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STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

March 9, 1978

OFFICE OF THE COMMISSIONER

POUCH B -- JUNEAU 99311

The Honorable Joe McKinnon
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Representative McKinnon:

Attached is a copy of a list of all subgrantees employing CETA/PSE participants. The list includes the number of positions currently authorized, positions currently filled, and the number that each subgrantee will be reduced or increased on April 1, 1978 and June 1, 1978. The list is broken out by administrative region of the Department of Community and Regional Affairs. A map of Alaska showing the regions is included for easy reference.

Each subgrant is classified as either sustainment or project. Projects are those subcontracts negotiated as a result of the increased funding under the President's economic stimulus program. Sustainments are those contracts negotiated to sustain an enrollment of 516 participants which represent the number covered by the grant prior to the increase created by the stimulus package. By regulation, all projects must be eliminated before sustainment subgrants can be reduced.

The following chart reflects the number of enrollees currently on board. They are broken out by region as well as each region's percent of the total before and after the reduction.

TITLE VI

	BEFORE RESCHEDULE		AFTER RESCHEDULE	
	# of Positions	% of Positions	# of Positions	% of Positions
Region 1	262	35	164	32
Region 2	103	14	82	16
Region 3	79	10	47	9
Region 4	84	11	75	14
Region 5	222	30	148	29
	<u>750</u>		<u>516</u>	

If you have further questions, please feel free to contact me or members of my staff.

Sincerely,

Lee
Lee McAnearney
Commissioner

POSITION REALIGNMENT

TITLE VI REGION 1

SUB-GRANT NAME AND ADDRESS	March 3, 1978		April 1, 1978	June 1, 1978
	Positions Authorized	Positions Filled	+ = Increase - = Decrease	+ = Increase - = Decrease
Dept. of Law Pouch KA Juneau, Alaska 99811	1	1		
St. Ann's Day Care Catholic Comm. Services 529 Gold St. Room 233 Juneau, Alaska 99801	6	5		
City of Yakutat P. O. Box 6 Yakutat, Alaska 99689	2	2		
St. Jude Center Inc. 203 W. Third at Dixon Juneau, Alaska 99801	6	6		
Arts on the Move Inc. Box 7876 Ketchikan, Alaska 99901	12	10	-12	
City of Haines P. O. Box 576 Haines, Alaska 99827	2	2		
City of Pelican Box 757 Pelican, Alaska 99832	2	2		
Dept. of Labor, ESD Employment Security Bldg. 4th & Harris Juneau, Alaska 99811	21	18	-4	
Petersburg Youth Program P. O. Box 842 Petersburg, Alaska 99833	2	2		
Northern SE Regional Aquac. Assn. P. O. Box 786 Sitka, Alaska 99835	1	1		
Sitka Comm. Assn. P. O. Box 4360 Mt. Edgecumbe, Alaska 99835	6	6	-3	
SUB-TOTAL	61	55	-19	

POSITION REALIGNMENT

TITLE VI REGION I

SUB-GRANT NAME AND ADDRESS	March 3, 1978		April 1, 1978	June 1, 1978
	Positions Authorized	Positions Filled	+ = Increase - = Decrease	+ = Increase - = Decrease
Sitka Chamber of Commerce P. O. Box 638 Sitka, Alaska 99835	1	1		
SE Ak. Reg. Arts Council P. O. Box 2133 Sitka, Alaska 99835	2	2		
Petersburg Day Care P. O. Box 783 Petersburg, Alaska 99833	3	3		
Health & Social Services Pouch H Juneau, Alaska 99811	29	24	-12	
Dept. of Revenue Pouch SA Juneau, Alaska 99811	5	5		
City of Petersburg P. O. Box 329 Petersburg, Alaska 99833	8	7		
SE. Ak. Comm. Act. Program P. O. Box 449 Juneau, Alaska 99801	2	2		
Comm. & Reg. Aff. Admin. SVCS Pouch BC Juneau, Alaska 99811	5	5	-1	
Fish & Game Dept. of Subport Bldg. Juneau, Alaska 99811	11	11	-5	
City of Kake Box 500 Kake, Alaska 99830	6	6		
SUB-TOTAL	72	66	-18	

POSITION REALIGNMENT

TITLE VI REGION I

SUB-GRANT NAME AND ADDRESS	March 3, 1978		April 1, 1978	June 1, 1978
	Positions Authorized	Positions Filled	+ = Increase - = Decrease	+ = Increase - = Decrease
Workman's Comp - DOL Employment Sec. Bldg 4th & Harris Juneau, Alaska 99801	2	2		
Capitol Comm. Broadcasting 240 Main St. Juneau, Alaska 99801	3	3		
Natural Resources, DO Pouch M Juneau, Alaska 99811	5	4		
City Of Klawok Box 113 Klawok, Alaska 99925	9	5	-5	
Ketchikan Indian Corp. Box 6855 Ketchikan, Alaska 99901	2	2		
City of Hoonah Box 360 Hoonah, Alaska 99829	11	11		
Dept. of Education Pouch F Juneau, Alaska 99811	14	14	-6	
Dept. of Admin. Pouch C Juneau, Alaska 99811	14	14	-4	
Juneau, City & Boro 155 S. Seward St. Juneau, Alaska 99801	6	4	-6	
Dept of Comm. & Reg Aff. Manpower Division Pouch BC Juneau, Alaska 99811	6	5		

SUB-TOTAL

72	64	-21	
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POSITION REALIGNMENT

TITLE VI REGION 1

SUB-GRANT NAME AND ADDRESS	March 3, 1978		April 1, 1978	June 1, 1978
	Positions Authorized	Positions Filled	+ = Increase - = Decrease	+ = Increase - = Decrease
Wage & Hour Div. DOL Employment Sec. Bldg 4th & Harris Juneau, Alaska 99811	2	0	-2	
U of Ak. Southeast Box 1447 Juneau, Alaska 99803	21	20	-18	
City of Angoon Box 189 Angoon, Alaska 99820	17	17	-6	
Metlakatla Ind. Comm. Box 8 Metlakatla, Alaska 99926	8	7	-4	
T & H Indians - Soc Svcs 130 Seward St. Room 412 Juneau, Alaska 99801	1	1	-1	
City of Craig Box 23 Craig, Alaska 99921	8	8		
SE Reg. Res. Center 127 S. Franklin Juneau, Alaska 99801	13	12	-11	
Tenakee Springs, City of Box 52 Tenakee Springs, Alaska 99841	3	3		
SUB-TOTAL	73	68	-42	
TOTAL	278	253	-100	

POSITION REALIGNMENT

TITLE VI REGION 2

SUB-GRANT NAME AND ADDRESS	March 3, 1978		April 1, 1978	June 1, 1978
	Positions Authorized	Positions Filled	+ = Increase - = Decrease	+ = Increase - = Decrease
U of A, School of Education Cross-Cultural Education Develop- ment Program Fairbanks, Alaska 99701	7	7	-3	
Alaskan Assn. for the Arts Box 2785 Fairbanks, Alaska 99707	2	2		
City of Galena Box 149 Galena, Alaska 99741	1	1		
City of Delta Junction Box 229 Delta Junction, Alaska 99737	3	3	-1	
Village & Town Assn., Fairbanks Box 1267 Fairbanks, Alaska 99701	3	3		
Tanana Valley Comm. College U of A Constitution Hall Fairbanks, Alaska 99701	7	7	-1	
City of McGrath Box 57 McGrath, Alaska 99627	3	2		
Adult Learning Prog. of Ak. Box 81402 Fairbanks, Alaska 99708	20	18	-15	
Ft. Yukon Reg. Learning Center Ft. Yukon, Alaska 99740	1	1		
Fairbanks Environment CTR 431 Steise Hwy. Fairbanks, Alaska 99701	1	1		
SUB-TOTAL	48	47	-20	

POSITION REALIGNMENT

TITLE VI REGION 2

SUB-GRANT NAME AND ADDRESS	March 3, 1978		April 1, 1978	June 1, 1978
	Positions Authorized	Positions Filled	+ = Increase - = Decrease	+ = Increase - = Decrease
City of Anderson Box 4011 Clear, Alaska 99704	7	7	-1	
Comm Child Care Council 1007 Evergreen St. Fairbanks, Alaska 99701	7	6		
Galena Reg. Learning Center U of A. Box 181 Galena, Alaska 99741	1	1		
Interior Village Assn. 211 Cushman St. Fairbanks, Alaska 99701	4	4		
City of Ruby Box 15 Ruby, Alaska 99768	2	2		
GR FRBX Family Headstart Box 724 Fairbanks, Alaska 99707	8	8	-1	
Tok Reg. Learning Center U of A. Box 464 Tok, Alaska 99780	1	1		
United Crow Band Box 131 Tok, Alaska 99780	10	10	-1	
Iditarod School Dist. P. O. Box 105 McGrath, Alaska 99627	16	15	-3	
Women in Crisis, Councelling & Assistance 515 First Ave. Rm 116 Fairbanks, Alaska 99701	4	4		
SUB-TOTAL	60	58	-6	
TOTAL	103	103	-26	

POSITION REALIGNMENT

TITLE VI REGION 3

SUB-GRANT NAME AND ADDRESS	March 3, 1978		April 1, 1978	June 1, 1978
	Positions Authorized	Positions Filled	+ = Increase - = Decrease	+ = Increase - = Decrease
Buckland City Council Buckland, Ak. 99727	1	1	-	-
Selawik, City of Selawik, Ak. 99727	2	2	-	-
Savoonga, City of Savoonga, Ak. 99762	2	2	-	-
Teller, City of Teller, Ak. 99778	2	2	-	-
Nome Child Care, Inc. Box 907 Nome, Ak. 99762	5	5	-	-5
Bering Straits Fed. Cred. Union Box 1105 Nome, Ak. 99762	1	1	-	-
Ambler, City of Ambler, Ak. 99786	1	1	-	-
Shungnak, City of Shungnak, Ak. 99773	2	2	-	-
Noorvik, City of Noorvik, Ak. 99763	2	2	-	-
Bering Straits REAA School Dist. Box 1088 Nome, Ak. 99762	40	40	-	-35
Elim, City of General Delivery Elim, Ak. 99739	1	1	-	-
Kotzebue, City of Box 46 Kotzebue, Ak. 99752	4	4	-	-
Nome Community Center Box 98 Nome, Ak. 99762	4	4	-	-
Sub-Total	67	67	-	-40

POSITION REALIGNMENT

TITLE VI REGION 3

SUB-GRANT NAME AND ADDRESS	March 3, 1978		April 1, 1978	June 1, 1978
	Positions Authorized	Positions Filled	+ = Increase - = Decrease	+ = Increase - = Decrease
Norton Sound Health Center Box 966 Nome, Ak. 99762	4	4	-	-
Shishmaref City Council General Delivery Shishmaref, Ak. 99772	2	2	-	-
Nome Receiving Home Box 221 Nome, Ak. 99772	2	2	-	-
Diomedes, City of Diomedes, Ak. 99762	1	1	-	-
Deering City Council Deering, Ak. 99736	1	1	-	-
Kivalina, City of Kivalina, Ak. 99750	3	3	-	-
Shaktoolik IRA Council Shaktoolik, Ak. 99771	1	0	-	-
Unalakleet City Council Unalakleet, Ak. 99684	2	2	-	-
Sub-Total	16	15	-	-
Total	83	82	-	-40

POSITION REALIGNMENT

TITLE VI REGION 4

SUB-GRANT NAME AND ADDRESS	March 3, 1978		April 1, 1978	June 1, 1978
	Positions Authorized	Positions Filled	+ = Increase - = Decrease	+ = Increase - = Decrease
Bethel Council on the Arts P.O. Box 264 Bethel, Ak. 99559	1	1	-	-
Bethel Social Services, Inc. P.O. Box 271 Bethel, Ak. 99559	4	3	-	-
St. Marys, City of P.O. Box 163 St. Marys, Ak. 99658	2	2	-	-
Bristol Bay Borough P.O. Box 189 Naknek, Ak. 99633	6	6	-	-
Bristol Bay School District P.O. Box 169 Naknek, Ak. 99633	6	4	-	-
Southwest Regional School District P.O. Box 169 Dillingham, Ak. 99576	11	10	-	-
Ualaska Alcoholism Program, Inc. P.O. Box 182 Ualaska, Ak. 99685	4	3	-	-
Kuskokwim Native Association P.O. Box 31 Aniak, Ak. 99557	2	2	-	-
Yupiktak-Bista Manpower, Inc. P.O. Box 219 Bethel, Ak. 99559	24	18	-	-
Bethel, City of P.O. Box 388 Bethel, Ak. 99559	14	13	-	-
Atmautluak, City of Atmautluak, Ak. 99559	1	1	-	-
Sub-Total	75	63	-	-

POSITION REALIGNMENT

TITLE VI REGION 4

SUB-GRANT NAME AND ADDRESS	March 3, 1978		April 1, 1978	June 1, 1978
	Positions Authorized	Positions Filled	+ = Increase - = Decrease	+ = Increase - = Decrease
Dillingham School District P.O. Box 202 Dillingham, Ak. 99576	8	7	-	-
Togiak, City of P.O. Box 99 Togiak, Ak. 99678	1	0	-	-
Akolmuit, City of General Delivery Nunapitchuk, Ak. 99641	2	2	-	-
Kuskokwim Community College P.O. Box 638 Bethel, Ak. 99559	10	8	-10	-
Iliuliuk Family and Health Services P.O. Box 144 Unalaska, Ak. 99685	2	2	-	-
St. Paul, City of St. Paul Island St. Paul, Ak. 99660	2	2	-	-
Sub-Total	25	21	-10	-
Total	100	84	-10	-

POSITION REALIGNMENT

TITLE VI REGION 5

SUB-GRANT NAME AND ADDRESS	March 3, 1978		April 1, 1978	June 1, 1978
	Positions Authorized	Positions Filled	+ = Increase - = Decrease	+ = Increase - = Decrease
Cook Inlet Council on Alcoholism P. O. Box 882 Kenai, Alaska 99611	2	1		
Small World P. O. Box 1632 Kodiak, Alaska 99615	4	4		
City of Old Harbor P. O. Box 109 Old Harbor, Alaska 99643	1	1		
Agricultural Experiment Station U of A Box AE Palmer, Alaska 99645	4	4		
Kodiak Comm. Development Corp. P. O. Box 571 Kodiak, Alaska 99615	1	1		
Bidarki Corporation P. O. Box 117 Cordova, Alaska 99574	3	3		
City of Homer P. O. Box 335 Homer, Alaska 99603	18	18		
Alaska Legal Services 524 W. 6th Ave. Suite 204 Anchorage, Alaska 99501	23	23	-23	
Alaska Court System 303 K Street Anchorage, Alaska 99501	10	10		
Alaska State Council on Arts 619 Warehouse Ave. Suite 220 Anchorage, Alaska 99501	4	4		
Human Rights Commission Office of the Governor 2457 Arctic Blvd., Suite 3 Anchorage, Alaska 99501	2	2	-2	
SUB-TOTAL	72	71	-25	

POSITION REALIGNMENT

TITLE VI REGION 5

SUB-GRANT NAME AND ADDRESS	March 3, 1978		April 1, 1978	June 1, 1978
	Positions Authorized	Positions Filled	+ = Increase - = Decrease	+ = Increase - = Decrease
City of Soldotna P. O. Box 409 Soldotna, Alaska, 99669	1	1		
City of Wasilla P. O. Box 430 Wasilla, Alaska 99687	3	3		
Ptarmigan Tot Drop P. O. Box 153 Valdez, Alaska 99686	3	3		
Ouzinkie City P. O. Box 35 Ouzinkie, Alaska 99664	2	2		
City of Cordova P. O. Box 1210 Cordova, Alaska 99574	8	6		
Rural CAP Child Development P. O. Box 3908 Anchorage, Alaska 99501	22	18		
Rural CAP Child Development P. O. Box 3908 Anchorage, Alaska 99501	7	7		
Alaska Fed. of Natives 550 W. 8th Ave. Anchorage, Alaska 99501	3	3		
Natanuska-Susitna Borough Sch. Dist P. O. Box AB Palmer, Alaska 99645	40	40		
City of Palmer P. O. Box 1368 Palmer, Alaska 99645	6	6		
Kodiak Council on Alcoholism P. O. Box 497 Kodiak, Alaska 99615	1	1		
SUB-TOTAL	90	96		

POSITION REALIGNMENT

TITLE VI REGION 5

SUB-GRANT NAME AND ADDRESS	March 3, 1978		April 1, 1978	June 1, 1978
	Positions Authorized	Positions Filled	+ = Increase - = Decrease	+ = Increase - = Decrease
Tyonek Village Tyonek, Alaska 99682	3	1	-3 *	
Alaska Skill Center P. O. Box 615 Seward, Alaska 99664	5	4		
Seward Community Library P. O. Box 537 Seward, Alaska 99664	2	2		
Seward Council on Alcoholism P. O. Box 1045 Seward, Alaska 99664	2	2		
Alaska State Fair P. O. Box 1128 Palmer, Alaska 99645	3	3		
City of Wasilla P. O. Box 430 Wasilla, Alaska 99687	3	3		
City of Seward P. O. Box 337 Seward, Alaska 99664	10	9		
Transportation Muesum of Alaska SR Box S-875 Palmer, Alaska 99645	4	4		
Campfire, Chugiak Council 326 H. Street Anchorage, Alaska 99501	3	3		
Matanuska-Susitna Borough Sch. Dist P. O. Box AB Palmer, Alaska 99645	8	8		
Whittier Historical and Fine Arts Museum P. O. Box 728 Whittier, Alaska 99502	4	4		
SUB-TOTAL	47	44	-3	

* One position will be picked up
by Cook Inlet Native Assn.

POSITION REALIGNMENT

TITLE VI REGION 5

SUB-GRANT NAME AND ADDRESS	March 3, 1978		April 1, 1978	June 1, 1978
	Positions Authorized	Positions Filled	+ = Increase - = Decrease	+ = Increase - = Decrease
Talkeetna Historical Society P. O. Box 76 Talkeetna, Alaska 99676	1	1		
City of Whittier Whittier, Alaska 99502	9	9		
Salvation Army Kenai/Palmer 135 F. 8th Ave. Anchorage, Alaska 99501	12	11		
SUB-TOTAL	22	18		
TOTAL	237	227	-28	

POSITION REALIGNMENT

TITLE II REGION I

SUB-GRANT NAME AND ADDRESS	March 3, 1978		April 1, 1978	June 1, 1978
	Positions Authorized	Positions Filled	+ = Increase - = Decrease	+ = Increase - = Decrease
Ketchikan Youth Advocate P. O. Box 7202 Ketchikan, Alaska 99901	2	1		
City of Ketchikan P. O. Box 1110 Ketchikan, Alaska 99901	7	7		
Ketchikan Gateway Borough P. O. Box 7262 Ketchikan, Alaska 99901	4	4		
Juneau, City and Borough of 155 South Seward St. Juneau, Alaska 99801	22	22	-4	-8 (-4 May 1,
	<hr/> 35	<hr/> 34	<hr/> -4	<hr/> -8

POSITION REALIGNMENT

TITLE II REGION 2

SUB-GRANT NAME AND ADDRESS	March 3, 1978		April 1, 1978	June 1, 1978
	Positions Authorized	Positions Filled	+ = Increase - = Decrease	+ = Increase - = Decrease
North Pole, City P. O. Box 5109 North Pole, Alaska 99705	7	7	-1	
University of Alaska Dir/Libraries Fairbanks, Alaska 99701	14	14	-2	
City of Nenana P. O. Box 177 Nenana, Alaska 99760	4	4	-1	
Arctic Assn. Retarded Children P. O. Box 2075 Fairbanks, Alaska 99707	1	1		
TOTAL	26	26	-4	-0-

POSITION REALIGNMENT

TITLE II REGION 3 *

SUB-GRANT NAME AND ADDRESS	March 3, 1978		April 1, 1978	June 1, 1978
	Positions Authorized	Positions Filled	+ = Increase - = Decrease	+ = Increase - = Decrease
City of Nome P. O. Box 281 Nome, Alaska 99762	9	6		
City of Kotzebue P. O. Box 46 Kotzebue, Alaska 99752	2	2		
Kawerak Inc. P. O. Box 505 Nome, Alaska 99762	1	1		
City of Teller Teller, Alaska 99778	1	1		
City of Ambler Ambler, Alaska 99786	1	1		
City of Shishmaref General Delivery Shishmaref, Alaska 99772	1	1		
Kiana, City of Kiana, Alaska 99749	1	1		
TOTAL	16	13	-0-	-0-

* This region will decrease to eleven positions 6/1/78. Normal attrition will decide where positions will be deleted.

POSITION REALIGNMENT

TITLE II REGION 4

SUB-GRANT NAME AND ADDRESS	March 3, 1978		April 1, 1978	June 1, 1978
	Positions Authorized	Positions Filled	+ = Increase - = Decrease	+ = Increase - = Decrease
City of Dillingham P. O. Box 191 Dillingham, Alaska 99567	18	18		-8 *
City of Sand Point P. O. Box 16 Sand Point, Alaska 99661	2	2		
City of Bethel P. O. Box 537 Bethel, Alaska 99555	12	12		-8 *
TOTAL	32	32	-0-	-16

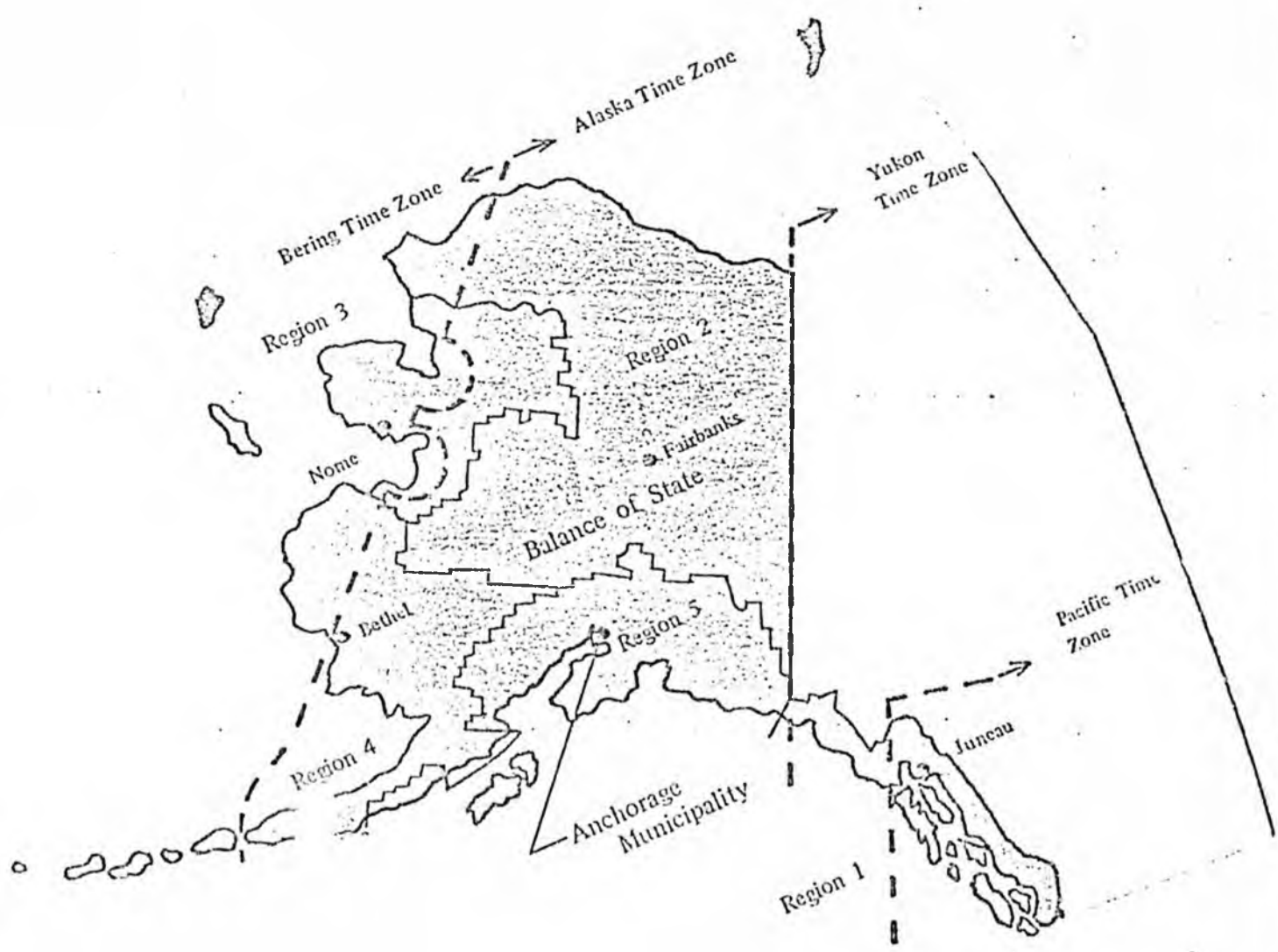
* Each of these vendors will be given a Title VI sub-grant 6/1/78 with four positions.

POSITION REALIGNMENT

TITLE II REGION 5 *

SUB-GRANT NAME AND ADDRESS	March 3, 1978		April 1, 1978	June 1, 1978
	Positions Authorized	Positions Filled	+ = Increase - = Decrease	+ = Increase - = Decrease
City of Kodiak P. O. Box 1397 Kodiak, Alaska 99615	9	9		
Valdez City Schools P. O. Box 398 Valedz, Alaska 99686	5	4		
TOTAL	14	13	-0-	-0-

* This Region will increase to 32 positions by 6/1/78, but potential vendors have not been selected at this time. Strong consideration will be given to vendors receiving a decrease in Title VI.



NEWS RELEASE

MIKE GRAVEL

U.S. Senator-Alaska

MARCH 13, 1978

RELEASE: IMMEDIATE

GRAVEL REQUESTS FUNDS TO SAVE PUBLIC SERVICE JOBS

WASHINGTON -- SEN. MIKE GRAVEL HAS ASKED LABOR SECRETARY RAY MARSHALL FOR SPECIAL FUNDS TO PRESERVE 234 PUBLIC EMPLOYMENT POSITIONS IN ALASKA. GRAVEL SAID THE POSITIONS, WHICH WERE CREATED TO REDUCE UNEMPLOYMENT, WOULD BE TERMINATED APRIL 1 UNLESS THE SPECIAL FUNDS ARE PROVIDED.

THE 234 JOBS ARE AMONG 750 PUBLIC EMPLOYMENT POSITIONS ADMINISTERED BY THE STATE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS. THE JOBS ARE PROVIDED UNDER THE COMPREHENSIVE EMPLOYMENT AND TRAINING ACT (CETA).

GRAVEL SAID THE JOBS ARE THREATENED BY A DISAGREEMENT BETWEEN THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS AND OFFICIALS AT THE FEDERAL REGION X OFFICE IN SEATTLE.

ACCORDING TO THE LETTER, THE REGION X OFFICE INSISTED THAT THE DEPARTMENT'S PROGRAM COULD BE RUN WITH 750 JOB POSITIONS AT A COST OF \$875 PER POSITION. THE DEPARTMENT'S REAL COSTS HAVE BEEN HIGHER, AND IN ESSENCE, IT IS NOW RUNNING OUT OF MONEY.

THE REGION X OFFICE FINALLY RECOGNIZED THIS SITUATION, GRAVEL SAID, AND RAISED THE COST ALLOWED PER PARTICIPANT TO \$971. HOWEVER, THE ALLOCATION OF FEDERAL MONEY TO THE DEPARTMENT WAS

PUBLIC EMPLOYMENT -- ADD ONE

NOT RAISED TO MEET THE HIGHER COST, MEANING THAT POSITIONS WOULD HAVE TO BE ELIMINATED IN ORDER FOR THE DEPARTMENT TO STAY WITHIN ITS BUDGET.

THE DEPARTMENT HAD A TWO-YEAR ALLOCATION OF ABOUT \$11 MILLION FOR ITS CETA JOBS. GRAVEL SAID ANOTHER \$1 MILLION FROM DISCRETIONARY FUNDS CONTROLLED BY SECRETARY MARSHALL WOULD ALLOW THE 234 POSITIONS TO LAPSE THROUGH ATTRITION, WITHOUT PUTTING PEOPLE OUT OF WORK APRIL 1.

THE ALASKA DEMOCRAT SAID THE STATE AGENCY HAD REQUESTED ADDITIONAL MONEY TO SAVE THE 234 JOBS, BUT HAD BEEN TURNED DOWN.

"THE DEPARTMENT WAS INFORMED THAT REDISTRIBUTED FUNDS WERE ONLY AVAILABLE TO INCREASE THE NATIONAL ENROLLMENT LEVEL AND NOT TO SUBSIDIZE EXISTING ENROLLMENT LEVELS," GRAVEL SAID. "THEREFORE, DESPITE THE FACT THAT ALASKA HAS THE HIGHEST UNEMPLOYMENT RATE IN THE REGION, NOT TO MENTION THE NATION, THE REDISTRIBUTED FUNDS WERE ALLOTTED TO AREAS WITH DROPPING UNEMPLOYMENT RATES.

"I AM GREATLY DISTURBED BY THE APPARENT DISTORTION OF THE INTENT OF THE CETA PROGRAM TO THE EXTENT THAT NATIONAL GOALS SUPERCEDED NATIONAL PROGRAM OBJECTIVES. WHEN IT BECOMES MORE IMPORTANT TO SATISFY PUBLIC RELATIONS GOALS THAN TO MEET THE CRITICAL NEEDS OF THE UNEMPLOYED, I QUESTION THE RELEVANCY OF THE PROGRAM."

GRAVEL SAID, "THE NATIONAL PROGRESS MADE IN REDUCING UNEMPLOYEMENT HAS NOT RESULTED IN REDUCED UNEMPLOYMENT IN ALASKA. OUR UNEMPLOYMENT RATE HAS CONSISTENTLY BEEN THE HIGHEST IN THE NATION. IN FACT, IT IS USUALLY AT LEAST DOUBLE THE NATIONAL AVERAGE."

United States Senate
WASHINGTON, D.C. 20510

170/MARSHALL
Nancy: Rickie

March 1, 1978

The Honorable F. Ray Marshall
Secretary of Labor
Department of Labor Building
200 Constitution Avenue
Washington, D. C. 20210

White

Dear Secretary Marshall:

As you well know, the Comprehensive Employment and Training Act (CETA) program is the major Federal program for attacking structural and countercyclical unemployment. A significant initiative by the Administration last year resulted in 725,000 public service jobs, and a gradual decline in the unemployment rate nationally. The unemployment rate continues to decline and for the first time in several years a stabilizing trend is apparent.

Unfortunately, the national progress made in reducing unemployment has not resulted in reduced unemployment in Alaska. Our employment rate has consistently been the highest in the nation. In fact, it is usually at least double the national average.

It is with a very serious concern for Alaska's unemployed and a desire that the CETA program be utilized to its maximum effectiveness that I bring to your attention a critical problem involving the Balance of State prime sponsor. This situation has escalated to the point that I am requesting discretionary funds be made available to the prime sponsor.

Last year, the Alaska Department of Community and Regional Affairs assumed the Balance of State prime sponsorship. It reorganized the administration of the program to assure improved services to rural Alaska and developed consistent liaison with the Title III prime sponsors, which had been seriously lacking. At this time, the Balance of State program has stabilized and is successfully providing client services.

Unfortunately, the rapid improvement in the program has created a significant problem. Recent computations of program

The Honorable F. Ray Marshall
March 1, 1978
Page Two

costs by the prime sponsor indicate that the allowable costs per participant per month can no longer be tolerated if the program is to function through the fiscal year. Therefore, the client enrollment must be reduced 234 positions by April 1, 1978 due to the necessary modification in the cost per participant per month.

I want to present to you the history of this modification, which I think clearly illustrates why at this time the directive from the Department of Labor is unfair to the clients who must be laid-off and embarrassing to the Department of Community and Regional Affairs, which has acted in good faith.

The Balance of State prime sponsor commenced employment services in July 1977. Based on additional funds available, through the Economic Stimulus appropriation, its contract was modified in July, September and October 1977. In August the Region expressed concern over the low enrollment level and indicated that the prime sponsor would have to meet the enrollment level by September 30. In addition, the prime sponsor was advised that it was expected to absorb any excess funds due to prior program inefficiencies under different administration.

In order to comply, the prime sponsor decided to overenroll by 20%. Since history of the program indicated that it was difficult to maintain a constant enrollment, it was the determination of the prime sponsor that only by overenrolling for a period could it hope to reach the enrollment goal. The vacancy rate at this time was 30% and the cost per participant per month was \$1050.00

The national interest in meeting President Carter's 725,000 public service jobs goal heightened the pressure on the Balance of State prime sponsor to meet its individual goal while absorbing past deficiencies. In November, the Regional office sent telegrams to the prime sponsors notifying them of their modified enrollment goals and its intention to reprogram.

With primary focus transferred to the enrollment levels, it became necessary to revise the cost per participant per month. As you know, each prime sponsor is funded by formula and either the prime sponsor's costs determine his enrollment, or vice versa. In the case of Region X the prime sponsors were expected to conform their costs to their enrollment levels.

The Honorable F. Ray Marshall
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As negotiations between the prime sponsor and the Regional office began in November, the prime sponsor found itself in an unusually difficult position. It was attempting to meet the enrollment goals, but finding that its costs would not allow it to do this within budget. When it presented this dilemma to the Regional office, it responded that the average cost per participant per month from July to October in the Balance of State program had been \$875.00, and with this cost-per-participant base it should be able to meet the enrollment goal.

The base period used by the Region included the early stages of the employment program when enrollment was low and was characterized by turnover. The prime sponsor determined that a more realistic cost base was September through October when a program had begun to stabilize. The average cost per participant per month for this period was \$1000.

However, in Region X's desire to maximize the available funds and achieve the President's announced goal the prime sponsor's \$1000 cost per participant was rejected. On November 29, the prime sponsor proposed a new modification of \$948.00, which was below costs at the time. This was also rejected by Region X and finally in December the prime sponsor agreed to \$875.00 per participant. With this cost level the prime sponsor was expected to fill 750 job slots.

Notwithstanding the allowable cost level, the prime sponsor averaged \$951.00 cost per participant per month from July to December 1977, and \$984.00 from August to December 1977. The real cost of the program coupled with the prime sponsor's effort and success in meeting the enrollment goal made a significant impact on its budget.

The Regional office recently notified the Balance of State prime sponsor that its cost per participant per month will be raised to \$971.00, which means that it must eliminate 234 employment positions by April 1. I submit to you, Mr. Secretary, that this action should have been taken last November when the prime sponsor requested a modification in the cost per participant and a modified enrollment level. If that had occurred in November, the reduced enrollment could have proceeded slowly and been achieved by attrition.

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It is well known and easily documented that the cost of living in Alaska is the highest in the nation. An entry-level secretary would earn more than the \$875.00 allowed by the Regional office for CETA positions. With the explicit mandate of the legislation requiring CETA employees to be paid commensurate with private sector for similar work performed, it is remarkable that the prime sponsor could place clients at all.

An additional fact you should be aware of involves the allocation of redistributed funds. When the Balance of State prime sponsor requested additional funds to help them maintain the high enrollment, it was informed that redistributed funds were only available to increase the national enrollment level and not to subsidize existing enrollment levels. Therefore, despite the fact that Alaska has the highest unemployment rate in the region, not to mention the nation, the redistributed funds were allotted to areas with dropping unemployment rates.

I am greatly disturbed by the apparent distortion of the intent of the CETA program to the extent that national goals superceded rationale program objectives. When it becomes more important to satisfy public relations goals than to meet the critical needs of the unemployed, I question the relevancy of the program. Alaska has significantly benefitted from the Title III CETA program and I hope will be given an opportunity to benefit from the Balance of State program. I recognize that it is more difficult to tailor national programs to Alaska, but I would point to the Title III program as evidence of the possibilities of doing this.

I would appreciate your investigation of this matter. Since the prime sponsor has an April 1 deadline, it is imperative that action be taken prior to this date. If it is not, clients will be laid-off and it will be impossible to rehire them due to the eligibility criteria. In this regard I request that you seriously consider a grant to the Balance of State prime sponsor from your discretionary fund. This would allow them to honor their contracts while beginning the phase-down in enrollment slots.

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I wish to thank you in advance for your attention to this matter. Should you need further information in the course of your review, I trust you will not hesitate to call on me.

Sincerely,

Mike Gravel