use of the Secretary of Labor under this subsection, the Secretary is authorized to utilize such funds to assure a continuation of public service employment activities supported under this Act. In distributing such funds under this subsection to prime sponsors, the Secretary shall base allocations upon the public service employment activities sustained within the jurisdiction of each unit of general local government within the area served by each such prime sponsor in accordance with subsection (c) of this section."

SEC. 5. (a) Title VI of the Comprehensive Employment and Training Act of 1973 is further amended by adding at the end thereof the following new sections:

"RESERVATION OF FUNDS; EMPLOYMENT OF LONG-TERM UNEMPLOYED,
LOW-INCOME PERSONS

"SEC. 607. (a) Each prime sponsor, in accordance with regulations which the Secretary shall prescribe, shall reserve out of any allocation which it receives under this title from appropriations for fiscal year 1977 such amount as will be sufficient, when added to funds available for use under title II of this Act during such fiscal year, to enable the prime sponsor to sustain throughout such fiscal year the number of public service jobholders supported under this title and title II of this Act on June 30, 1976.

"(b) The amount of each prime sponsor's allocation under this title remaining after funds are reserved for the purpose described in subsection (a) of this section shall be used to provide public service jobs for eligible unemployed persons (as described in section 608) in proj-

ects and activities carried out by project applicants (as defined in section 701(a)(15) of this Act). Such projects and jobs shall not exceed twelve months in duration and shall provide employment consistent with the aim of maintaining average federally supported wage rates for public service jobholders (adjusted on a regional and area basis) as set forth under section 209(b) of this Act.

“(c) Vacancies occurring after June 30, 1976, in jobs supported under this title and the Emergency Supplemental Appropriations Act of 1976 (Public Law 94-266) to which subsection (a) of this section is applicable shall be filled as follows:

“(1) Fifty per centum of such vacancies shall be filled in accordance with the provisions of section 608.

“(2) Fifty per centum of such vacancies shall be filled in accordance with the provisions of this title (other than the provisions of this section, except for this paragraph, and of sections 608 and 609) except that a prime sponsor may give preference in filling such vacancies to unemployed public health and safety personnel in public health and safety positions for which they are qualified.

“ELIGIBILITY OF LONG-TERM UNEMPLOYED, LOW-INCOME PERSONS

“SEC. 608. (a) In filling public service jobs with financial assistance available for the purposes of subsections (b) and (c)(1) of section 607, each prime sponsor shall determine that any person to be employed in any such public service job (1) is an individual—

“(A) who has been receiving unemployment compensation for fifteen or more weeks;

“(B) who is not eligible for such benefits and has been unemployed for fifteen or more weeks;

“(C) who has exhausted unemployment compensation benefits;

or

“(D) who is, or whose family is, receiving aid to families with dependent children provided under a State plan approved under part A of title IV of the Social Security Act;

and (2) is not a member of a household which has current gross family income, adjusted to an annualized basis (exclusive of unemployment compensation and other public payments which such individual will be disqualified from receiving by reason of employment under this title) at a rate exceeding 70 per centum of the lower living standard income level.

“(b) For purposes of this section, the term ‘lower living standard income level’ means that income level (adjusted for regional and metropolitan and urban and rural differences and family size) determined annually by the Secretary based upon the most recent ‘lower living standard budget’ issued by the Bureau of Labor Statistics of the Department of Labor.

“(c) In filling public service jobs, each prime sponsor shall take reasonable steps, which such sponsor shall determine, to insure that funds provided in accordance with subsections (b) and (c)(1) of section 607 shall be equitably allocated for jobs among the categories of eligible persons described in section 608(a) in light of the composition of the population of unemployed eligible persons served by the prime sponsor.

“(d) In providing public service jobs and determining hours of work for eligible persons with financial assistance provided in accordance with subsections (b) and (c)(1) of section 607, each prime sponsor shall take into account the household support obligations of the

men and women applying for such jobs, and shall give special consideration to such alternative working arrangements as flexible hours of work, shared time, and part-time jobs, for eligible persons, particularly for parents of young children and for older persons.

“(e) The Secretary, through the affiliated State employment security agencies, shall take steps to inform the recipients of unemployment compensation benefits of any available public service jobs for which such recipients may be eligible, but such notification shall clearly state that such notification is designed only to inform, and in no way to coerce, such recipients with respect to the availability of such jobs.

“APPROVAL OF PROJECTS

“SEC. 609. (a) In order for a project application submitted by a project applicant to be approved by the prime sponsor for financial assistance provided in accordance with subsection (b) of section 607, copies of such application shall have been submitted at the time of such application to the prime sponsor’s planning council established under section 104, for the purpose of affording such council an opportunity to submit comments and recommendations with respect to that application to the prime sponsor. No member of a prime sponsor’s planning council shall cast a vote on any matter in connection with a project in which that member (or any organization with which that member is associated) has a direct interest.

“(b) Consistent with procedures established by the prime sponsor in accordance with regulations which the Secretary shall prescribe, the prime sponsor shall not disapprove a project application submitted by a project applicant unless it has first considered any comments and recommendations made by the prime sponsor’s planning council and unless it has provided such applicant and the planning council with a written statement of its reasons for such disapproval.”

(b)(1) Section 701(a) of the Comprehensive Employment and Training Act of 1973 is amended by adding at the end thereof the following new paragraph:

“(15) ‘project applicants’ includes States and agencies thereof, units of general local government and agencies thereof or combinations or associations of such governmental units when the primary purpose of such combinations or associations is to assist such governmental units to provide public services, special purpose political subdivisions having the power to levy taxes and spend funds or serving such special purpose within an area served by one or more units of general local government, local educational agencies as defined in section 801(f) of the Elementary and Secondary Education Act of 1965, institutions of higher education as defined in section 1201(a) of the Higher Education Act of 1965, community-based organizations as defined in paragraph (1) of this subsection, community development corporations, nonprofit groups and organizations serving Indians or Native Hawaiians, and other nonprofit private organizations or institutions engaged in public service.”

(2) The last sentence of section 606 of the Comprehensive Employment and Training Act of 1973 is amended to read as follows: “In reallocating any such funds, the Secretary shall give priority first to other areas within the same State and then to areas within other

States, taking into account the number of eligible unemployed individuals (as described in section 608) in such areas.”.

(3) Section 605 of the Comprehensive Employment and Training Act of 1973 is amended by inserting after “projects and activities” a comma and the following: “including projects and activities to be carried out by project applicants as defined in section 701(a) (15) of this Act,”.

(c) Section 702 of the Comprehensive Employment and Training Act of 1973 is amended by adding at the end thereof the following new subsection:

“(c) The Secretary shall not, by regulation or otherwise, impose any quota or limitation on the number or percentage of persons hired under title II or VI, or both, of this Act who were former employees of public employers under this Act and who held jobs supported under title II or VI of this Act on June 30, 1976, or who are hired to fill vacancies under the provisions of section 607(c) (2). Any person who, between June 30, 1976, and the date of enactment of this Act, was laid off from a job supported under title II or VI of this Act by reason of such a quota or limitation may be reinstated by the prime sponsor without regard to the provisions of section 607(c). Nothing in this subsection shall be construed to relieve any prime sponsor from complying with section 205(c) (8) of this Act.”.

(d) Section 605 of the Comprehensive Employment and Training Act of 1973 is amended by inserting “(a)” after such section designation and by adding at the end thereof the following new subsection:

“(b) No funds for public service employment programs under this Act may 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 served by the project.”.

SEC. 6. (a) Title II of the Emergency Jobs and Unemployment Assistance Act of 1974 is amended by adding at the end thereof the following new part:

“PART B—REIMBURSEMENT FOR UNEMPLOYMENT BENEFITS PAID ON BASIS OF PUBLIC SERVICE EMPLOYMENT

“PAYMENTS TO STATES

“SEC. 220. (a) Each State shall be paid by the United States with respect to each individual—

“(1) who receives compensation with respect to any benefit year, and

“(2) whose base period wages for such benefit year include public service wages,
an amount which bears the same ratio to the total amount of compensation paid to such individual with respect to such benefit year for weeks of unemployment which begin on or after January 1, 1976, as the amount of the public service wages included in the individual's base period wages bears to the total amount of the individual's base period wages.

“(b) Each State shall be paid, either in advance or by way of reimbursement, as may be determined by the Secretary, the sum that the Secretary estimates is payable to such State under this part for each calendar month. The sum shall be reduced or increased by the amount

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which the Secretary finds that his estimate for an earlier calendar month was greater or less than the sum which should have been paid to the State. Estimates shall be made on the basis of reports made by the State to the Secretary as prescribed by the Secretary.

“(c) The Secretary shall, from time to time, certify to the Secretary of the Treasury the sum payable to each State under this part. The Secretary of the Treasury, prior to audit and settlement by the General Accounting Office, shall pay the State in accordance with the certification from funds for carrying out the purposes of this part.

“(d) Money paid to a State under this part may be used solely for the purpose of paying compensation. Money so paid which is not used for such purpose shall be returned, at the time specified by the Secretary, to the Treasury of the United States and credited to current applicable appropriations, funds, or accounts from which payments to States under this part may be made.

“(e) In the case of any political subdivision of a State which has in effect an unemployment compensation program which provides for the payment of compensation on the basis of services performed in its employ, such political subdivision shall be entitled to payments under this part in the same manner and to the same extent as if such political subdivision were a State.

“STATE LAW PROVISIONS

“SEC. 221. (a) The unemployment compensation law of any State may provide that any organization which elects to make payments (in lieu of contributions) into the State unemployment compensation fund—

“(1) shall not be liable to make such payments after the date of the enactment of this section with respect to any compensation to the extent that such State is entitled to payments with respect to such compensation under this part; and

“(2) shall receive credit against payments required to be made after such date of enactment for any such payments made on or before such date of enactment to the extent that such payments were made with respect to compensation for which the State is entitled to receive payments under this part.

“(b) The unemployment compensation law of any State may, without being deemed to violate the standards set forth in section 3303(a) of the Internal Revenue Code of 1954, provide for appropriate adjustments, as may be determined by the Secretary, in the account of any employer who has paid public service wages to reflect the payments to which such State is entitled under this part with respect to compensation attributable to such wages.

“AUTHORIZATION OF APPROPRIATIONS

“SEC. 222. There are hereby authorized to be appropriated for purposes of this part such sums as may be necessary.

“DEFINITIONS

“SEC. 223. As used in this part, the term—

“(1) ‘State’ means the States of the United States, the District of Columbia, Puerto Rico, and the Virgin Islands;

“(2) ‘compensation’ means cash benefits payable to individuals with respect to their unemployment, except that such term shall not include special unemployment assistance payable under part A;

“(3) ‘public service job’ means any public service job funded with assistance provided under the Comprehensive Employment and Training Act of 1973;

“(4) ‘public service wages’ means remuneration for services performed in a public service job to the extent that such remuneration is paid with funds provided under the Comprehensive Employment and Training Act of 1973;

“(5) ‘benefit year’ means the benefit year as defined by the applicable State unemployment compensation law;

“(6) ‘base period’ means the base period as defined by the applicable State unemployment compensation law for the benefit year; and

“(7) ‘Secretary’ means the Secretary of Labor.”

(b) Title II of such Act is further amended—

(1) by inserting after the heading of such title the following:

“PART A—SPECIAL UNEMPLOYMENT ASSISTANCE”;

(2) by striking out “this title” each place it appears and inserting in lieu thereof “this part”; and

(3) by striking out “the title” in section 210(a) and inserting in lieu thereof “this title”.

(c) The amendments made by this section shall take effect on October 1, 1976, with respect to compensation paid for weeks of unemployment beginning after December 31, 1975.

SEC. 7. Section 205(c) (24) of the Comprehensive Employment and Training Act of 1973 is amended by striking out “job category” in both places where that term occurs in such clause and inserting in lieu thereof “promotional line”.

SEC. 8. (a) Section 602(e) of the Comprehensive Employment and Training Act of 1973 is amended by striking out “Indian tribes on Federal or State reservations” and inserting in lieu thereof “Indian tribes, bands, and groups qualified under section 302(c) (1) of this Act”.

(b) Section 603(a) of the Comprehensive Employment and Training Act of 1973 is amended by redesignating paragraphs (1) and (2) thereof as paragraphs (2) and (3), respectively, and by inserting immediately after “(a)” the following: “(1) The Secretary shall reserve an amount equal to not less than 2 per centum of the amounts appropriated under section 601 for any fiscal year to enable Indian tribes, bands, and groups which are designated as eligible applicants under this title to carry out public service employment programs.”.

(c) Section 603(a) (2) of such Act, as redesignated by subsection (b) of this section, is amended by inserting after “per centum” the following: “of the remainder”.

SEC. 9. (a) Section 704 of the Comprehensive Employment and Training Act of 1973 (as amended by section 3(b) of this Act) is further amended by adding at the end thereof the following new subsection:

“(e) Notwithstanding any other provision of law, funds allocated by a prime sponsor or an Indian tribe, band, or group for the employ-

ment of individuals under this Act may be expended in conjunction with funds from any other public or private source, but funds allocated under this Act may only be expended in accordance with the requirements of this Act.”

(b) The heading of such section 704 is amended to read as follows:

“SPECIAL PROVISIONS”.

SEC. 10. Section 311 of the Comprehensive Employment and Training Act of 1973 is amended by adding at the end thereof the following new subsection:

“(e) The Secretary is authorized to undertake projects (either directly or by grant or contract) for the purpose of demonstrating the feasibility of providing relocation assistance to unemployed workers residing in areas of substantial unemployment who would otherwise be eligible for public service employment under this Act. Such assistance shall be in such form and amount as the Secretary deems appropriate for demonstration purposes, except that he shall use as a general guideline the form and amount of relocation assistance available under chapter 2 of title II of the Trade Act of 1974.”

SEC. 11. Section 704 of the Comprehensive Employment and Training Act of 1973 (as amended by sections 3(b) and 9 of this Act) is further amended by adding at the end thereof the following new subsection:

“(f) Notwithstanding any other provision of law, employment and training services furnished under this Act in connection with weatherization projects authorized under section 222(a)(12) of the Economic Opportunity Act of 1964 may include work on such projects for the near poor, including families having incomes which do not exceed 125 per centum of the poverty line as established by section 625 of the Economic Opportunity Act of 1964.”

SEC. 12. (a) Section 104(b) of the Emergency Jobs and Unemployment Assistance Act of 1974 is amended by—

(1) striking out “by this Act” after “amended”; and

(2) inserting at the end of such subsection the following new sentence: “They shall also report to such committees on the same subjects not later than ninety days after the date of enactment of the Emergency Jobs Programs Extension Act of 1976.”

(b) Title I of the Comprehensive Employment and Training Act of 1973 is amended by—

(1) inserting at the end of section 105(a)(3) the following “and (E) provides such arrangements as may be appropriate to promote maximum feasible use of apprenticeship or other on-job training opportunities available under section 1787 of title 38, United States Code;”; and

(2) striking out in section 106(b)(5) “provide special emphasis” and inserting in lieu thereof “take affirmative action”.

SEC. 13. (a)(1) The Congress finds and declares that—

(A) the reliable and comprehensive measurement of employment and unemployment is vital to assessing the Nation’s economic well-being and the utilization of its work force, and is an important determinant of public policies toward job creation, education, training, assistance for the jobless, and other labor market programs;

(B) the allocation of billions of dollars of Federal funds on the basis of unemployment data is increasing, making even more crucial the timely, accurate, and uniform measurement of the labor force;

(C) the formulation of public policies to promote the most effective use of our human resources is hindered by inadequate information on the utilization and effect of education and training programs;

(D) in order for governmental and private sector policy decisions to have maximum effect upon reducing unemployment and strengthening the labor force, an accurate and precise system for measuring employment and unemployment and its impacts on particular segments of the potential work force is essential;

(E) the current method of data collection and the form of its presentation, at national, regional, and subregional levels, may not fully reflect unemployment and employment trends, and may produce incomplete and, therefore, misleading conclusions, thus impairing the validity and utility of this critical economic indicator;

(F) it is critical to retain public confidence in the procedures, concepts, and methodology of collecting, analyzing, and presenting employment and unemployment statistics; and

(G) objectivity is a necessity in considering reform of statistical processes.

(2) It is the purpose of this section to establish a National Commission on Employment and Unemployment Statistics to have responsibility for examining the procedures, concepts, and methodology involved in employment and unemployment statistics and suggesting ways and means of improving them.

(b)(1) There shall be established a National Commission on Employment and Unemployment Statistics (hereinafter in this section referred to as the "Commission") which shall consist of nine members appointed by the President, by and with the advice and consent of the Senate. Seven of the members shall be selected on the basis of their knowledge of and experience in the procedures, methodology, or use of employment and unemployment statistics, and shall be broadly representative of labor, business and finance, education and training, economics and statistics, and State and local government. Two of the members shall be selected from the general public. The membership of the Commission shall be generally representative of significant segments of the labor force, including women and minority groups. Any vacancy in the Commission shall not affect its powers as long as there continues to be at least five members; and any such vacancy may be filled in the same manner as the original appointment is made.

(2) Except when six members of the Commission shall vote to hold an executive session for a particular purpose, the Secretary of Labor, the Secretary of Commerce, the Commissioner of Labor Statistics, the Director of the Bureau of the Census, the Director of the Office of Management and Budget, the Chairman of the National Commission for Manpower Policy, the Chairman of the Council of Economic Advisers, and a majority and a minority member each of the Joint Economic Committee, of the Committee on Labor and Public Welfare of the Senate, and of the Committee on Education and Labor of the House of Representatives, or in each case a designee, shall assist and participate in the hearings, deliberations, and other activities of the Commission on an advisory basis.

(3) The President shall designate a Chairman from among the appointed members of the Commission.

(4) The Chairman, with the concurrence of the Commission, shall appoint an executive director, who shall be the chief executive officer of the Commission and shall perform such duties as are prescribed by the chairman or the Commission. The executive director may appoint, with the concurrence of the Chairman, such professional, technical, and clerical staff as are necessary to carry out the provisions of this section. The executive director and staff shall be appointed without regard to the provisions of title 5, United States Code, governing appointments to the competitive service, governing appointments to the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate of GS-18 of the General Schedule under section 5332 of such title. The executive director, with the concurrence of the Chairman, may obtain temporary and intermittent services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code. The Commission may utilize such staff, with or without reimbursement, from the Department of Labor, the Department of Commerce, and such other appropriate Federal agencies as may be available to assist the Commission in carrying out its responsibilities.

(5) The Commission shall determine its own internal procedures, including the constituting of a quorum.

(6) The Commission is authorized to accept and utilize voluntary and uncompensated services notwithstanding the provisions of section 665(b) of title 31, United States Code.

(7) Members of the Commission who are not officers or employees of the Federal Government shall be paid compensation at a rate of not to exceed the per diem equivalent of the rate for GS-18 of the General Schedule under section 5332 of title 5, United States Code, when engaged in the work of the Commission, including traveltime; and while serving away from their homes or regular places of business, shall be allowed travel expenses including per diem in lieu of subsistence, in the same manner as such expenses are authorized by law (5 U.S.C. 5703) for persons in the Government service employed intermittently.

(c) The Commission shall—

(1) identify the needs of the Nation for labor force statistics and assess the extent to which current procedures, concepts, and methodology in the collection, analysis, and presentation of such statistics constitute a comprehensive, reliable, timely, and consistent system of measuring employment and unemployment and indicating trends therein; and

(2) conduct or provide (through contract with institutions, organizations, and individuals, or appropriate Federal or State agencies, or otherwise) for such studies, hearings, research, or other activities as it deems necessary to enable it to formulate appropriate recommendations.

The Commission or, on the authorization of the Commission, any subcommittee or members thereof, may, for the purposes of carrying out the provisions of this section, hold such hearings, take such testimony, and sit and act at such times and places as the Commission deems advisable. Any member authorized by the Commission may administer oaths or affirmations to witnesses appearing before the Commission or any subcommittee or members thereof.

(d) (1) The Commission shall make a report of its findings and recommendations to the President and the Congress within eighteen months after the date of appointment of the first five members of the Commission.

(2) In preparing its report, the Commission shall consider the following:

(A) The methodology of collection of employment and unemployment data at all levels, including National, regional, State, and local statistics.

(B) The methodology of analysis of such data, including its relevance and application.

(C) The methodology of presentation of employment and unemployment statistics, including the dissemination, current utilization, and application of such statistics.

(D) Alternative methods of such collection, analysis, and presentation.

(E) The need for additional special statistical surveys (including longitudinal studies) and reports on a continuing basis.

(F) The need for additional data and analysis on job vacancies, job turnover, job matching, discouraged workers, part-time workers, youth, minorities, women, and other labor force participants.

(G) Accuracy and uniformity of seasonal adjustments in all categories of labor force statistics.

(H) Methods of achieving current, accurate, and uniform employment and unemployment statistics on a State and local basis, including their use as a determinant of the allocation of Federal assistance.

(I) The need for, and methods to obtain, data relating employment status and earnings, economic hardship, and family support obligations.

(J) The extent to which employment and earnings data assist in determining the impact of public programs and policies upon persons who are economically disadvantaged, unemployed, or underemployed.

(K) The availability of and need for periodic information on education and training enrollments and completions in the public and private sectors.

(L) Statistical indicators of the relationship between education and training and subsequent employment, earnings, and unemployment experience.

(M) The value and usefulness of other statistics regarding employment and unemployment, such as those obtained through operation of the unemployment insurance system.

(N) The availability of and need for current and projected occupational information, particularly on a local basis, to assist youths and adults in making training, education, and career choices.

(O) Such other matters as the Commission deems appropriate or necessary, including such matters as are suggested by the President or by the Congress that the Commission deems appropriate.

(3) The Commission's report shall contain its findings and recommendations, including a feasible schedule for their implementation, cost estimates, and any appropriate draft regulations and legislation to implement such recommendations.

(4) The Commission may make such interim reports or recommendations as it may deem desirable.

(e) Upon submission of the Commission's final report, the Secretary of Labor shall take steps to ascertain the views of each affected executive agency and, within six months after the report's submission, shall make an interim report to the Congress on—

(1) the desirability, feasibility, and cost of implementing each of the Commission's recommendations, and the actions taken or planned with respect to their implementation; and

(2) recommendations with respect to any legislation proposed by the Commission, the need for any alternative or additional legislation to implement the Commission's recommendations, and any other proposals to strengthen and improve the measurement of employment and unemployment.

Within two years after submission of the Commission's final report, the Secretary shall submit a final report to the Congress detailing the actions taken with respect to the recommendations of the Commission, together with any further recommendations deemed appropriate.

(f) (1) Each department, agency, and instrumentality of the Federal Government is authorized and directed to cooperate fully with the Commission in furnishing appropriate information to assist the Commission in carrying out its functions under this section.

(2) The head of each department, agency, or instrumentality of the Federal Government is authorized to provide such support and services to the Commission, upon request of the Chairman, as may be agreed between the head of the department, agency, or instrumentality and the Chairman.

(g) The Commission shall cease to exist one hundred and eighty days after submission of its final report as required under subsection (d) (1) of this section.

(h) (1) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

(2) Notwithstanding any other provision of law, any funds appropriated to carry out this section which are not obligated prior to the end of the fiscal year for which such funds were appropriated shall remain available for obligation during the succeeding fiscal year.

SEC. 14. (a) Section 202 of the Comprehensive Employment and Training Act of 1973 is amended by adding at the end thereof the following new subsection:

"(c) Whenever the Secretary allocates any funds available under subsection (b) of this section through a distribution based upon a formula, he shall, not later than 30 days prior to such allocation, publish in the Federal Register for comment the specific formula upon which such distribution is based, the rationale supporting the selection of the formula, and the proposed distribution to each prime sponsor. After consideration of comments received under the preceding sentence, the Secretary shall publish final allocations."

(b) Section 603 of such Act is amended by adding at the end thereof the following new subsection:

"(d) Whenever the Secretary allocates any funds available under subsection (b) of this section through a distribution based upon a formula, he shall, not later than 30 days prior to such allocation, publish in the Federal Register the specific formula upon which such distribution is based, the rationale behind the selection of the formula, and the proposed distribution for each prime sponsor. After consideration of comments received under the preceding sentence, the Secretary shall publish final allocations."

SEC. 15. (a) The National Commission for Manpower Policy, established under title V of the Comprehensive Employment and Training Act of 1973, shall conduct a study of the net employment effects of the public service employment programs authorized by title II and title VI of the Comprehensive Employment and Training Act of 1973.

(b) The National Commission for Manpower Policy shall prepare and submit to the Congress not later than March 31, 1978, a report on the study required by this section, together with such recommendations, including recommendations for legislation, as such Commission deems advisable.

(c) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*