

DECEMBER 31, 1974

Office of the White House Press Secretary  
(Vail, Colorado)

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NOTICE TO THE PRESS

The President has signed H. R. 16596--the Emergency Jobs and Unemployment Assistance Act of 1974--which authorizes \$2.5 billion for fiscal year 1975 to provide additional public service jobs for unemployed and underemployed persons; establishes a temporary Federal program of special unemployment assistance for workers who are not currently eligible for unemployment insurance benefits; authorizes \$500 million for fiscal year 1975 for job-creating activities under the Public Works and Economic Development Act of 1965.

Major Provisions of H. R. 16596

Title I--Public Service Employment

This title of the bill amends the Comprehensive Employment and Training Act (CETA) by adding a new Title VI--Emergency Job Programs--and redesignating the current Title VI as Title VII. Under the new title, the Secretary of Labor is required to enter into agreements with State and Local governments qualified as prime sponsors under Title I of CETA and with Indian tribes on Federal or State reservations to provide grants for temporary public service employment for eligible unemployed and underemployed persons. No "trigger," i. e., no specified unemployment rate, is provided to initiate the program.

Of the funds appropriated for this purpose, at least 90 percent must be allotted to the grantees. The remaining 10 percent will be available for discretionary use by the Secretary of Labor. The funds to be allotted are to be distributed among the grantees as follows:

-- 50 percent in proportion to the relative number of unemployed persons in the grantee's area compared to the total number of unemployed persons in the Nation.

-- 25 percent in proportion to the area's share of unemployed persons in excess of 4.5 percent of the labor force.

-- 25 percent among areas of substantial unemployment as defined in Title II of CETA (6.5 percent for three months) in proportion to the total unemployed in all such areas.

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The bill includes special provisions intended to expand job opportunities in areas with unemployment rates in excess of 7 percent and certain other areas where exceptional circumstances exist. For example, various "transitional" provisions under Title II of CETA could be waived in these areas, and public service employment is authorized for an individual after 15 rather than 30 days of unemployment. Not less than 90 percent of the funds appropriated under this title are to be spent for wages and employment benefits to persons employed in public service jobs under the bill.

To the maximum extent feasible, preference in hiring for public service jobs under the bill must be given by sponsors to experienced unemployed workers who have exhausted their unemployment compensation, are not eligible for unemployment compensation, or who have been unemployed for 15 or more weeks. No one can be hired to fill a position created by laying off or terminating a regular employee in anticipation of filling the position with a worker supported under CETA. The maximum annual salary of the public service jobs under the bill is \$10,000, with a national average salary goal among all participants of \$7,800.

Special efforts are required to be made under the bill to provide job opportunities for veterans within four years after discharge, including outreach and public information programs. The Secretary of Labor, in consultation and cooperation with the Administrator of Veterans' Affairs and the Secretary of Health, Education, and Welfare, is required to report to the appropriate congressional committees on these efforts within 90 days after enactment.

The bill authorizes appropriations of \$2.5 billion for fiscal year 1975 for Title I of H. R. 16596, to remain available for obligation until December 31, 1975. The bill provides that funds obligated for public service jobs under this title may be used for projects and activities extending over a 12-month period.

#### Title II--Special Unemployment Assistance Program

This title of the bill establishes a temporary Federal program of special unemployment assistance for workers who are not otherwise eligible for unemployment benefits under any other law. Each State which enters into an agreement with the Secretary of Labor is eligible to participate in this program which will be financed from the general funds of the Treasury.

Workers will be eligible if they are not currently covered under any State or Federal unemployment compensation law or any other law, such 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,

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or any similar law. Groups primarily affected will be State and local government employees, farm workers, and domestic workers. The weekly benefit amounts and number of weeks of benefits would be based on State law, up to a maximum of 26 weeks.

For purposes of this Title, workers in areas served by CETA prime sponsors will be eligible when the national unemployment rate averages 6 percent or more for three most recent consecutive months or the rate of unemployment in the area averages 6.5 percent or more in that period. The program will terminate in areas when both of these conditions are not satisfied. The three-month requirement for eligibility may occur prior to enactment, and has, in fact, been met.

When the program triggers "on" in an area, unemployment assistance starts in the third week after the first week of the "on" indicator and terminates in the third week after the first week of the "off" indicator. No special unemployment assistance period can be less than 13 weeks, however. No new unemployment claims under this title can be filed after December 31, 1975, but payments can be made to individuals until March 31, 1976. "Such sums as may be necessary" are authorized to be appropriated for this title of H. R. 16596.

#### Title III--Job Opportunities Program

This title of H. R. 16596 adds a new Title X to the Public Works and Economic Development Act (PWEDA), under which the Secretary of Commerce in cooperation with the Secretary of Labor are authorized to provide financial assistance to programs and projects to expand job opportunities for unemployed persons in eligible areas.

Such areas will be those with rates of unemployment exceeding 6.5 percent for three consecutive months or those designated by the Secretary of Commerce as redevelopment areas pursuant to section 401 of the PWEDA.

Funds allocated under this title will be available as determined jointly by the Secretaries of Labor and Commerce only for programs or projects which (1) contribute significantly to the reduction of unemployment in the eligible area, (2) can be initiated or strengthened promptly, (3) can be substantially completed within 12 months, (4) are not inconsistent with locally approved plans, and (5) are approved on the basis of giving first priority to the most labor intensive activities.

Within 45 days of enactment, each Federal agency and each regional commission established under the Appalachian Regional Development Act of 1965 or under

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the PWEDA is required to review its budget and programs and submit to the Secretaries of Commerce and Labor any recommendations it may have for programs and projects to be funded under this title. The two Secretaries will have 30 days to review these recommendations. Officials of "appropriate units" of general government in the "affected area" must be given an "adequate opportunity" to comment on any specific proposal. There must be some form of rural/urban equity. The Secretary of Commerce will allocate the funds.

The bill authorizes \$500 million for this title for fiscal year 1975, to remain available for obligation until December 31, 1975. No obligation of funds can be made after that date. Of the funds appropriated, 50 percent will be available only for programs and projects in which no more than 25 percent of the funds are for non-labor costs.

Budget Impact of H. R. 16596

In anticipation of approval of this bill, the Urgent Supplemental Appropriations Bill for fiscal year 1975 now also awaiting action provides appropriations of \$875 million for Title I of the bill, \$2 billion for Title II, and \$125 million for Title III.

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