

# DETROIT REVOLUTIONARY MOVEMENT RECORDS

BOX 13 OF 16

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DUC REPORT

SUPPLEMENTARY MATERIAL

1 OF 2



DETROIT BAKER'S UNION  
FACTORY LOCAL 326

# BRAF

BAKERS RANK AND FILE



Vol. 2 No. 1

Jan. 4, 1975

## LAYOFFS

At Frato-Lay there are rumors everywhere, but some of them are true---first shift fried Cheetos and third shift Doritos are going down. In addition to these facts there are many other rumors---even to the point that the plant will be shut down completely in a manner of months. BRAF is not going to try to prove or disprove the truth of any of these rumors, for only time will tell, but the fact is this--there will be layoffs, and many. After all of this time (4 1/2 years) without any serious layoffs, why is this happening now? Well Frito-Lay is not separated or isolated from the rest of the industrial world here in Detroit, but on the contrary, is very much connected. When auto goes, so goes everything especially in Detroit. Layoffs all over Detroit and the country are rising. If people cannot by food, afford the rent, or buy cars, the necessary things, does it stand to reason that they can by things like Chips, Fritos, Funyuns? Or cakes and pies that the other shops in our local makes? What is the reason for these layoffs/ At Frito-Lay, just as at Chrysler, GM, or Ford there has been over-production. What does this mean? do ybu remember when we were working 9-10 hours a day, 6 days a week? Have you noticed the speed-up on the lines. One month ago you couldn't even rest, and now we can barely work 40 hours. The company had us making ton after ton of chips and other products, trying to outsell the competition, but sales were down, and as a result the market has been glutted, with product unable to be sold.

This happened not only at FL but at the Krunchee plant in Detroit, and for the same reasons. Over production is the reason that the auto industry is laying off. Each company has lproduced too many cars, trying to outsell the competition. But there are no buryers---who can afford a car these days, with prices so high. And the same is with Potato Chips. No one in their right mind would continue to buy a tiny bag of half burnt up chips for 20¢

We are being made to suffer for the lack of planning of this company. Layoffs are an attack on the working people, especially

with times so hard as now. Why must we pay through the teeth with the loss of our jobs for a crisis that Chrysler, Ford and other companies just like FL are responsible for. We cannot afford to continue to lay down and accept all the mess that FL dishes out. We will not let them play with our lives. BRAF feels that these layoffs coming will not be temporary, but is only the start of worse to come. But we must start NOW to fight back. How? An UNEMPLOYED COMMITTEE in our union should be set up, that can deal with the problems of these layoffs. A committee to help not only those laid off, but those still working. This unemployed committee would fight to get mortgages payments stopped while our local members are laid off, fight to keep our medical insurance while we are laid off. A committee of this kind would fight to stop forced overtime and speed up while our brothers and sisters are thrown out into the streets. There has been an unemployed Committee set up at Local 600 (Ford Rouge), Tool and Die of Ford Rouge and at Eldon Gear and axle plant. These unemployed committees were not given to the workers at these plants, the workers had to go to the Union and fight for them. We at Local 326 must fight for one also. Times are not going to get better soon, The only way that the companies and the government can pull us out of this crisis, is to further attack our living standards, by inflation and more unemployment and through war. But why should we live with either poverty and starvation or fighting and death, with every generation that comes along?

In our local 326 by-laws in article 23 there states:

" The Standing Committees of this Local Union may include Committees on ByLaws, Political Action and Legislation, Finance, and Organization, Application, Unemployment, Grievance and Benefits, and such committees shall perform such duties and functions as shall be assigned to them from time to time by the Executive Board."

We should make good use of this article to form a democratically elected unemployed committee with representatives from all of the shops in Local 326. Our jobs are at stake. We cannot let our ranks be divided by arguing over bumping into this and that department, high seniority fighting with low seniority, and working forced overtime while others are tossed in the street. This is what the company likes to see---our bickering with each other---and Frito-Lay hates to see us coming together to fight against them. Let us do what other workers are doing and form an Unemployed Committee in Local 326. We must Cast Away Illusions and Prepare for struggle!!!!

FIGHT UNEMPLOYMENT

BUILD AN UNEMPLOYED COMMITTEE

NOW!!!

## ELECTIONS

The elections for union officers is over and the candidates that BRAP endorsed did not win. We still have the old leadership. But if we analyse the facts and figures of the Elections we see that the old bribed leadership was not voted in by a "landslide" of the local memberships' votes, even though they got the majority of the votes. Only 562 people voted in the election--only 25% of the total membership! This is a bad thing. So few people voted that we are stuck with a leadership that did next to nothing for the past 3 years. But a bad thing can be turned into a good thing. 1,400 members of Local 326 did not vote at all. They had no faith at all in the union, or it's elections. This shows clearly that the do-nothing clique of the present administration do not represent the interests of the rank and file workers---and thus did not vote. Especially when no really strong opposition except for a few was running against the Trimble "do-nothings".

The reason that the workers do not participate in union activities is not their fault, because they do not care, but because many of us have lost faith in the union and it's bribed, corrupted policies and back-door agreements. But the only way that we can get anything is to start to go to these union meetings, to see what these rats are up to. And vote in elections so that we can get good union leadership.'

There is an election coming up now for union stewards. A much needed elections We must fight to get out those stewards that have done nothing for us in the past year, as well as to fight to get stewards in every edepartment, and our dues are being raised to \$8.50 this month. Lets get more representation for our money. by voting for 'some good ol' honest fighting stewards & chief stewards!!!

### NOTICE TO ALL FRITO LAY WORKERS

The recent steward elections for our shop (Frito-Lay) are over. They were run with the same like LICITY\_SPLIT attitude that all our union meetings are held in. Chief Steward A. Pitts on 3rd shift was ruled ineligible for not paying dues for 2 months along with many others. He is & we suggest that all others who were told that they were ineligible for the same reason to read Rule #16 Section (D) of the Union's By-Laws and file an appeal to the International Pres./1828 "L" St. N.W./Wash., D. C./20036...Don't give up your eligibility without a fight!!!  
DEMAND REPRESENTATION FROM YOUR STEWARDS!!!

# Unemployment & Inflation

What can we do now about unemployment? Well in Detroit city government there is an Act called the Comprehensive employment and Training Act (CETA), which says that whenever unemployment reaches over 6% the city must provide employment. The problem is, in the Detroit area and suburbs, unemployment is more than double that, and the CETA program has not provided enough jobs. This effects workers not only in the City of Detroit, but those in the Suburbs too.

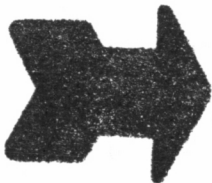
A group of working men and women went to Detroit's common Council last month to see what was going on with these jobs. A public Hearing on unemployment was granted and will be held on Jan. 17th. All concerned working people should go- so that we can fight for jobs, and see what the city governments are doing about this rising unemployment, and what will happen when we are put in the streets.

COME TO THE PUBLIC HEARING ON UNEMPLOYMENT!!!!!!  
DETROIT CITY COUNCIL BUILDING, AT THE FOOT OF WOODWARD

FRIDAY, JANUARY 18, 1975 2:00 PM in auditorium  
WATCH THE BULLETIN BOARDS FOR MORE on 13th fl.  
INFORMATION SOON...

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You may have a better understanding of some of the things we face than the rest of us--so we need your opinion. You are welcome to criticize us or make suggestions. But the thing we want most is your gripes and opinions. Write an article or just write down some facts for us to use. If you write an article, draw a cartoon or have a question, send it to:



BRAF  
P.O. Box 732  
Linwood Station  
Detroit, Mich. 48206

## FIGHT AGAINST UNEMPLOYMENT

REGULATIONS

EMERGENCY JOBS PROGRAM

authorized by the "Emergency Jobs  
and Unemployment Assistance of 1974"

These regulations are printed here as draft regulations until they are published in the Federal Register. However, they are to be utilized by eligible applicants to immediately implement Title VI grants and to commence hiring participants under these grants.

December 24, 1974

**RECEIVED**

DEC 30 1974

OFFICE OF  
MANPOWER PLANNING  
LANSING

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## SUBPART A -- GENERAL

### §99.1 Scope and purpose of Part 99.

(a) This temporary program is necessary because of the present economic situation, which with increasing severity of unemployment, makes necessary this program which will be designed to have an immediate impact at the local level. By making available funds for public service jobs to be used in a specific limited time period and allowing local government increased flexibility in the use of these funds it will be possible to quickly provide a maximum number of individuals with employment opportunities. To accomplish the objectives of the program, eligible applicants will be encouraged to develop large high density employment projects which provide services needed in the community and make it possible to provide immediate jobs for a maximum number of participants.

(b) Jobs and wage structure should be developed taking into account average wages in the various areas served and the cost of living in such areas with the aim of maintaining a national average wage rate equivalent to \$7,800 per participant within the overall \$10,000 salary limitation. To achieve this level eligible applicants are encouraged to develop temporary projects utilizing public service jobs, work experience, on-the-job training, and institutional training structures.

(c) Specific efforts will be needed to assure that present selection criteria and time barriers of local Civil Service requirements do not prevent the prompt hiring of individuals. To accomplish this, eligible applicants should redefine job classifications and take other action necessary to facilitate prompt and effective hiring of participants.

(d) Jobs and training positions may be developed utilizing all available employing agencies within the community, including local public employers, private-non-profits agencies, State, and Federal agencies (on an outstationed basis), etc.

Also, local communities should give strong consideration to placing participants in State Employment and Unemployment Insurance Service offices to assist in the increased workload occurring through the implementation of the Special Unemployment Assistance Program authorized under Title II of the Emergency Jobs and Unemployment Assistance Act of 1974.

(e) While transition to unsubsidized employment continues to be a primary goal of public employment programs, economic conditions in many areas will make it impossible to meet the established transaction goals. While these will remain goals, waivers will be provided to local areas experiencing severe economic slow downs.

(f) It is recognized that many local areas are experiencing severe revenue reduction and in revising their budgets are forced to lay-off employees. Those employees legitimately laid off under these conditions, to the extent they meet the other eligibility requirements

under the Act (30 days unemployment, etc.), may be enrolled in this program. However, in no way are local jurisdictions allowed to lay-off employees with the intended purpose of calling them back into jobs funded under this program. Eligible applicants must provide substantive documentation in their grant for legitimate lay-offs and call backs which are expected during the period of the grant.

(g) To achieve many of the objectives described above, this Part 99 provides, in Subpart D, special provisions which eligible applicants of areas of excessively high unemployment may utilize in accomplishing the performance levels in this approved plan. These special provisions include a special 15 day unemployment eligibility period for unemployed persons and several special program designs which will enable eligible applicants to create emergency employment projects of community improvement and beautification.

(h) The use of funds under this program is limited to a specific period, not to exceed 12 months, to provide a maximum impact on the current economic situation. Eligible applicants must plan to hire individuals during this period on a basis which will provide the most effective services to the unemployed. Accordingly, the ARDM's will review the monthly performance of eligible applicants in terms of their ability to hire the planned number of individuals. To the extent that eligible applicants are not able to perform effectively, funds may be deobligated and redistributed to alternative deliverers within the State.

(i) Definitions for every abbreviation and major terms not found in this Subpart, may be found in Part 94 of the regulations.

(j) Statutory authority for the regulations contained in this Part 99 is found in Section 702(a) of the Act. Other relevant sections of the Act are generally noted at the end of each substantive provision of these regulations.

(k) 'Conforming changes to existing' language in Parts 94 through 98 of Title 29 of the regulations shall be promulgated at an early date.

§99.2 Allocation of funds.

(a) This §99.2 sets out the procedure for allocating funds appropriated under Title VI of the Act. Funds appropriated under Title VI shall be allocated only to eligible applicants as defined in §99.3 (sec. 602(e)).

(b) Not less than 90 percent of the amount appropriated under Title VI shall be allocated among eligible applicants according to the following basic formula:

(1) Fifty percent of the funds subject to formula allocation shall be allocated 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 (sec. 603(a)(2)(A)).

(2) Twenty-five percent of the funds subject to formula allocation shall be allocated among eligible applicants on the basis of the relative

excess number of unemployed persons, as defined below, who reside within the jurisdiction of the eligible applicant as compared to the total excess number of unemployed persons who reside within the jurisdiction of all eligible applicants.

(i) For the purpose of allocating funds to an eligible applicant which is not a State, the term, "excess number" means the number of unemployed persons in excess of 4.5 percent of the labor force in the jurisdiction of the eligible applicant in whose jurisdiction such persons reside.

(ii) For the purpose of allocating funds to an eligible applicant which is a State, the term "excess number" means such number as defined in paragraph (b)(2)(i) of this section, or the number of unemployed persons in excess of 4.5 percent of the labor force in areas eligible for assistance under Title II located in the geographic area served by such State prime sponsors under Titles I or II, whichever is greater (sec. 603(a)(2)(C)).

(3) Twenty-five percent of the funds subject to formula allocation shall be allocated for use in areas of substantial unemployment. An area of substantial unemployment, other than in relation to an Indian tribe, is any area which has a population of at least 10,000 persons, qualifies for a minimum allocation of \$25,000 under Title II of the Act, and has a rate of unemployment of at least 6.5 percent for a period of three consecutive months, as determined by the Secretary of Labor at least once each fiscal year. In relation to an Indian tribe, an area of substantial

unemployment is an Indian reservation, as a whole, with a rate of unemployment of at least 6.5 percent for a period of three consecutive months, as determined by the Secretary of Labor at least once each fiscal year. These funds shall be allocated among eligible applicants in accordance with the number of unemployed persons residing in areas of substantial unemployment within the jurisdiction of the eligible applicant as compared to the total number of unemployed persons residing in all such areas of substantial unemployment (sec. 603(a)(2)(B)).

(4) For the purpose of determining the allocations under paragraph (b) of this section, the term "jurisdiction" includes the jurisdiction of each unit of general local government as described in section 102(a)(2) of the Act, whether or not such unit has entered into a combination of units of general local government for the purposes of sections 102(a)(3) and 102(a)(4) of the Act. In determining the amount to be allocated to eligible applicants which are consortia under sections 102(a)(3) and (4), the formula set out in paragraph (b) of this section shall be applied to each such unit of such eligible applicant (sec. 603(c)).

(c) The remaining 10 percent not allocated as provided in paragraph (b) of this section, may be distributed by the Secretary, as he deems appropriate to carry out the purpose of Title VI, taking into account changes in rates of unemployment (sec. 603(b)).

(d)(1) An eligible applicant shall distribute to a program agent, as defined in paragraph (d)(3) of this section, those funds that are allocated to the eligible applicant under the formula that are allocated to the eligible applicant under the formula set forth in paragraph (b) of this section due to the level of unemployment within the program agent's jurisdiction unless the program agent declines to operate a program under Title VI of the Act, in which case, the eligible applicant will make other arrangements to serve that jurisdiction (sec. 204(d)(1)).

(2) To the extent that the Secretary does not specify an amount to be distributed to the program agent, the eligible applicant shall, to the best of its ability, determine the amount to be so distributed through the application of the allocation formula set forth in paragraph (b) of this section to the program agent's jurisdiction, comparing the number of unemployed persons who reside in the program agent's jurisdiction with the number of unemployed persons who reside in the eligible applicant's jurisdiction, the excess number of unemployed who reside within the program agent's jurisdiction with the excess number of unemployed reside within the program agent's jurisdiction with the excess number of unemployed within the eligible applicant's jurisdiction; and, in the event that the program agent's jurisdiction is, or contains an area of substantial unemployment, the number of unemployed persons who reside within the area or areas of substantial unemployment within the program agent's jurisdiction with the number of unemployed persons who reside within all areas of substantial unemployment within the eligible applicant's jurisdiction. For the



purpose of determining the amount to be distributed to the program agent, the eligible applicant shall utilize unemployment information provided by the State Employment Security Agency (SESA), or when the SESA cannot provide such information, the best unemployment information available. The eligible applicant shall describe in its grant application, the basis used for making such determinations (secs. 204(d)(1)).

(3) For the purpose of Title VI, the term "program agent" means any unit of general local government (or combination of such units) located within the eligible applicant's jurisdiction which has a population of 50,000 or more persons (sec. 204(d)(1)).

(4) Notwithstanding paragraph (d)(1) above, a program agent who is a member of a constortium may make such agreements as may be mutually agreeable to the program agent and the eligible applicant (the consortium) with regard to the administration of Title VI funds for the benefit of the residents of the eligible Title VI program agent area.

**§99.3 Eligibility for funds.**

(a) Funds shall be allocated by the Secretary only to eligible applicants. For the purpose of this Part 99 the term "eligible applicant" means prime sponsors qualified for Fiscal Year 1975 under Title I and Indian tribes on Federal or State reservations (sec. 602(e)).

(b) A State shall not qualify as an eligible applicant for any geographical area within the jurisdiction of any other eligible applicant within the State unless the non-State eligible applicant has not submitted

an approvable application for Title VI funds, or has stated to the ARDM, in writing its desire to be served by the State (sec. 204(a)).

(c) A unit of general local government shall not qualify as an eligible applicant with respect to any area within the jurisdiction of another eligible unit of general local government unless such smaller unit has not submitted an approvable application for such areas or states its desire to the ARDM, in writing, to be served by such larger unit (sec. 204(a)).

(d)(1) Eligible applicant shall distribute funds to program agents as provided in §99.2(d) of this Part 99 (sec. 204(d)(2)).

(2) No program agent shall receive or continue to receive funds for any area within the jurisdiction of another program agent unless the ARDM determines that the small program agent has not carried out its administrative responsibility for developing, funding, overseeing, and monitoring programs within its areas, consistent with the application for financial assistance developed by the eligible applicant (sec. 204(d)(3)).

(e) An eligible applicant or program agent, as appropriate, shall to the maximum extent feasible, make available for services to eligible residents of identifiable subareas within the eligible applicant's or program agent's jurisdiction, including units of local government, those funds allotted to the eligible applicant under the provisions of §§99.2(b)(1) and 99.2(b)(2) of these regulations, due to the level of unemployment within those identifiable subareas, utilizing the principles Secretary shall, within a reasonable time, make a determination based

on the recommendation and inform the eligible applicant of the determination and the reasons therefor.

population. Such a recommendation shall be submitted to the ARDM prior to the submission of the modification for full funding. The contained in those two sections.

(f) Funds for areas of substantial unemployment. (1) An eligible applicant or program agent which contains areas of substantial unemployment shall make available for services to residents of each such areas those funds under §99.2(b)(3) allocated to the eligible applicant due to the level of unemployment within the area of substantial unemployment (sec. 603(a)(2)(B)).

(2) An eligible applicant, other than a State, or a program agent, whose entire jurisdiction qualifies as an area of substantial unemployment shall, to the extent feasible, allocate funds under §99.2(b)(3) for services to residents of identifiable subareas which meet the unemployment rate requirements of areas of substantial unemployment according to the procedure set forth in §96.3(f)(1).

(3) Where the eligible applicant is a State that has an unemployment rate for its entire jurisdiction of at least 6.5 percent, the State shall, to the extent feasible, allocate its funds under §99.2 (b)(3) for residents of individual areas of substantial unemployment within its jurisdiction according to the procedure set forth in §96.3(f)(2).

(4) If an eligible applicant finds that there is an area of substantial unemployment within its jurisdiction that has not been designated by the Secretary to receive assistance, it may recommend

that such area be considered for assistance by the Secretary. In making any such recommendation, the eligible applicant must include a precise geographical definition of the area to be served and its population. Such a recommendation shall be submitted to the ARDM prior to the submission of the modification for full funding. The Secretary shall, within a reasonable time, make a determination based on the recommendation and inform the eligible applicant of the determination and the reasons therefor.

## SUBPART B -- GRANT APPLICATION

### §99.10 General.

(a) This Subpart B provides the procedures for program planning and for obtaining grants to operate programs under Title VI of the Act.

(b) Grants under Title VI of the Act will not exceed a 12-month period, but will be executed in a two stage process to assure the rapid implementation of Title VI programs. The first stage will be the execution of an initial funding grant. The initial grant will be superseded by a modification for full funding. The modification for full funding will be submitted within 30 days of the submission of the initial funding grant.

(c) Applications for initial funding and modifications for full funding will be reviewed by the ARDM and approved to the extent the ARDM determines that a plan meets the requirements of law and regulation, including the provision of appropriate manpower services to meet the needs of the community and impact upon the local unemployment situation. Such services shall include the provision of job opportunities to the maximum number of people.

### §99.11 Program planning; planning councils.

Eligible applicants shall utilize appropriate prime sponsor planning councils established pursuant to §99.13 in the planning and review of the programs operated under Title VI of the Act and within the time constraints imposed by these regulations.

§99.12 Initial funding.

(a) General. (1) The initial funding of programs under Title VI of the Act shall consist of a portion of each eligible applicant's allotment under section 603(a) of the Act. In order to receive initial funding, an eligible applicant shall submit an application to the appropriate ARDM not later than the date set by the Secretary. The approval of the application for initial funding will commence the 12-month grant period.

(2) The forms for the application for initial funding will be sent to eligible applicants by the respective ARDM.

(b) Initial grant application forms. (1) Application Sheet. The application sheet explains the conditions for initial funding. All statements and information contained on the application sheet become binding on the eligible applicant upon execution of the grant. Such statements and information include the following:

(i) an agreement by the applicant to submit a modification for full funding within 30 days of submission of the initial application or within a greater period of time as determined to be necessary by the ARDM.

(ii) the entire grant period which will be for a maximum of 12 months from the date of approval of the initial application;

(iii) subgrants and contracts not extending beyond the grant period;

(iv) a commitment to commence hiring immediately and provide a first month hiring level;

(v) the authority to receive, expend, distribute, and grant funds for the described purpose; and

(vi) the authority to require compliance of subgrantees and contractors.

(2) Assurances and certification sheet. The assurances and certification sheet contains those assurances referenced in §95.14(b)(3) and additional assurances established for Title VI programs under the Act. These assurances and certifications are specified in the "Initial Funding Grant for Title VI CETA".

(3) Initial program narrative. (a) The initial program narrative for Title VI of the Act provides for a brief statement of certain essential information in the proposed 12-month program.

(b) The narrative will plan for the use of the total estimated allotment, including the initial funding, as well as the balance which will be incorporated into the modification for full funding.

(c) The following list summarizes the information to be provided by each eligible applicant.

(i) a brief description of the economic condition and unemployment situation in the eligible applicant's jurisdiction, including identification of the preference groups described in §99.36(b) or other significant segments to be served by the eligible applicant;

(ii) projects and activities to be funded, including a statement of first month hiring goal;

(iii) explanation of program design of paragraph (ii);

(iv) geographic distribution of funds;

(v) for eligible applicants certifying pursuant to section 604(a) of the Act, a statement to that effect;

(vi) for eligible applicants certifying pursuant to section 604(c) of the Act, a statement to that effect;

(vii) a statement on waiver of placement goals pursuant to section 211(b) of the Act, if such a waiver is sought by the eligible applicant.

(4) Consortia. Only an approved consortium formed to operate programs under Titles I or II of the Act may operate a program under Title VI of the Act. Such a consortium intending to receive funds and operate a program under Title VI of the Act shall submit, with its application for initial funding, an attestation that the consortium agreement covers or has been amended to cover activities under Title VI. The attestation shall be signed in accordance with the consortium agreement.

(5) Initial funding signature sheet. The initial grant will contain a grant signature sheet for funds provided under Title VI.

§99.13 Comments and publication procedures relating to submission of application for initial funding.

(a) As provided in paragraphs (b) and (c) of this section, each eligible applicant shall, no later than the date of its submission of the initial application to the ARDM, provide an opportunity for comment on the application. The initial grant application may, however, be reviewed, negotiated and approved or disapproved immediately upon its receipt.



Any comments received by the prime sponsor after the initial application approval will be considered before the grant is modified for full funding.

(b)(1) Each eligible applicant shall publish a summary of the initial application, in a newspaper(s) (including minority newspapers where feasible) which will provide for a general circulation throughout the area to be served by the eligible applicant's plan. Such publication shall be for one issue. A copy of the newspaper article shall be transmitted to the ARDM. For Fiscal Year 1975, the publication shall be no later than the date of submission of the application to the ARDM.

(2) The information published shall include the following:

(i) the total estimated numbers of individuals to be served, including a specification of the first months hiring target;

(ii) the projects and activities to be provided by the program in each geographic area, and the funds planned for each project and activity;

(iii) for eligible applicants certifying under §99.50, a statement to that effect;

(vi) the location and hours when the complete grant application can be reviewed and the address and phone numbers where comments may be directed; and

(v) proposed sub-allocation of funds.

(c)(1) In addition to general newspaper circulation, each eligible applicant shall provide a copy of its application for the purpose of commenting thereon, to the Governor and the appropriate State and sub-State A-95 clearinghouse(s). It shall provide a summary to appropriate

units of general local government with a population of at least 10,000 persons, to Indian prime sponsors and to labor organizations representing employees engaged in similar work in the same area as that for which participants will receive subsidized employment or training.

(2) For grants for Fiscal Year 1975 , an eligible applicant shall submit a copy of its application to the appropriate State and sub-State A-95 clearinghouse(s) at the same time it submits its application to the ARDM. The copy of the application sent to the clearinghouse(s) shall be accompanied by the following statement: "Due to the time constraints on implementation of Title VI of the Comprehensive Employment and Training Act, the program plan required by this Part 99 is being submitted to the clearinghouse(s) and the Department of Labor simultaneously. Clearinghouses are requested to forward any comments directly to the eligible applicant and the ARDM."

(d) Comments pursuant to paragraphs (b) and (c) shall be made to the eligible applicant and the ARDM within 30 days of publication. Notwithstanding this provision, the ARDM will take appropriate action on the application, including approval of the application if warranted, immediately upon its receipt.

(e) An eligible applicant shall, within a reasonable period of time, acknowledge any comment made pursuant to this section. It shall inform any party submitting a substantive comment of whether any Plan revision will be made in response to the comment and the reasons for the eligible applicant's determination. All substantive comments and responses will be transmitted to the ARDM.

§99.14 Review and approval of application for initial funding.

(a) An application for initial funding will be reviewed to determine if it meets the requirements of the Act, the regulations promulgated under the Act, and other applicable law, and whether it meets the unemployment needs of the community and institutes immediate hiring procedures consistent with the first month's goal.

(b) The application will be reviewed by the ARDM. Any necessary revisions will be discussed with the eligible applicant. The ARDM will approve the application when it meets the requirements of paragraph (a) of this section.

§99.15 Full funding.

(a) General. No later than 30 days after the submission of the application for initial funding, an eligible applicant shall submit a modification for full funding. Approval of the modification will incorporate into the grant the balance of the eligible applicant's allotment under section 603(a) of the Act.

(b) Modification for full funding. The modification for full funding will consist of the temporary employment plan and grant signature sheet. To apply for a modification for full funding, eligible applicants will submit the following forms:

(1) Temporary employment plan. The temporary employment plan is a statement of how the eligible applicant intends to use Title VI funds. The temporary employment plan will propose the use of the total Title VI allotment during the 12 month grant period. The temporary employment plan consists of the full narrative description of the program, project operating plan, occupational summary and program summary as described below.

(i) Narrative description of the program. The narrative description of the program, submitted at the time of the modification for full funding, supersedes the initial narrative. It provides a detailed statement of the eligible applicant's program under Title VI of the Act. This narrative covers the entire 12 month grant period starting at the date of initial funding. The following specifies the information to be provided in the narrative description of the program.

(A) Objectives and need for this assistance. (1) This item describes the general economic conditions in the area to be served and projects general economic indicators for the next 12 months. It includes information on the current hiring situation of major employers in the jurisdiction, and whether their hiring is likely to increase or decrease over the next 12 months.

(2) This item describes the demographic characteristics of the labor force in the area to be served. To the extent the information is

available, the program narrative shall include information on the incidence among the unemployed of those who have exhausted their unemployment compensation benefits, those not eligible for unemployment compensation benefits (except those lacking work experience), and those who have been unemployed longer than 15 weeks.

(3) This item describes any unmet need for services in the jurisdiction.

(4) This item briefly states the intent of the use of these funds, indicating how the plan addresses the conditions in the community as described in paragraphs (b)(1)(i)(A)(1), (2), and (3) of this section.

(B) Results and benefits. This item explains how the quantified results in section I of the Project Operating Plan impact on the needs of the labor force and are consistent with the economic projections previously described. For each project, it explains the community services which will be provided and their effect on the labor force and the economic conditions in the area.

(C) Approach. (1) This item describes the methods which will be used to give preferred consideration to the maximum extent feasible in providing employment to unemployed persons who either have exhausted their unemployment insurance benefits, are not eligible to receive such benefits (except for those lacking work experience), or have been unemployed for 15 weeks or longer (sec. 602(d)). In addition, this item describes the

the eligible applicant's plans for providing service to those individuals who will exhaust benefits under Title II of the Emergency Jobs and Unemployment Assistance Act of 1974. To the extent persons not from these groups will be served, it describes the recruitment and selection of otherwise eligible participants. It estimates a percent of those to be served who will not come from the above categories.

(2) This item describes the design of each project and activity. Locally designed projects should include labor intensive functions of limited jurisdiction which will utilize participants to meet additional community need. For each project, explain the types of activity(s) the participants will engage in, and the organization of each function.

(3) This item explains the steps to be taken to comply with provisions on collective bargaining procedures, comparability of wage rates; working conditions for participants.

(4) This item describes the method for maintaining on an area basis an annual rate per participant of \$7,800, taking into account the average wages in the area served and the cost of living in such area. An annual rate per participant of \$7,800 may be established by designing special projects and activities such as public service employment, temporary employment projects, work experience, or training. If the occupational summary does not indicate such an average, the narrative shall provide a justification for exceeding this level. However, it is not intended to impair the eligible applicant ability to pay a maximum of \$10,000 per year.

(5) This item explains how activities and projects will, to the extent possible:

- (a) be linked to upgrading and other manpower activities and services,
- (b) provide employment of a transitional nature, and
- (c) contribute to the career advancement and upward mobility of participants.

(D) Certifications. (1) If an eligible applicant wishing to qualify as an area of excessively high unemployment has not provided certification in its initial application for funding, it shall certify to the ARDM that:

(a) it has an average unemployment rate in excess of 7 percent for the most recent three consecutive months, or

(b) it is a rural CEP prime sponsor, exceptional circumstance prime sponsor, or State prime sponsor serving a Title II area of substantial unemployment, and that there is a necessity to operate public service employment programs under the waived provisions of career advancement, upward mobility, linkages to other manpower programs or jobs in expanding occupational fields in order to provide sufficient job opportunities.

(c) If a consortium has an unemployment rate of 7 percent or less, and a member of that consortium which qualifies as an individually eligible prime sponsor or as part of a balance of State has an unemployment rate in excess of 7 percent, that individual member may certify to the ARDM. Such member certifies along with the consortium's

initial grant application or modification for full funding that activities permitted to areas of excessively high unemployment are necessary in order to provide sufficient job opportunities within its jurisdiction.

(2) An eligible applicant may, upon proper certification to the ARDM, make payments to public employers to expand the provision of job opportunities to additional programs, such as: (a) programs providing job opportunities for economically disadvantaged youth during the summer, (b) community betterment work activities for the chronically unemployed poor, (c) new career programs for the unemployed and low income, (d) special services and part-time or temporary employment for middle aged and older unemployed persons. In such cases, the eligible applicant shall explain why such programs are necessary to provide sufficient job opportunities. The explanation must be specific for each such program will meet the needs of the community.

(3) Any eligible applicant which wishes to request a waiver of the placement goals under section 211(b) of the Act must explain why such a waiver is warranted by local conditions. The eligible applicant must also request that such a waiver be granted.

(E) Maintenance of effort data. An eligible applicant shall estimate the number of jobs that will be filled by recalling former employees who have been terminated or laid-off. The eligible applicant shall, in addition, provide data (including fiscal and budgetary documents) and explanatory materials which establish that no termination or lay-off of employees was done to utilize Federal funds in lieu of local funds, but



was the result of local budgetary conditions and would have occurred even if no Federal funds were available, under any Act, to provide for the employment of local or State governmental employees. This data shall include aspects of the eligible applicant's local budget situation, including any relevant information relating to special purpose local governments such as, but not limited to, transportation authorities. Other maintenance of effort requirements are found in §§96.24 and 99.35 of these regulations.

(ii) Project Operating Plan.

(A) General. The project operating plan requires an eligible applicant to provide a quantitative statement of planned expenditures, enrollment levels, and outcomes for program participants. It also requires an eligible applicant to indicate planned expenditures by cost category and by program activity. For the purposes of providing a plan for the use of funds under Title VI of the Act, section III (C) on the project operating plan will not be completed.

(b) Monthly Plan. In addition to the project operating plan under Title VI, a monthly estimate of total individuals on board and total expenditures will be provided. This monthly schedule will in reviewing the monthly progress report as described in §99.72(c). The monthly schedule will also be used in the monthly review of performance as described in §99.32. Such monthly plans must reflect the full 12 month activity under this Title VI and indicate efforts to hire immediately.

(iii) Occupational summary. For the purpose of Title VI of the Act the occupational summary requires an eligible applicant operating a Title VI program under the Act to provide a description of projects, regular public service employment jobs, training and other opportunities, including a comparison of wages paid with wages for similar nonsubsidized jobs in the community.

(iv) Program summary. The Program Summary presents a distribution of jobs, and funds to be provided to eligible applicants and subgrantees. It designates the areas to be served and the population of each area.

(2) Grant Signature Sheet. The grant signature sheet for the modification for full funding will reflect the eligible applicants entire allotment under Title VI of the Act.

§99.16 Comments and publication procedures on modification for full funding.

No later than the date of submission of the modification for full funding the eligible applicant shall provide an opportunity for comment on the modification as specified in §99.13, including review by appropriate labor organizations State and sub-State A-95 clearinghouses.

§99.17 Standards for reviewing grant application.

(a) An application for modification for full funding will be reviewed to determine if it meets the requirements of the Act, the regulations promulgated under the Act, and other applicable law.

(b) In reviewing a grant application as provided in paragraph (a) of this section, the ARDM shall determine whether the application demonstrate

that funds will be fully utilized in the 12-month grant period to provide manpower services that meet the needs, including the immediate employment for maximum number of individuals.

§99.18 Application approval and disapproval.

For the applications for initial funding and the modification for full funding, the requirement of §96.15 of this title apply for approval. Disapproval of either application will follow the requirements of §96.16 (a), (b)(1), and (b)(2). Discussion to remedy any defect found in the applications or final disapproval will be completed within 30 days of the submittal of the applications.

§99.19 Use of alternative eligible applicants.

The provisions of §96.17 shall apply to grant applications submitted under Title VI of the Act.

§99.20 Modification of grant agreements.

Subsequent to the modification for full funding, any modification to the grant agreement shall be made in accordance with §96.18)a), (b), and (d). The comment procedure provided in §99.13 will apply.

§99.21 Modification of a temporary employment plan.

Modifications to the plan shall be made in accordance with §99.19, except that the comment procedures of §99.13 will apply, excluding submission to clearinghouses.

Subpart C - Program Operation Requirements for Eligible Applicants

§ 99.30 General.

(a) This Subpart C provides the program operation requirements for eligible applicants in creating and expanding public service job opportunities for unemployed and underemployed persons.

(b) Each eligible applicant shall design projects or programs which create immediate job or training opportunities and which attempt to maintain, per full time position, a national average wage rate of \$7,800 a year for positions supported by Federal funds under Title VI of the Act.

(c) Each eligible applicant shall attempt to maintain within its jurisdiction an average annual wage scale of \$7,800 for each participant under this program, taking into account the average wages in the areas served and the cost of living in such areas. This goal may be accomplished through such activities as temporary employment projects, work experience programs, the utilization of classroom training, or residential training and education centers. Temporary employment projects include such activities as community capital improvement projects, park and beautification projects, and other similar projects which provide high intensity, immediate job opportunities.

§ 99.31 Basic responsibilities of eligible applicants.

(a) An eligible applicant is responsible for administering its projects and programs funded under Title VI of the Act consistent with the provisions described in § 96.21 of this title.

(b) Each eligible applicant shall allocate job opportunities among State and local public agencies within its areas, considering such factors as opportunities for transition, early hiring opportunities, and level of

jobs opportunities available within each agency.

(c) Each eligible applicant in allocating jobs among public agencies as provided for under §96.21 of this title, shall to the extent feasible, provide job opportunities in the local State Employment Service and Unemployment Insurance Service to assist in meeting the increased workload resulting from higher unemployment rates.

§ 99.32 Program performance requirements for eligible applicants

(a) An eligible applicant is responsible for utilizing funds allocated under Title VI of the Act in accordance with the expenditure levels and enrollment levels described in the approved temporary employment plan and within the monthly goals of the 12-month grant period.

(b) The ARDM shall review the program performance of each eligible applicant on a monthly basis and determine the adequacy of the eligible applicant's performance with respect to the expenditure and enrollment levels provided for in the project operating plan. Acceptable performance levels shall be as follows:

(1) Eligible applicants whose expenditure and enrollment levels are less than 100 percent but at least 80 percent of the levels described in the approved plan may be subject to the corrective actions and technical assistance prescribed by the ARDM. Such efforts shall be undertaken to assist the eligible applicant to comply with the program performance levels described in the approved plan.

(2) Eligible applicants whose expenditures and enrollment levels are less than 80 percent of levels described in the approved plan may be subject to the corrective actions initiated by the ARDM and the reallocation provisions of Subpart E of this Part 99. Such efforts shall be undertaken to assist the eligible applicant to comply with the program performance levels described in the approved plan.

(c) The ARDM shall on a monthly basis make a general view of the eligible applicant's performance and goals to determine the responsiveness of the eligible applicant's operation to the unemployment rates of its area and the employment needs of the persons within its jurisdiction.

**§99.33 Basic responsibilities of program agents; relationship with applicant.**

(a) The responsibilities of program agents, as defined in § 99.2(d)(3), shall be those provided in §96.22 of this title.

(b) Irreconcilable difference between an eligible applicant and a program agent shall be submitted to the ARDM. The ARDM shall make the final decision on such differences. Irreconcilable differences include but are not limited to disputes in reference to the method and data used to allocate funds to the program agents, to disputes resulting from project and program designs, and disputes resulting from program performance in response to the temporary employment plan.

**§99.34 Public service job activities that may be funded under Title VI.**

Funds allocated to eligible applicants for programs under this Subpart C shall only be used for manpower program activities and services which are consistent with the purpose of Title VI of the Act and under the requirements of these regulations. Such program activities and services are:

(a) Public service jobs in temporary employment projects which provide maximum employment opportunities for unemployed and underemployed persons, and which, to the extent feasible, contribute to maintaining an national annual average wage scale for programs under Title VI of \$7,800 per participant;

(b) Public service employment programs which meet the requirements of §96.23;

(c) Basic manpower activities and services described in §95.33 (d) (sec. 602 (c));

(d) Job opportunities with public employers, as described in paragraphs (3), (4), (5), and (6) of section 304(a) of the Act, when the eligible applicant certifies to the Secretary in the grant application that such activities are necessary to provide sufficient job opportunities in the area served by the eligible applicant. (sec. 604(a)).

§ 99.35 Maintenance of effort; responsibility for selecting participants; special limitation on programs and participants selection.

(a) Public service jobs shall be funded only in accordance with the maintenance of effort provisions of § 96.24. In addition, an eligible applicant may not terminate or lay-off an employee for the purpose of hiring him under a Title VI program.

(b) The rehiring of former employees who lost their jobs due to a bona fide lay-off is not prohibited when it does not constitute a violation of maintenance of effort of the Act.

(c) Eligible applicants shall submit with the modification for full funding budgetary and expenditure documentation and revenue statements (or similar documentation) which substantiate that rehires are from bona fide eligible applicant lay-offs.

(d) The selection of participants for public service jobs funded under Title VI of the Act shall be made in accordance with the provision of § 96.25 of this title.

(e) The provisions of § 96.26 on special limitations on programs and participant selection shall apply to public service jobs funded under Title VI of the Act.

§ 99.36 Eligibility for participation in a Title VI program.

(a)(1) A person who has been unemployed for at least 30 days, as defined in § 94.4(xx), prior to application or who is underemployed, as defined in § 94.4(vv), and resides in the area of the eligible applicant is eligible to participate in programs funded under Title VI of the Act. The provisions of residency, citizenship and hiring of persons on lay-off, described in § 96.27 (d), (e), and (f) shall apply to persons eligible to participate in programs funded under Title VI of the Act.

(2) In the case where the Title VI eligible applicant is a consortium, residents within the boundaries of the consortium, who meet the eligibility criteria of paragraph (1) of this section, may be employed at any site within such boundaries; provided that the total amount of funds available for residents of each participating eligible applicant equals the amount of funds that the area would have received if the consortium had not been formed.

(3) Funds allocated under Title VI of the Act to an eligible applicant for an area of substantial unemployment shall only be used to provide project and program opportunities to persons residing in that area of substantial unemployment, (as defined in section 204(c)). (sec. 603(a)(2)).



(b) Eligible applicants in selecting persons to participate in programs funded under Title VI of the Act shall to the maximum extent feasible give preference to unemployed persons who have exhausted their 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 15 or more weeks. A person who is lacking work experience shall be a person who is a new entrant into the labor force.

(c) Eligible applicants, in determining the eligibility of persons to participate in programs funded under Title VI of the Act, shall encourage applicants to apply for unemployment compensation benefits under regular unemployment insurance laws, extended benefits, and special and emergency benefits. This would include benefits provided under the new Special Unemployment Assistance Program for workers who could not otherwise receive unemployment payments under any other law and the Emergency Unemployment Compensation Program which provides extended benefit coverage for workers.

(d) Notwithstanding the provisions of paragraph (b) of this section, persons who meet the eligibility requirements of § 99.36 may be enrolled to participate in programs funded under Title VI of the Act under the conditions described in the approved temporary employment plan.

§ 99.37 Eligibility considerations for special groups.

(a) The provisions of § 96.28 and § 96.30 of this title shall apply in giving special considerations to the most severely disadvantaged persons, veterans, welfare recipients, and former manpower trainees in public service jobs funded under Title VI of the Act.

(b) Each eligible applicant in selecting participants for programs under Title VI of the Act, shall, to the extent feasible, establish a goal of 30 percent for special veterans taking into consideration the extent that unemployed special veterans are available in the area. The eligible applicant should utilize the assistance of the local Veterans Employment representative in formulating its program objectives.

(c) Each eligible applicant shall, on a continuing basis, provide information on training and employment opportunities funded under Title VI of the Act to the local Veterans Employment Service representative for the purpose of disseminating information to eligible veterans. (sec. 104(a) of Emergency Jobs and Unemployment Assistance Act of 1974).

§ 99.38 Serving significant segments of the population.

The significant segments of an eligible applicant's population shall be served in public service jobs on an equitable basis as provided in § 96.29 of this title.

§ 99.39 Linkages with other manpower programs.

Eligible applicant, where appropriate, shall maintain and provide linkages with other manpower programs as provided under the provisions of § 96.32 of this title.

§ 99.40 Placement goals.

(a) Public service employment programs funded under Title VI of the Act, shall to the extent feasible, provide placement goals as described in and under the provisions of § 96.33 of this title. (sec. 211(b)).

(b) Placement goals established consistent with the provisions of § 96.33 are to be understood as goals and are not prescribed as placement requirements. (sec. 211(b)).

(c) Any eligible applicant shall have the right to request a "Waiver of Performance" to the placement goals. The request for a "Waiver of Performance" may be submitted at any time, and may be granted by the ARDM when in the ARDM's judgment such a request is supported by substantive evidence that the local economic conditions and budgetary constraints warrant such a waiver. (sec. 211(b)).

(d) Whenever a "Waiver of Performance" has been granted by the ARDM, failure to meet the placement goals shall not be cited in any official review or evaluation of an eligible applicant's program. (sec. 211(b)).

§ 99.41 Compensation and working conditions for participants.

(a) The rate of compensation and the working conditions for Title VI participants in public service jobs, including part-time public service jobs for persons who are unable because of age, handicap or other factors to work full-time, shall be as specified in §§ 96.34 and 96.35 of this title. Compensation to any participant from Title VI funds is

limited to a maximum full-time rate of \$10,000 per year, plus the cost of fringe benefits. These wages may be supplemented by local funds to exceed the Federal limit of \$10,000.

(b) An eligible applicant may establish on an area basis for participants in temporary employment projects and public service employment programs, an annual wage rate, taking into account the average wages in the area served and the cost of living in such area, with the aim of maintaining a federally supported annual average wage rate per participant of \$7,800. However, it is not intended to impair the eligible applicants ability to pay a maximum of \$ 10,000.

(c) Participants in classroom training or work experience programs funded under Title VI of the Act may receive allowances as described in § 95.34 of this title.

(d) Participants in work experience or on-the-job training shall be compensated as described in § § 95.35 of this title.

§ 99.42 Worksite standards for public service jobs funded under Title VI.

(a) Public service job opportunities may be developed by eligible applicants with public agencies and private nonprofit organizations which provide public services.

(b) Participants in public service jobs may be placed at workstations hosted by Federal agencies, when such agencies agree to accept the work performed by the participant.

(c) Participants in public service jobs funded under Title VI of the Act shall not be deemed Federal employees.

(d) Eligible applicants should, to the extent feasible, develop job opportunities with local State Employment and Unemployment Insurance Services to assist these agencies with the increased work provisions occurring through the implementation of the Special Unemployment Assistance Program.

§ 99.43 Retirement benefits for public service job participants.

The provisions of § 96.36 of this title shall apply to the retirement benefits. While the mass payment of retirement benefits is not encouraged, the Act does not prohibit payments into the retirement fund on behalf of Title VI participants.

Subpart D - Special Provisions for Areas of Excessively  
High Unemployment

§ 99.50 General.

(a) This Subpart D provides special provisions for eligible applicants of areas of excessively high unemployment. In addition to the provisions of this Subpart D, the program operation requirements described in Subpart C of this Part 99 shall also apply to programs in areas of excessively high unemployment unless such provisions have been specifically excepted in this Subpart.

(b) An eligible applicant whose jurisdiction is an area of excessively high unemployment shall be an eligible applicant which qualifies as one of the following:

(1) An eligible applicant having an average unemployment rate for the most recent three consecutive months in excess of 7 percent based upon the best available information and subject to review by the ARDM;

(2) An eligible applicant which is an "exceptional circumstance" prime sponsor under section 102(a)(4) of the Act and certifies in the grant application to the ARDM that application of the provisions of this Subpart D is necessary in order to provide sufficient job opportunities in the area;

(3) An eligible applicant which is a "concentrated employment program" prime sponsor under section 102(a)(5) of the Act and certifies in the grant application to the ARDM that the application of the provisions of this Subpart D is necessary in order to provide sufficient job opportunities in the area; or

(4) An eligible applicant which is a State prime sponsor serving an area which is eligible for assistance under the Title II of the Act; and

verifies in the grant application to the ARDM that the application of the provision of the Subpart D is necessary in order to provide sufficient job opportunities in the Title II area.

§ 99.51 Basic responsibilities of eligible applicants.

An eligible applicant is responsible for administering its projects and program funded under Title VI of the Act consistent with the requirements of § 99.31 of this Part 99 and the provisions of § 96.21, except that the provisions of § 96.21 (c), (d), and (e) shall not apply.

§ 99.52 Public service job activities that may be funded in areas of excessively high unemployment.

Funds allocated to eligible applicants for programs under this Subpart C may be used for manpower program activities and services described in § 99.34 of this Part 99. In addition, special program activities and services as described in this § 99.52 may also be funded.

(a) Funds provided under Title VI of the Act to areas of excessively high unemployment may be used to fund jobs in areas of public service which meet the requirements of § 96.23 of this title, except that § 96.23 (b)(2), (3), and (5), shall not apply.

(b) Temporary employment projects and public service employment programs funded under Title VI of the Act in areas of excessively high unemployment may include jobs with public employers on community capital improvement projects, which would not be otherwise 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, but funds shall not be used for employment in new

building and highway construction work and other work which inures primarily to the benefit of a private profit-making organization. (sec. 604(b)).

(c) Public service programs funded in areas of excessively high unemployment may include jobs, in projects, which would not otherwise be carried out, including projects of 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 Census).

(d) Funds may be utilized to fund job opportunities with public employers in accordance with the provisions of section 101(5) of the Act.

§ 99.53 Eligibility for participation in a project or program in a Title VI area of excessively high unemployment.

(a) A person who has been unemployed, as defined in § 94.4(xx), for at least 15 days shall be eligible to participate in a program or project in a Title VI area of excessively high unemployment provided that no funds received under Title VI of the Act 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 Title VI in anticipation of filling the vacancy so created by hiring a participant to be supported by funds provided under Title VI to areas of excessively high unemployment.



(b) Participants in programs or projects of any construction, alteration, or repair, including painting and decorating of projects, buildings, and works which are federally assisted under the Act, shall be paid wages and 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)).

Subpart E - Administrative Provisions.

§ 99.70 General. This Subpart E describes Federal requirements relating to the administration of grants by grantee for programs under Title VI of the Act with references to the sections of Part 98 of these regulations which apply and setting forth requirements where they differ from Part 98.

§ 99.71 Payments, financial management systems and audit.

Sections 98.2 through 98.6 relating to payments, financial management systems and audits apply (secs. 702(b), and 713)).

§ 99.72 Reporting requirements. (a) Section 98.7 shall apply (secs. 702(12), and 713)).

(b) Quarterly progress report. Section 98.8 which provides for submission of a Quarterly Progress Report shall apply and in addition a monthly report is required as set forth in (c) below.

(c) Monthly report. The Quarterly Progress Report form shall be used to submit a monthly report to be received by the ARDM no later than 10 working days after the end of each month. For this report Part I, Part III and Part VIII shall be completed. The planned information for this monthly report will be from the monthly schedule provided by the applicant as part of its Project Operating Plan.

(d) Section 98.9 requiring submission of a Quarterly Summary of Client Characteristics shall apply.

(e) Section 98.10 requiring submission of a Report of Federal Cash Transactions shall apply.

§ 99.73 Reallocation of funds.

(a) Irrespective of requirements under § 98.11 the ARDM may make such reallocation as he deems appropriate of any amount of any allocation under this title to the extent that he determines that an eligible applicant will not be able to use such amount within a reasonable period of time.

(b) When the ARDM determines that a reallocation is appropriate, he will give the grantee and the appropriate Governor 30-day notice of the proposed action to remove funds from the grant.

(c) The grantee and the Governor will be invited to submit comments on a proposed reallocation of funds. These comments shall be submitted to the ARDM within 30 days of receipt of the notice. After reviewing any comments submitted during the 30 days, the ARDM shall notify the Governor and affected prime sponsors on any decision to reallocate funds and shall publish any such decision in the Federal Register.

(d) The procedures set out in this section are in lieu of any other procedures which might otherwise be applicable under § 98.40, et. seq. of these regulations.

(e) Any reallocation of funds shall be to an alternate eligible applicant to serve the area or to other areas within the same State (sec. 606)).

§ 99.74 Allowable Federal costs.

(a) Section 98.12 concerning allowable Federal costs shall apply to Title VI, except for § 98.12(a)(1). The following requirements shall also apply to Title VI funds in regard to allowable costs.

(1) Not less than 90 percent of the funds appropriated pursuant to Title VI of the Act which are used by the eligible applicant for public service employment programs shall be expended only for wages and fringe benefits. (sec. 602(b)).

(2) Allowable costs chargeable to fringe benefits include training materials, work tools, uniforms and other equipment ordinarily provided by the employer to his regular employees and for the ownership of the participants.

(3)(i) The 10 percent of funds used by an eligible applicant for public service employment programs under Title VI, after the 90 percent requirement of § 99.74(b) of this title is met, may be used for administration, training, and supportive services, including equipment and materials used in the training of participants, as defined in § 98.12(e)(3)).

(ii) None of the 10 percent may be used for acquisition, rental, or leasing of supplies, equipment, material or real property for administration of the program whether these expenses are budgeted as a direct cost, indirect cost or overhead cost.

(4) If the eligible applicant operates programs other than public service employment under the authorization contained in section 210 of the Act, the requirements set forth in paragraphs (a)(1), (2), and (3) above do not apply. For these programs, the § 98.12 of this title applies. Specifically, a fixed percentage of wages and benefits is not required, but a goal of 20 percent for administrative cost, is established in (§ 98.12(e)(1), instead of the 10 percent maximum for public service employment programs, and the purchase or rental of supplies, equipment, materials and real property for administrative purposes is allowed.

(5) The cost of participants salaries or allowances and fringe benefits in areas of excessively high unemployment may include jobs on community capital improvement projects including the rehabilitation, alteration, or improvement of public building, roads, and other public transportation facilities, health, and education facilities, and other facilities for the improvement of the community in which the program or project is to be located but shall not be used for employment in new building and highway construction work and other work which inures primarily to the benefits of a private profit-making organization. (sec. 604(a)(3)). Also, the costs of participants salaries or allowances and fringe benefits in areas of excessively high unemployment is allowable for 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 Census). (sec. 604(a)(3)).

(6) Under Title VI of the Act, funds are allowable for expenditure for 12 months from the date of approval of initial funding with no funds other than close out costs available for expenditure after the termination at the end of 12 months (sec. 605)).

§ 99.75 Eligible applicant contracts and subgrants.

Section 95.41 of this title shall apply with the following exceptions:

(a) Contracts may be entered into between the eligible applicant and any party, public or private, for purposes set forth in an approved plan except as indicated in § 95.41 (f). The procurement of these contracts shall be in conformance with the standards of § 98.20 of this title.

(c) Contracts or subgrants which propose to expend Federal funds or a public service employment program may be entered into only with other public agencies or with nonprofit agencies. Any contractual arrangement for the procurement of administrative services, training, and supportive services may be entered into with private profit-making organizations, but must be limited only to such type of service and shall not include direct public service employment program services such as the employment of participants. Contracts and subgrants may not extend beyond the 12-month term of the grant (sec. 702(b)).

§ 99.76 Allocations of allowable costs among program activities.

Section 98.13 of this title shall apply to Title VI of the Act.

§ 99.77 Basic personnel standards for grantees.

(a) Section 38.14 of this title shall apply to Title VI of the Act (sec. 703(14)).

(b) For an eligible applicant's program under Title VI of the basic personnel standards shall apply only to its staff not program participants. An eligible applicant is encouraged to review Civil Service requirements and restructure its jobs so they may be immediately available to a maximum number of individuals in this time of high unemployment and difficult economic conditions.

§ 99.78 Adjustments in payments.

Section 98.15 of this title shall apply to Title VI of the Act. (sec. 702(b)).

§ 99.79 Termination of grant and grant closeout procedures.

Sections 98.16 and 98.17 of this title shall apply to Title VI of the Act (sec. 702(b)).

§ 99.80 Retention of records.

Section 98.18 of this title shall apply to Title VI of the Act (secs. 703(12), and 713)).

§ 99.81 Program income and procurement standards.

Sections 98.19 and 98.20 shall apply to Title VI of the Act.

§ 99.82 Nondiscrimination, equal employment opportunities, nepotism and restriction on political activities.

(a) Sections 98.21 and 98.23 (a)(2) of this title (secs. 703(1), 710 and 712): On line 12 of this subparagraph "Title II funded program" should be interpreted to read "programs funded by the Act."

(b) Section 98.22 of this title shall not apply to Title VI.

Sections 96.26(c) and 96.44 shall apply.

§ 99.83 Assessment and evaluation.

Sections 98.30 through 98.34 shall apply to Title VI (sec. 703(14)).

§ 99.84 Hearing and judicial review.

Subpart C §§ 98.40 through 98.49 of this title shall apply to Title VI (except as otherwise provided in this Part 99).