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THE WHITE HOUSE
WASHINGTON

Paul O'Neil
OMB

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City Commission Plans Bigger Role In Use of \$5 Million CETA Grant

City commissioners Tuesday made it clear they want more of a hand in determining how Grand Rapids' \$5 million share of Comprehensive Employment Training Act (CETA) funds should be spent.

The city's Human Resources Department, struggling under a tangle of confusing federal guidelines, directives, orders and counter-orders, already has put about 120 persons to work and has plans to approve 300 to 400 job applications before the end of the month.

Commissioners, apparently now more aware of the political reality that CETA is to be used to alleviate the gloomy unemployment picture, scheduled a special meeting with Human Resources Director Jerry C. Bosworth to discuss the "direction" of the program. The meeting is set for Tuesday afternoon.

"We should be involved in approving those positions," said 3rd Ward Commissioner M. Howard Rienstra.

"This is a big thing," added Commissioner Harold Dekker, 3rd Ward. "I feel we've been in a kind of vacuum of information. Perhaps we should begin thinking about a public-works type of program."

City Manager Joseph Grassie reminded commissioners that some of the money already has been used to achieve some pressing commission goals: namely, hiring the staffs of local social actions agencies to reduce their overhead costs and transferring city employes, formerly hired under Emergency Employment Act (EEA), to CETA funding, alleviating the General Fund.

"We've protected our own hides and the hides of the social agencies, but I believe parallel to that we recognize a totally different area — training and employing people," Rienstra said. "We've satisfied the selfish purpose of the act but not the public."

Figuring out the CETA program hasn't been easy, for Grand Rapids officials or other local communities. The multi-million-dollar U.S. Department of Labor-administered program was dropped into city and county laps only a few months ago.

Congress approved the act in December, 1973, but allocations were not made until last November. Purpose of CETA is to get unemployed, disadvantaged persons into public employment. The act is divided: Title I, which provides for work-training type programs; Title II, the existing public, nonprofit, nonsectarian public service employment program; and Title VI, which can be used for either Title I or Title II functions.

CETA reimburses up to \$10,000 of a person's salary. If the job calls for a higher wage, the local unit of government makes up the difference.

In the city, about half of the 120 persons placed through CETA funding work for social action agencies, the other half representing EEA employes transferred to CETA. Bosworth noted many other opportunities are open at the various social agencies, such as Kent-Community Action Program, Baxter Community Center and Latin-American Council.

But he warned city fathers Tuesday that

the city may not be able to spend all its windfall. Unspent funds would have to be returned.

Bosworth, however, tempered that concern. "We are constantly identifying more jobs that can qualify for these funds," he stated.

"There is a possibility of designing a public works program," he said. "We've discussed it in connection with the Community Development Act proposals. There's so much potential for the cities in this area and so many things that could be done to improve community services. You look around and see what could be done and then take note of how many people of low income or no income that could be hired."

In Grandville, City Manager Howard Nyenhuis has asked for a 60-day moratorium on hiring unemployed persons with that city's 1975-76 CETA allocation until he has had time to "justify" such an action.

Nyenhuis told city councilmen he "just couldn't see hiring" about seven persons with CETA funds if unemployment in the county dropped below 6.8 per cent, the federally-stipulated cutoff of that program's funds.

"I can't justify more hiring yet," he explained. "To do so would mean the city would either have to lay them off again or finance their wages with city funds. Our payroll budget is tight now."

Nyenhuis said he will be looking into the possibility of hiring the unemployed on an interim basis, creating special six-month projects in which CETA-funded employes would pick up litter or do minor repair work.

Nyenhuis also said he has received word from the county that some area municipalities have not utilized all their 1974-75 CETA funds to hire the jobless. Should the funds remain unused, "much longer," other cities taking advantage of the program would be entitled to the extra funds, he said.

Wyoming's first CETA dole of \$374,794 will add about 65 persons, including 10 full-time firemen, to the payrolls of the city and school districts.

First hired was Gerald L. Felix, who will administer Wyoming's CETA funds.

The suburb also received a second CETA allocation of \$173,144 that can be used for hiring more jobless workers or for training that will give them more marketable job skills.

Kent County has received \$250,000 in CETA funds for the 1974-75 fiscal year, and expects to receive an additional \$44,000 in the next 13 months.

Deputy Controller Richard Platte said the county has approved 144 positions, and it appears by the end of the month staff will recommend employment of about 80 more.



THE WHITE HOUSE
WASHINGTON

January 21, 1975

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: PAUL O'NEILL

FROM: JERRY H. JONES

The attached was returned in the President's outbox with the following notation to you:

-- Information.



cc: Don Rumsfeld