

# PUBLIC WORKS EMPLOYMENT ACT OF 1976

P.L. 94-369

Enacted into law in June, 1976 through a Congressional override of President Ford's veto, the Public Works Employment Act of 1976 authorizes a total of \$3.95 billion for three different programs designed to aid financially hardpressed state and local governments.

## Title I - Public Works

Title I authorizes \$2 billion for local public works projects, with 70 percent of the funds going to areas with unemployment over the national rate. The Economic Development Administration will allocate funds for the states based on numbers of unemployed persons in each state and state unemployment rates. EDA Regional Offices will process applications within 60 days of their submittal, with applicants given 90 days to begin construction after an EDA grant offer.

## Title II - Countercyclical Payments

Title II authorizes \$1.25 billion for payments, over a five-quarter period, to state and local governments to help them maintain current service and employment levels. The level of individual payments will be based on a formula incorporating an individual jurisdiction's annual general revenue sharing payment and "excess" unemployment rate (i.e., unemployment over 4.5 percent). Where a local government's excess unemployment rate cannot be determined or certified, a state rate will be substituted. All localities with unemployment over 4.5 percent are entitled to countercyclical payments.

## Title III - Water Pollution Funds

This title authorizes an additional \$700 million for EPA's regular water pollution construction program. The funds are to go to about 34 states whose EPA funding during the last several years was considered by the Congress to be inequitable.

# federad register

MONDAY, AUGUST 23, 1976



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PART V:

## DEPARTMENT OF COMMERCE

Economic Development  
Administration

LOCAL PUBLIC WORKS  
CAPITAL DEVELOPMENT  
AND INVESTMENT  
PROGRAM

Final Rulemaking

## Title 13—Business Credit and Assistance

## CHAPTER III—ECONOMIC DEVELOPMENT ADMINISTRATION, DEPARTMENT OF COMMERCE

## PART 316—LOCAL PUBLIC WORKS CAPITAL DEVELOPMENT AND INVESTMENT PROGRAM

The Economic Development Administration, pursuant to Title I of the Public Works Employment Act of 1976, hereby publishes these regulations to amend Title 13 of the Code of Federal Regulations by adding a new Part 316. These regulations describe procedures by which eligible applicants may receive financial assistance for the construction (including demolition and other site preparation activities), renovation, repair, or other improvement of local public works projects and for the completion of plans, specifications, and estimates for local public works projects.

## STATEMENT OF OBJECTIVES

## LEGISLATIVE OBJECTIVES

On the basis of an in-depth study of the Local Public Works Capital Development and Investment Act of 1976 and its legislative history, it has been determined that the purpose of this legislation is to provide:

- a. Employment opportunities in areas of high unemployment through the expeditious construction or renovation of useful public facilities; and
- b. A countercyclical stimulus to the national economy.

## EDA PROGRAM OBJECTIVES

Analyses of past public works programs and the Economic Development Administration's (EDA) experience in operating such programs have revealed certain characteristics about the extent and nature of employment generated by public works construction. Of these, the most relevant to the objectives of the Local Public Works Capital Development and Investment Act are the preponderance of skilled construction jobs and the relatively high cost of creating a job through such an approach. Between 68 and 81 percent of the costs of a public works project are for materials, equipment, overhead, and contractor profits, leaving between 19 and 32 percent for on-site wages. Consequently, even the most labor intensive public works projects generate a limited amount of direct employment per dollar of project cost. Public works projects do, however, result in useful end products and are commonly believed to provide general economic stimulation, particularly to the construction and construction-related industries.

In recognition of these characteristics of public works construction projects, as well as other considerations deriving from the legislation and EDA's experience, the following objectives for implementing the Local Public Works Act have been established:

- a. To insure that consideration is given to the relative needs of the various sections of the country;

- b. Within those sections, to fund projects that maximize immediate employment opportunities and, wherever possible, that maximize employment opportunities for unemployed residents of the project area;

- c. To fund locally oriented projects that provide useful public facilities in areas of high unemployment and low income;

- d. To fund projects that advance local plans and contribute to long-term development;

- e. To fund facilities that could not have been constructed in the absence of the Local Public Works grant (i.e., facilities for which Federal funds are not merely replacing or reducing local, State or other Federal monies that have been specifically provided or set aside); and

- f. To carry out a comprehensive evaluation of both the direct employment impact and the indirect or stimulative impact of the projects funded.

Because these regulations pertain to a grant program administered by the Economic Development Administration, the relevant provisions of the Administrative Procedure Act (5 U.S.C. 553) requiring notice of proposed rulemaking, opportunity for public participation and delay in effective date are inapplicable. In addition, Section 107 of the Public Works Employment Act of 1976 requires implementing regulations to be prescribed within thirty days after date of enactment.

However, in accordance with the spirit of the public policy set forth in 5 U.S.C. 553, interested persons may submit written comments or suggestions to the Assistant Secretary for Economic Development, U.S. Department of Commerce, Room 7800B, Washington, D.C. 20230 by September 24, 1976. This is a new and widespread program, and all suggestions received will be carefully considered. If a sufficient number of valid comments raising significant issues are received, these regulations may be amended and republished. Until such time as further changes are made, however, 13 CFR Part 316 shall remain in effect, thus permitting the public business to proceed more expeditiously.

The application form, necessary to carry out the Public Works Employment Act of 1976, as provided in Section 107 therein, has been prescribed and submitted to the Office of Management and Budget for clearance as required by OMB Circular No. A-40, as revised on February 10, 1976. When clearance has been received, EDA will publish the application form, which will then be available through EDA and its Regional Offices.

Interested persons should take notice that it is the policy of the Economic Development Administration that no applications for financial assistance pursuant to Title I of the Public Works Employment Act of 1976 will be accepted until the funds to implement the program have actually been appropriated and apportioned to and made available for use by the agency.

Consideration has been given as to whether matters set forth in these regulations constitute a major proposal with an inflationary impact within the meaning of OMB Circular A-107 and interpretative guidelines as issued by the Department of Commerce. A determination has been made that these regulations do not extend or go beyond the statute, and therefore, there is no inflationary impact of these regulations beyond the statute.

Accordingly, the regulations shall read as follows:

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AUTHORITY: Title I, Pub. L. 94-369 (July 22, 1976); 42 U.S.C. 6701 *et seq.*; 90 Stat. 999; and Department of Commerce Organization Order 10-4 (September 30, 1975), as amended (40 FR 56702, as amended at 40 FR 58878).

## § 316.1 Purpose.

The purpose of this part is to set forth the requirements and procedures pursuant to which eligible applicants may receive grants under Title I of the Public Works Employment Act of 1976, which is entitled the "Local Public Works Capital Development and Investment Act of 1976."

## § 316.2 Definitions.

"Assistant Secretary" means the Assistant Secretary of Commerce for Economic Development or his delegate.

"Indian tribe" means the governing body of a tribe, nonprofit Indian corporation (restricted to Indians), Indian authority or other tribal organization or entity or Alaskan native village.

"Initiation of construction" means that a contract has been awarded for construction of the project or notice to proceed or its equivalent has been issued or on-site labor has begun, whichever is earlier.

"Local Public Works Act" means the "Local Public Works Capital Development and Investment Act of 1976," which is Title I of the Public Works Employment Act of 1976.

"Local government" means any city, county, town, parish, or other political subdivision of a State (including local school districts), and any Indian tribe.

"Maintenance costs" means costs that are incurred for any necessary repairs or upkeep of property which neither adds to the permanent value of the property or appreciably prolongs its intended life, but rather keeps it in an efficient operating condition.

**"Political subdivision of a State"** means the agencies, instrumentalities and authorities established or authorized by State law including, but not limited to, special districts and regional authorities formed by local governments.

**"Public works"** means public facilities including, but not limited to, municipal offices, courthouses, libraries, schools, police and fire stations, detention facilities, water and sewer lines, streets and roads (including curbs), sidewalks, lighting, recreational facilities, convention centers, civic centers, museums, and health, education and social service facilities.

**"State"** includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam and American Samoa.

**§ 316.3 Applicants.**

A State or a local government, as defined in § 316.2 of this part, is eligible for assistance under the Local Public Works Act.

**§ 316.4 Direct grants.**

(a) The Assistant Secretary may make direct grants to any State or local government for construction (including demolition and other site preparation activities), renovation, repair, or other improvement of local public works projects, including those for which Federal financial assistance is authorized under provisions of law other than the Local Public Works Act. Such grants may include funds for the completion of plans, specifications and estimates where additional architectural and engineering work or related planning is required to permit construction of the project under this section.

(b) Applications under this section will be approved only if the applicant submits with its application, if applicable, a written certification from the other Federal agency/agencies that the project meets all applicable Federal statutory and regulatory requirements.

(c) The Federal share of any project for which a grant is made under this section shall be 100 per centum of the cost of the project.

**§ 316.5 Supplemental grants.**

(a) The Assistant Secretary may make supplemental grants for the purpose of increasing the Federal contribution to 100 percent of the project cost for any Federally-assisted public works project authorized by any Federal law other than the Local Public Works Act if the applicant submits with its application:

(1) A written certification from the other Federal agency/agencies that:

(i) Federal financial assistance for the project has been approved and the funds are immediately available for the project;

(ii) The project meets all applicable Federal statutory and relevant related requirements; and

(2) Its written certification that actual construction of the project has not yet been initiated because of lack of funding for the non-Federal share.

(b) The Assistant Secretary also may make grants in an amount necessary to provide all or part of the required State or local share (but not both shares) of the cost of any public works project for which financial assistance is authorized by State or local law requiring such contribution if the applicant submits with its application a written certification from the appropriate authority that:

(1) The share of financial assistance not applied for has been properly approved and is immediately available for the project;

(2) The project meets all applicable statutory and other relevant requirements of law; and

(3) Construction of the project has not yet been initiated.

(c) Grants under this section may include funds for the completion of plans, specifications, and estimates where additional architectural and engineering work or related planning is required to permit construction of the project under this section.

**§ 316.6 Limitations on grants.**

(a) **Canals and watercourses.** No grant shall be made under this part for any project having as its principal purpose and permanent effect:

(1) The channelization, damming, diversion, or dredging of any natural watercourse, or

(2) The construction or enlargement of any canal except a canal or raceway designated for maintenance as an historic site.

(b) **Real property.** No part of any grant made under this part shall be used for the acquisition of any interest in real property.

(c) **Maintenance.** No part of any grant made under this part shall be used for the payment of maintenance costs in connection with a project constructed (in whole or in part) with Federal financial assistance under the Local Public Works Act.

**§ 316.7 Priority of projects.**

(a) **Allocation of funds.** (1) In making grants under this part, when the average national unemployment rate for the three most recent consecutive months for which data is available from the United States Department of Labor, has been at least 6½ percent:

(i) Seventy percent of all amounts appropriated to carry out the Local Public Works Act shall be allocated for project applications submitted by State or local governments whose average unemployment rate for the three most recent consecutive months for which information is available exceeds the average national unemployment rate for the same period of time. The Assistant Secretary shall expedite and give priority to applications in this category.

(ii) The remaining thirty percent of all amounts appropriated to carry out the Local Public Works Act shall be available for distribution according to priority as listed below:

(A) Project applications submitted by State or local governments whose average

unemployment rate for the three most recent consecutive months for which information is available is more than 6½ percent but not more than the average national unemployment rate for the same period of time, and

(B) Project applications submitted by State or local governments whose average unemployment rate for the three most recent consecutive months for which information is available is 6½ percent or less. These project applications will be considered only when funding of such projects is necessary to fulfill the minimum funding level required for each State or if funds are available in the 30 percent category.

(b) **State limitations:** Not less than one-half of one percent or more than twelve and one-half percent of all amounts appropriated to carry out the Local Public Works Act shall be granted for local public works projects within any one State, except that not less than one-half of one percent of the total of all funds appropriated for this part shall be granted for public works projects in Guam, the Virgin Islands, and American Samoa, in the aggregate.

**§ 316.8 Allocation of program resource levels to regional offices.**

(a) **Regional allocations.** To assist in the orderly utilization of program resources, the Assistant Secretary will assign to each regional office a target level of anticipated project assistance for the total of all areas served by that regional office. Such regional allocations of program resources shall be based on appropriation apportionments available to EDA and shall be calculated on a formula basis reflecting the relative numbers of unemployed persons in the States served by the regional office and the level of unemployment rates in those States.

(b) **State planning ceilings.** Regional offices shall observe with respect to each State served by it a ceiling on project approval recommendations. The allocation of funds to regions and States will be made after the funds have been apportioned to EDA and will be based on unemployment data available at that time. EDA will announce the date on which the funds are apportioned and the allocation is made. The formula by which the planning ceiling for each State will be established is as follows:

Subject to program administrative costs and statutory minimum and maximum amounts allocated to individual States by the legislation, 65 percent of the funds will be set aside as planning ceilings for individual States based on the share of unemployed workers residing in a State of the total national unemployed; 35 percent of the funds will be set aside as planning ceilings to individual States based on the relative severity of unemployment for each State above the national unemployment rate.

(c) It is to be understood that the planning ceiling assigned to each State is not to establish an entitlement to any minimum level of project assistance within that State (unless such is the statutory maximum or minimum) but is adopted only for the purpose of furthering the objective of assuring that ade-

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quate consideration is given to the relative needs of various sections of the country. Where the planning ceiling calculated on the formula basis is less than the statutory minimum assured for each State the statutory minimum shall be the planning ceiling, and where the planning ceiling calculated on the formula basis is greater than the statutory maximum for any State the statutory maximum shall be the planning ceiling.

(d) 120 days after the date on which funds are first apportioned for program assistance under the Act and at any time thereafter the Assistant Secretary may reconsider the regional allocations and State ceilings previously established and make such adjustments as are determined to be reasonable in achieving the purposes of the Act.

### § 316.9 Determination of unemployment rates.

(a) The average unemployment rate for the three most recent consecutive months for which data is available for a State or local government applicant under this part may be determined from information obtained in the following order:

(1) *The United States Department of Labor.* (i) EDA's Qualification Division has provided to EDA's Regional Offices and Economic Development Representatives a list, prepared by the United States Department of Labor, which shows the average unemployment rate for the three most recent consecutive months for:

(A) the entire nation;

(B) each State; and

(C) where available, "identifiable" local governments.

(ii) On or before September 15, 1976, EDA's Qualification Division will provide to EDA's Regional Offices and Economic Development Representatives a list, prepared by the United States Department of Labor, which will show the average unemployment rate for the three most recent consecutive months for approximately 1,000 counties throughout the nation.

(iii) The above lists will be updated and expanded if and when more information is obtained from the United States Department of Labor.

(2) If not available from the United States Department of Labor the average unemployment rate for the three most recent consecutive months for which information is available shall be obtained from the State employment security agency.

(3) Indian tribes shall submit information from the Bureau of Indian Affairs of the United States Department of Interior or other appropriate sources acceptable to the Assistant Secretary.

(b) If requested by an applicant, the unemployment rate of a local government shall be based upon the unemployment rate of any community or neighborhood (defined without regard to political or other subdivisions or boundaries) within the jurisdiction of such local government, except that any grant made to a local government based upon the unemployment rate of a community

or neighborhood within its jurisdiction must be for a project of direct benefit to, or provide employment for, unemployed persons who are residents of that community or neighborhood. The applicant shall apply to the State employment security agency for the average unemployment rate for the three most recent consecutive months for which data is available. The data obtained from the State employment security agency will be accepted by the Assistant Secretary.

(c) If requested by an applicant, in determining the unemployment rate of a local government, unemployment in those adjoining areas from which the labor force for a project may be drawn shall be taken into consideration.

(d) The Assistant Secretary has obtained from all State employment security agencies their cooperation to provide all applicants, other than Indian tribes, with unemployment data.

(e) EDA will not accept an unemployment rate determination that is based on data obtained for a time period which is longer than twelve months prior to the date of the application as stated therein.

(f) The unemployment rate established by one of the procedures above, will determine whether the area qualifies for the 70 percent or 30 percent category as described in § 316.7 above.

(g) No data regarding unemployment rates for time periods after the date of the application as stated therein, may be changed.

### § 316.10 General considerations and requirements for financial assistance.

(a) *Project selection procedure—(1) Considerations.* In line with the purposes and objectives of the Act, EDA's goal of choosing projects having the greatest potential for furthering these purposes and objectives, the relative importance of various factors in determining this potential, and the availability and consistency of data specified in the Act, the following project selection procedures have been adopted.

(2) *Project selection formula.* The ranking procedure developed for selecting projects within each State's planning allocation uses those project and area factors that will contribute most to achieving substate equity in the distribution of planning funds and insures that the relatively more economically efficient projects are selected. All factors will be standardized for comparability purposes and assigned policy weights to reflect their importance in the ranking procedure.

(i) *Basic rank.* The basic rank of a project will be determined by the following factors:

(A) The number of unemployed workers in the project area averaged over the three most recent months for which data is available. An area characterized as having a high unemployment rate overall is generally characterized as having a high unemployment rate in the construction industry. Similarly, an area characterized as having a large number of unemployed overall is generally characterized as having a relatively large

number of unemployed construction workers as a share of the overall unemployed. Therefore, this factor gives consideration to construction unemployment. This factor will constitute 30 percent of a project's basic rank.

(B) Severity and duration of unemployment, as measured by the unemployment rate prevailing in the project area averaged over the last three months for which data is available. This factor will constitute 25 percent of a project's basic rank.

(C) The cost per person-month of employment, defined as the ratio of the total cost of the project to the total number of person-months of employment to be generated. In formulating project proposals, applicants should bear in mind the intent of the Act to reduce unemployment generally, and to give due consideration to the amount of unemployment and underemployment in the construction and construction-related industries. As previously indicated, projects eligible for funding would include, but are not limited to, such local public works projects as municipal offices, courthouses, libraries, schools, police and fire stations, detention facilities, water and sewer lines, streets and roads, civic centers, museums, health, education and social service facilities, convention centers, and the upgrading of existing facilities through renovation, repair, and other related improvements. Finally, it should be emphasized that supplemental assistance provided for under the Act will be considered as part of total project costs; the latter is defined as funds from all sources, whether Federal, State, or local. The cost per person-month of employment factor will constitute 30 percent of a project's basic rank.

(ii) *Additional considerations.* A project's basic rank will be increased if the project meets one or more of the following criteria:

(A) Exhibits potential for providing long-term benefits. The basic rank of a project will be increased up to a maximum of 10 percent if it meets this criterion. The amount of increase will be determined by the nature and extent of the long-term benefit(s) to be provided by the project.

(B) Is sponsored by a general purpose unit of local government, as defined in § 316.2 above. Projects meeting this criterion will have their basic ranks increased by five percent.

(C) Relates to existing approved plans and programs of a local community development or regional development nature or promotes or advances longer range plans and programs. The basic rank of a project meeting this criterion will be increased by five percent.

(iii) *Final rank.* The final rank of a project is to be determined by summing the basic rank and increases attributable to the additional considerations defined above.

(3) *Application of project selection formula—(i) Geographic considerations.* Projects will be ranked and assessed relative to other projects submitted from the same State until such time as the Assis-

ant Secretary determines, pursuant to paragraph (a) (2) above, that comparison of projects submitted from different States is required to either further the purposes and objectives of the Act or to comply with statutory requirements.

(ii) *Priority considerations.* Within each State, projects submitted from areas with an unemployment rate exceeding the national average for the most recent consecutive three months will be ranked and compared only with projects submitted from other areas in this priority category. Similarly, projects submitted by areas with an unemployment rate below the national average for the most recent consecutive three months will be ranked and compared only with projects submitted from other areas in the same priority category. Applicants who anticipate the project labor requirements will draw upon the unemployed and underemployed labor resources of other jurisdictions outside the immediate project area (such as a multi-county area) will be given priority consideration on the basis of the unemployment rate prevailing in the extended geographical (labor market) area. Similarly, the basic rank computations discussed above will be computed in aggregate on data provided for the extended geographical area.

(iii) *Project selection.* Within each State and priority category, projects will be selected on the basis of their final ranks until the State planning allocation for each priority category has been exhausted or until such time as the Assistant Secretary determines that the remaining funds made available under the Act must be reallocated among the States.

(b) An application shall be rejected unless:

(1) It is properly prepared on appropriate forms prescribed by the Assistant Secretary.

(2) It contains one of the following:  
 (i) Information showing that the area conforms to an area for which United States Department of Labor unemployment statistics are available; or  
 (ii) Unemployment information from the appropriate State unemployment security agency.

(3) It contains a certification by the applicant that construction on the project has not yet been initiated;

(4) It contains assurances, satisfactory to the Assistant Secretary, that on-site labor can begin within ninety days of project approval;

(5) Where applicable, it relates the proposed project to existing approved plans and programs of a local community development or regional development nature so as to avoid harmful or costly inconsistencies or contradictions;

(6) It contains evidence, where feasible, that the proposed project will promote or advance longer range plans and programs;

(7) It contains adequate assurances that all laborers and mechanics employed by contractors or subcontractors on the proposed project will be paid wages at rates not less than those prevailing on similar construction in the

locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5).

(8) It contains adequate assurance by the applicant and by any "other parties" as defined in 15 CFR Subtitle A, Part 8, that no person shall, on the grounds of race, color, sex, or national origin, be excluded from participation in, be denied the benefit of, or be subjected to discrimination under the proposed project; and an assurance that it is not involved in any civil rights litigation or if it is involved in a lawsuit or Federal administrative action alleging discrimination it shall state the name of the case, the court where filed, or the name of the agency involved in the administrative action.

(9) It contains certification, by the properly authorized official of the Federal agency or State or local government, that no funds budgeted and available or otherwise specifically committed for the project applied for in its application shall be reduced, diminished, or replaced by funds requested under this part.

(c) Applicants should be advised that false representations and/or certifications in connection with applications for assistance under this part may be the basis for criminal liability under title 18 of the United States Code.

(d) No cost overruns for public works projects previously funded under this part will be approved.

(e) Project costs for administration, plans, specifications, estimates and other A/E costs, which have been incurred prior to the date of application, will not be funded.

(f) Applications will not normally be approved where any of the following conditions exist:

(1) The project site, including easements and rights-of-way, has not been obtained, clear of any encumbrances; or

(2) The project request is for a supplemental to another Federal, State or local grant which has not been approved by the applicable grant agency.

(g) The maximum amount of financial assistance made available under this part should not exceed \$5 million for each project; however, the Assistant Secretary may, in his discretion, waive this policy for good cause.

(h) Projects which cannot be completed within two years after date of approval will not be considered; however, the Assistant Secretary may, in his discretion, waive this policy for good cause.

**§ 316.11 Compliance with other Federal requirements.**

Each applicant shall, as a condition to its receipt of a grant under this part, comply with the following relevant Federal requirements:

(a) All labor standards including those relating to the payment of wages, working conditions, anti-kickback prohibitions and equal employment as provided 13 CFR 309.6;

(b) Those concerning relocation and related payments to all persons displaced

as a result of the development of a public works project with funds received under this part, as provided for in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C. 4601 *et seq.*, and 13 CFR Part 310;

(c) If the project involves a detention facility, those sections of Part E of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, found at 42 U.S.C. 3750 b(1) and (4)-(9);

(d) The provisions of OMB Circular A-95, except during the first ninety days after EDA begins receiving applications when the following procedures shall apply:

(1) Applicants must submit their full applications or notifications of intent to apply to the appropriate clearinghouse as early as possible.

(2) Upon submission of an application to EDA, the applicant must certify that he has submitted the full application to the appropriate clearinghouse.

(3) EDA may begin processing the application upon its receipt but will make no final approval of an application until 30 days after its receipt unless clearinghouse response is received before 30 days have elapsed.

(4) Clearinghouse comments will be submitted directly to EDA; EDA will consider such comments until it has finished processing the application.

(e) All environmental requirements, to the maximum extent possible, as determined by the Assistant Secretary, including, but not limited to:

(1) The National Environment Policy Act of 1969, as amended (42 U.S.C. § 4321 *et seq.*); and EDA's requirements found in § 316.13 below;

(2) The Clean Air Act, as amended (42 U.S.C. 1857-1858a);

(3) The Federal Water Pollution Control Act, as amended (33 U.S.C. 1251-1376);

(4) The National Historic Preservation Act of 1966 (16 U.S.C. 470 *et seq.*) and EDA's requirements found in § 316.13 below;

(5) The Wild and Scenic Rivers Act, as amended (16 U.S.C. 1271-1287) and EDA's requirements found in § 316.13 below;

(6) The Endangered Species Act of 1973 (16 U.S.C. 1531 *et seq.*);

(7) The Historical and Archeological Data Preservation Act, as amended (16 U.S.C. 469 *et seq.*); and

(8) The Fish and Wildlife Coordination Act of March 10, 1934, as amended (16 U.S.C. 661-666c).

(f) 13 CFR 309.9, entitled "Records and Audit;"

(g) 13 CFR 309.27, entitled "Land use near Federal airfields;"

(h) 13 CFR 309.14, entitled "Design, construction, and alteration of buildings to accommodate the physically handicapped;"

(i) 13 CFR 309.26, entitled "Project modification;"

(j) 13 CFR Part 314, entitled, "Property management standards;"

(k) The National Flood Insurance Program and EDA's requirements re-

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garding flood hazards found at 13 CFR 309.15; and

(1) Other laws affecting this program.

§ 316.12 Acceptance of applications.

(a) Applications for assistance under this part shall only be submitted to the appropriate EDA Regional Office, as provided in 13 CFR 301.31.

(b) Applications shall be recorded and deemed received upon their arrival at the appropriate EDA Regional Office.

(c) EDA shall endeavor, within five working days from the date the application is actually received by the appropriate Regional Office, to determine whether the application has been completely and properly prepared, and contains accurate unemployment rates. An application may be rejected (denied) unless it contains full and accurate information including the requirements of Section 316.10 above. By the end of the fifth working day after the date the application was received, the Regional Director should notify the applicant if the application has been rejected, and state what is needed to properly complete the application. However, EDA reserves the right during the 60 day period after receipt of an application to reject an application for substantially being incomplete, improperly prepared, or otherwise failing to meet the requirements of this part.

§ 316.13 Environmental considerations.

(a) *The National Environmental Policy Act.* (1) Since the Local Public Works Act requires applications to be processed within 60 days of their acceptance, EDA will not be able to prepare environmental impact statements for those projects which may significantly affect the quality of the human environment. However, to the fullest extent possible within this time period, EDA will analyze a project's potential environmental impacts and give appropriate consideration to environmental impacts in making its final decision.

(2) In order that EDA may conduct its environmental analysis of proposed projects, applicants shall include the following materials with their application, except with respect to subsections C and D if such materials are not available in which case the applicant must so certify:

(1) a description of those elements of the proposed project which will have an impact on the environment, the nature of the environment which will be

affected; and data on the expected environmental impact;

(ii) alternatives to the proposed project;

(iii) any environmental analysis previously conducted by local, State, federal agencies; and

(iv) evidence of public reaction to the project, such as transcripts of local public hearings held on the proposal.

(3) EDA will independently review and analyze environmental information submitted by applicants.

(i) Where appropriate, EDA, within the 60 day limit, may seek the views of other government agencies which have jurisdiction by law or special expertise with respect to any environmental impact involved.

(ii) If a project appears to be highly controversial for environmental reasons and there is a need to further understand the basis of the controversy, EDA may, within the 60 day limit, request the views of concerned residents through a newspaper notification or a public information meeting held near the project site.

(4) EDA shall deny an application if, after consideration of the benefits of a project against any environmental costs, it concludes that the environmental costs exceed the benefits. EDA may deny any application solely on the basis that its environmental impact analysis discloses that unacceptable adverse impacts will or are likely to result. EDA, where necessary, may condition approval of a project upon the adoption of specified measures designed to mitigate any adverse environmental impacts.

(b) *The National Historic Preservation Act.* (1) Applicants shall include with their applications either a statement of their State Historic Preservation Officer's views of the proposed project or shall certify that their State Historic Preservation Officer was provided with a detailed project description and request for comments prior to application's submission to EDA.

(2) If necessary, EDA will attempt to complete the coordination of proposed projects with the Advisory Council on Historic Preservation. EDA will use the results of this coordination process, even though completion of this process may not be possible, as a factor in making a final decision on the project.

(c) *The Wild and Scenic Rivers Act.* (1) If required, EDA will coordinate its processing of a proposed project with either the Department of Interior or the Department of Agriculture.

(2) EDA will use the results of this coordination process, even though completion of the process may not be possible, as a factor in making a final decision on the project.

§ 316.14 Final determination.

(a) All applications for assistance under this part shall be processed by the appropriate EDA Regional Office.

(b) The Regional Director shall notify the applicant, in writing, when its application has been rejected and state the reasons therefor.

(c) The Regional Director shall forward to the Assistant Secretary in Washington, D.C., all applications which he deems are properly completed and eligible for assistance under this part.

(d) The Assistant Secretary shall review all applications received from the Regional Directors and make the final determination.

(e) If no determination has been made by the end of the sixtieth day after the application was received as determined in § 316.12 above, the application will be deemed to be approved.

§ 316.15 Termination.

(a) An appropriate official of the grantee may request EDA to cancel or terminate a public works project approved under this part. This request must be accompanied by a certified resolution or ordinance authorizing the requesting party to make such request. Before agreeing to such request, EDA will determine the legal sufficiency of such request.

(b) EDA may initiate a cancellation or termination of a project approved under this part for failure by the grantee to adhere to the requirements of the grant.

(c) EDA may initiate a cancellation or termination of a project approved under this part whenever it determines that such cancellation or termination is in the best interest of the government. Cancellation or termination shall be effected by delivering a notice to the grantee specifying the extent of the cancellation or termination and the date upon which it becomes effective.

Effective date: These regulations become effective on August 23, 1976.

JOHN W. EDEN,  
Assistant Secretary  
for Economic Development.

AUGUST 20, 1976.

[FR Doc. 76-24805 Filed 8-20-76; 9:47 am]

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# CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139  
Tel. 876-6800

EXECUTIVE DEPARTMENT  
JAMES L. SULLIVAN  
City Manager

August 20, 1976

Mr. William Fitzhenry  
EDA Administration  
~~100 Cambridge Street~~  
Boston, Massachusetts 02114

441 STUART ST.

Dear Mr. Fitzhenry:

The City of Cambridge is pleased to submit to you a list of projects for funding under the Public Works Employment Act of 1975. In discussing the projects collectively, I would like to call your attention to several facts. First, all the projects are included in the City's long-range plans -- the Capital Improvements Program, the Comprehensive Plan, the long-range objectives expressed in the Community Development Block Grant process. There is no question that these projects are essential to the City of Cambridge as part of its overall development plan, but because of financial constraints we find it impossible to implement them without federal funding. The alternatives we face are increased taxes or severely reduced personnel, both of which are unacceptable in view of the belt-tightening we have already accomplished. Second, all the projects have gone through a preliminary planning stage and a final design stage and working drawings and specifications are either complete or within less than one month from completion. Third, the projects will be contracted and will benefit local area construction firms. In fact, it is our aim to target the bidding procedures to benefit Cambridge subcontractors as much as it is legally possible.

The following projects are listed in order of Cambridge's priorities:

1. East Cambridge Fire Station

The East Cambridge Fire Station has been in the planning and design stage since 1972 when the Planning Department analyzed the need for consolidating fire protection service in the eastern part of Cambridge and replacing three antiquated pre-1900 fire stations. The need for a station was also expressed in the City's Capital Improvements Program. One of the alternatives proposed in the study was chosen and in 1975 the City acquired land in the Cambridge-Third-Second-Gore Streets block, using Community Development Block Grant funds. Architectural work was begun in Spring 1976 and working drawings are nearly 100% completed.

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The East Cambridge Fire Station takes on added significance in terms of economic development when viewed in the context of private and public plans for development in eastern Cambridge. In the Lechmere Sales area, only about a quarter mile from the fire station, the Dayton Hudson Corporation, Lechmere's parent company, is contemplating a comprehensive redevelopment of the abutting commercial properties. At Kendall Square, Cambridge is in the marketing stage of a major urban renewal project. Both of these developments will create a large number of jobs in the construction industry, both directly and through ripple effects.

Estimated Cost: \$1,500,000

Current Project Status: Working drawing nearly completed, ready to bid in September

Site Ownership: City owns site

Employment Factor: \$750,000 of total budget is for labor; estimated number of construction jobs, 50

## 2. Public Works Garage

The building currently housing the Public Works Department's vehicles, equipment, supplies, shops, etc. is both undersized and in substandard condition. A satellite site of approximately two acres within the Kendall Square Urban Renewal Area has to be deployed in order to compensate for the space deficiencies, but as the urban renewal project nears the stage of land disposition the Public Works Department will have to vacate. This project would involve the construction of a new ancillary building on the existing garage structure. Working drawings for both parts of the project are complete and a work force could be on the site well within the 90-day period following EDA project approval.

Estimate Cost: \$400,000

Current Project Status: Site preparation nearly complete; working drawings complete

Site Ownership: City owns site of new building and the public way between it and the old PW yards has legally been closed

Employment Factor: \$250,000 of total budget is for labor; estimated number of construction jobs, 20

### 3. High School Project

The High School Project, in the planning and design stages since 1970, was opened to bids last week, with a return date of September 23, 1976. The project involves complete renovation of Rindge Technical High School, demolition of Cambridge High and Latin School, construction of new academic space and a new athletic field house. A part of the site of the demolished buildings will be used to construct a neighborhood park.

The project has approval of the State's School Building Assistance Bureau and the City will receive yearly reimbursements for 65% of the principal and interest costs for the high school bond.

The need for the high school was established and affirmed by two studies: A Program for the Cambridge High Schools, commissioned in 1970 and completed in 1972, and Educational Requirements and Site Analysis for High School Facilities, done in 1974.

The project is the single largest capital project undertaken by Cambridge. The City Council has authorized a \$20.6 million bond issue and Bond Anticipation. Notes have already been sold by the City. It is expected, however, that a cost overrun of \$1,000,000 will increase the total budget. The application Cambridge is making is for the cost overrun only.

Estimated Cost: \$1,000,000 for cost overrun

Present Fiscal Commitment: A \$20.6 million bond authorization

Current Project Status: Bids to be returned by September 23, 1976

Site Ownership: City owns site

### 4. Sherman Street Neighborhood Facility

The Sherman Street Neighborhood Facility was first conceived when the Walden Square Urban Renewal Project on Sherman Street was in the planning stage. It was recognized early on that a new neighborhood facility would be needed to serve the various needs of a new population. Since the housing project was completed the need for a neighborhood facility was expanded to include parts of the neighborhood other than Walden Square. In 1975 the City received a HUD neighborhood facilities grant of \$379,492 and matched it with a local share of \$189,747. Design work began late last year and working drawings are very nearly complete. The 9000 square feet facility will house recreation, medical care

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and child care facilities. It is estimated that the actual project cost will exceed the original budget by \$100,000. Cambridge is applying for the overrun only.

Estimated Cost: \$100,000 for overrun only

Current Project Status: Working drawing will be completed in next few weeks

Site Ownership: City owns site

#### 5. Police Station Repair

In the past two years an architectural evaluation of the Police Headquarters and a general analysis of the Police Department by the International Police Chiefs Association have pointed to the deplorable physical conditions of the headquarters building. The City also retained an engineering firm to comprehensively evaluate the condition of the mechanical and electrical systems in the buildings. The firm's report shows that extensive work needs to be done on the heating and electrical systems. Working drawings and specifications are complete.

Estimated Cost: \$200,000

Current Project Status: Engineering drawings and specifications are completed.

Employment Factor: \$100,000 of total budget is for labor; estimated number of construction jobs, 50

#### 6. Public Buildings Repairs

Two years ago the City retained an engineering firm to conduct a comprehensive evaluation of conditions at all municipally owned buildings. The completed report outlined major repair work needed by priority. In the most urgent repair group were City Hall, City Hall Annex, the Main Library, and two Fire Stations.

Estimated Cost: \$300,000

Current Project Status: Engineering drawings and specifications are completed

Employment Factor: \$200,000 of total budget is for labor; estimated number of construction jobs, 30

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7. Payson Park Reservoir Cover

The City, as part of its independent water supply system, owns an open air finished water reservoir located in Belmont. In 1971 the State first warned the City that environmental regulations would require covering the reservoir within five years. In 1976 the City was required to submit a concrete program for covering the reservoir. The need for this project was first cited in a report done for the Cambridge Water Department by Camp Dresser and McKee, engineering consultants, and was included in the City's Capital Improvements Program.

Estimated Cost: \$1,500,000

Current Project Status: Preliminary engineering drawings and specifications are complete. Final versions can be ready in two to three weeks

8. Streets and Sidewalks

In the last two years the City has invested heavily in the reconstruction of streets and sidewalks, using Community Development Block Grant and EDA funding. The City wants to continue this labor intensive effort this year. It is estimated that 100,000 lineal feet of sidewalks and five miles of streets would be reconstructed.

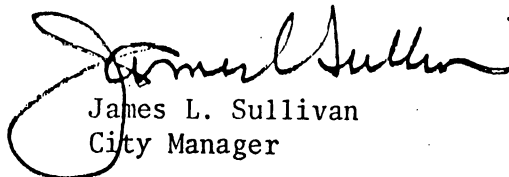
Estimated Cost: \$1,500,000

Current Project Status: A complete survey of conditions of streets and sidewalks was completed in 1975 and was used to develop priorities within an overall program. Work can begin well within 90 days of EDA project approval.

Employment Factor: High labor intensity - 75% to 80%

If any additional documentation is needed for this program, Cambridge will be happy to provide it immediately. Please contact my office or Mr. Conrad C. Fagone, Commissioner of Public Works, City Hall.

Very truly yours,

  
James L. Sullivan  
City Manager

JLS/mbf

## TITLE II - ANTIRECESSIONARY GRANTS

This title authorizes a program of emergency support and local governments to coordinate state and local budget related actions with federal economic recovery efforts. Funds are to be used to maintain basic services and not for the acquisition of supplies and materials or for construction unless this is necessary to maintain basic services.

### Funds Authorized

For each of five quarters, beginning July 1, 1976, the title authorizes \$125 million, plus \$62.5 million for each one-half percentage point over six percent national unemployment. Based on the current unemployment rate (7.8 percent) an estimate for the total 5-quarter period is \$1.25 billion (which is the maximum authorized). No funds would be authorized for any calendar quarter during which the national unemployment rate averaged under six percent or for any quarter in which the last month's unemployment rate was below six percent.

### Allocation

One-third for states, two-thirds for general purpose local governments (that perform "substantial" governmental functions). In order to get funds, a state or local government must have both of the following conditions:

- (a) An average unemployment rate of at least 4.5 percent for the quarter that ended three months before the quarter in which payment is to be made.
- (b) An unemployment rate exceeding 4.5 percent for the last month of the quarter that ended three months before the quarter in which payment is to be made.

In other words, if a city expects a countercyclical payment during the third quarter of 1976, starting July 1 its average unemployment rate for the first quarter of 1976 must be at least 4.5 percent and its March unemployment rate must exceed 4.5 percent.

States: Formula based on excess unemployment rate (current unemployment rate minus 4-1/2 percent) and state revenue sharing payment for the year beginning July 1, 1975.

Local Governments: Local governments for which the Labor Department determines unemployment rates under Titles II or VI of CETA (most cities over 50,000) will get funds directly from Treasury under a formula based on local excess unemployment rate (rate minus 4-1/2 percent) and local revenue sharing payment for the year starting July 1, 1975.

All other (balance of state) local governments will receive funds by one of two methods:

- (1) A balance of state allocation plan that is submitted by the state under Treasury rules; approved by the Treasury; consistent with the allocation formula for the larger (CETA) localities; developed in consultation with local officials in the state; and approved by the state legislature (or governor, if the legislature is not in session). This alternative formula must be submitted to the Treasury within 30 days after the effective date of the regulations.
- (2) Direct allocation by the Treasury under a formula based on (a) the individual jurisdiction's revenue sharing payment for the year beginning July 1, 1975, and (b) the balance of state average excess unemployment rate. The potential inequity in this situation is great. Once the state balance is established cities below 50,000 will receive an allocation proportional to their revenue sharing payments, regardless of their individual unemployment rates.

NOTE: The secretary of Treasury does have the discretionary authority to accept unemployment data which is certified by the Secretary of Labor for smaller units of governments. Cities below 50,000 should immediately contact the Governor's Office to find out if the state collects unemployment data for their jurisdiction. The Labor Department indicates that many states collect small area unemployment data, but that it is seldom sent to Washington.

#### Eligibility and Participation in the Program

It is estimated that more than 25,000 local units of government are eligible for countercyclical assistance. As soon as an appropriation has been obtained, every revenue sharing recipient will automatically receive a notification of "potential eligibility form" along with an "assurance form" (see below). Every local government should immediately return the forms. The Office of Revenue Sharing will then determine which governments are eligible and will make the first official allocation run on the computers.

The assurance form required from each state or local government under rules developed by the Treasury Department must include the following:

- ✓ ● Assurance that the funds will be used for the maintenance of public employment and basic service levels;
- Assurance that proper fiscal control and accounting procedures will be used for funds granted under this title;
- Assurance that "reasonable reports" will be provided to the Secretary of the Treasury containing such information as the Secretary may deem necessary. Such reports must be published in a newspaper of general circulation.
- Assurance that non-discrimination and Davis-Bacon requirements will be adhered to.
- ✓ ● Assurance that any tax increases or decreases and substantial reductions in public employment or services will be reported to the Treasury Department within six months.

- Assurance that funds will be spent within six months. Treasury indicates the definition of "spent" will be synonymous with the actual dispersal of the funds unlike revenue sharing. To appropriate or obligate the funds will not meet the spending requirement.

#### Administration and Promulgation of Regulations

The Office of Revenue Sharing within the Treasury Department will administer the program. Regulations will not be published until after the appropriations bill has become law.

#### Payments of Funds

The Office of Revenue Sharing anticipates that the first checks cannot be mailed until seven weeks after the appropriations bill becomes law. Assuming that the appropriations will be secured by mid/late September, the first checks would be mailed sometime after the first of November. This initial payment will be for two quarters since the program is retroactive to July 1, 1976.

#### Comment

Local officials should keep in mind that fluctuations in the total amount of funds and individual government entitlements are likely over the 5-quarter period as a result of changes in national, state and local unemployment rates. The \$1.25 billion estimate, for example, is based on a national rate of at least 7 percent for the 5-quarter period beginning July 1, 1976. If the national rate falls below 7 percent, the total amount available for distribution per quarter will change from \$250 million to \$187.5 million. In addition, local allocations will be recomputed every quarter in order to reflect more current unemployment data. The degree of fluctuations to occur cannot be predicted at this time.



Public Law 94-369  
94th Congress, S. 3201  
July 22, 1976

## An Act

To authorize a local public works capital development and investment program, to establish an antirecessionary program, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Works Employment Act of 1976".*

### TITLE I—LOCAL PUBLIC WORKS

SEC. 101. This title may be cited as the "Local Public Works Capital Development and Investment Act of 1976".

SEC. 102. As used in this title, the term—

(1) "Secretary" means the Secretary of Commerce, acting through the Economic Development Administration.

(2) "State" includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

(3) "local government" means any city, county, town, parish, or other political subdivision of a State, and any Indian tribe.

SEC. 103. (a) The Secretary is authorized to make grants to any State or local government for construction (including demolition and other site preparation activities), renovation, repair, or other improvement of local public works projects including but not limited to those public works projects of State and local governments for which Federal financial assistance is authorized under provisions of law other than this Act. In addition the Secretary is authorized to make grants to any State or local government for the completion of plans, specifications, and estimates for local public works projects where either architectural design or preliminary engineering or related planning has already been undertaken and where additional architectural and engineering work or related planning is required to permit construction of the project under this Act.

(b) The Federal share of any project for which a grant is made under this section shall be 100 per centum of the cost of the project.

SEC. 104. In addition to the grants otherwise authorized by this Act, the Secretary is authorized to make a grant for the purpose of increasing the Federal contribution to a public works project for which Federal financial assistance is authorized under provisions of law other than this Act. Any grant made for a public works project under this section shall be in such amount as may be necessary to make the Federal share of the cost of such project 100 per centum. No grant shall be made for a project under this section unless the Federal financial assistance for such project authorized under provisions of law other than this Act is immediately available for such project and construction of such project has not yet been initiated because of lack of funding for the non-Federal share.

SEC. 105. In addition to the grants otherwise authorized by this Act, the Secretary is authorized to make a grant for the purpose of providing all or any portion of the required State or local share of the cost of any public works project for which financial assistance is

Public Works Employment Act of 1976.  
42 USC 6701 note.

Local Public Works Capital Development and Investment Act of 1976.  
42 USC 6701 note.

Definitions, 42 USC 6701, Grants, 42 USC 6702.

Federal share, 42 USC 6703.

42 USC 6704.

authorized under any provision of State or local law requiring such contribution. Any grant made for a public works project under this section shall be made in such amount as may be necessary to provide the requested State or local share of the cost of such project. A grant shall be made under this section for either the State or local share of the cost of the project, but not both shares. No grant shall be made for a project under this section unless the share of the financial assistance for such project (other than the share with respect to which a grant is requested under this section) is immediately available for such project and construction of such project has not yet been initiated.

42 USC 6705.

SEC. 106. (a) No grant shall be made under section 103, 104, or 105 of this Act for any project having as its principal purpose the channelization, damming, diversion, or dredging of any natural watercourse, or the construction or enlargement of any canal (other than a canal or raceway designated for maintenance as an historic site) and having as its permanent effect the channelization, damming, diversion, or dredging of such watercourse or construction or enlargement of any canal (other than a canal or raceway designated for maintenance as an historic site).

(b) No part of any grant made under section 103, 104, or 105 of this Act shall be used for the acquisition of any interest in real property.

(c) Nothing in this Act shall be construed to authorize the payment of maintenance costs in connection with any projects constructed (in whole or in part) with Federal financial assistance under this Act.

(d) Grants made by the Secretary under this Act shall be made only for projects for which the applicant gives satisfactory assurances, in such manner and form as may be required by the Secretary and in accordance with such terms and conditions as the Secretary may prescribe, that, if funds are available, on-site labor can begin within ninety days of project approval.

SEC. 107. The Secretary shall, not later than thirty days after date of enactment of this Act, prescribe those rules, regulations, and procedures (including application forms) necessary to carry out this Act. Such rules, regulations, and procedures shall assure that adequate consideration is given to the relative needs of various sections of the country. The Secretary shall consider among other factors (1) the severity and duration of unemployment in proposed project areas, (2) the income levels and extent of underemployment in proposed project area, and (3) the extent to which proposed projects will contribute to the reduction of unemployment. The Secretary shall make a final determination with respect to each application for a grant submitted to him under this Act not later than the sixtieth day after the date he receives such application. Failure to make such final determination within such period shall be deemed to be an approval by the Secretary of the grant requested. For purposes of this section, in considering the extent of unemployment or underemployment, the Secretary shall consider the amount of unemployment or underemployment in the construction and construction-related industries.

SEC. 108. (a) Not less than one-half of 1 per centum or more than 12½ per centum of all amounts appropriated to carry out this title shall be granted under this Act for local public works projects within any one State, except that in the case of Guam, Virgin Islands, and American Samoa, not less than one-half of 1 per centum in the

Rules and  
regulations,  
42 USC 6706.

42 USC 6707.

aggregate shall be granted for such projects in all three of these jurisdictions.

(b) In making grants under this Act, the Secretary shall give priority and preference to public works projects of local governments.

(c) In making grants under this Act, if for the three most recent consecutive months, the national unemployment rate is equal to or exceeds 6½ per centum, the Secretary shall (1) expedite and give priority to applications submitted by States or local governments having unemployment rates for the three most recent consecutive months in excess of the national unemployment rate and (2) shall give priority thereafter to applications submitted by States or local governments having unemployment rates for the three most recent consecutive months in excess of 6½ per centum, but less than the national unemployment rate. Information regarding unemployment rates may be furnished either by the Federal Government, or by States or local governments, provided the Secretary determines that the unemployment rates furnished by States or local governments are accurate, and shall provide assistance to States or local governments in the calculation of such rates to insure validity and standardization.

(d) Seventy per centum of all amounts appropriated to carry out this Act shall be granted for public works projects submitted by State or local governments given priority under clause (1) of the first sentence of subsection (c) of this section. The remaining 30 per centum shall be available for public works projects submitted by State or local governments in other classifications of priority.

(e) The unemployment rate of a local government shall, for the purposes of this Act, and upon request of the applicant, be based upon the unemployment rate of any community or neighborhood (defined without regard to political or other subdivisions or boundaries) within the jurisdiction of such local government, except that any grant made to a local government based upon the unemployment rate of a community or neighborhood within its jurisdiction must be for a project of direct benefit to, or provide employment for, unemployed persons who are residents of that community or neighborhood.

(f) In determining the unemployment rate of a local government for the purposes of this section, unemployment in those adjoining areas from which the labor force for such project may be drawn, shall, upon request of the applicant, be taken into consideration.

(g) States and local governments making application under this Act should (1) relate their specific requests to existing approved plans and programs of a local community development or regional development nature so as to avoid harmful or costly inconsistencies or contradictions; and (2) where feasible, make requests which, although capable of early initiation, will promote or advance longer range plans and programs.

SEC. 109. All laborers and mechanics employed by contractors or subcontractors on projects assisted by the Secretary under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5). The Secretary shall not extend any financial assistance under this Act for such project without first obtaining adequate assurance that these labor standards will be maintained upon the construction work. The Secretary of Labor shall have, with respect to the labor standards specified in this provision, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R.

42 USC 6708.

5 USC app. L  
 Nondiscrimination.  
 42 USC 6709.  
 42 USC 2000d.  
 Appropriation authorization.  
 42 USC 6710.

3176; 64 Stat. 1267; 5 U.S.C. 1332-15), and section 2 of the Act of June 13, 1964, as amended (40 U.S.C. 276c).

SEC. 110. No person shall on the ground of sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any project receiving Federal grant assistance under this Act, including any supplemental grant made under this Act. This provision will be enforced through agency provisions and rules similar to those already established, with respect to racial and other discrimination under title VI of the Civil Rights Act of 1964. However, this remedy is not exclusive and will not prejudice or cut off any other legal remedies available to a discriminatee.

SEC. 111. There is authorized to be appropriated not to exceed \$2,000,000,000 for the period ending September 30, 1977, to carry out this Act.

TITLE II—ANTIRECESSION PROVISIONS

FINDINGS OF FACT AND DECLARATION OF POLICY

42 USC 6721.

SEC. 201. FINDINGS.—The Congress finds—

- (1) that State and local governments represent a significant segment of the national economy whose economic health is essential to national economic prosperity;
- (2) that present national economic problems have imposed considerable hardships on State and local government budgets;
- (3) that those governments, because of their own fiscal difficulties, are being forced to take budget-related actions which tend to undermine Federal Government efforts to stimulate the economy;
- (4) that efforts to stimulate the economy through reductions in Federal Government tax obligations are weakened when State and local governments are forced to increase taxes;
- (5) that the net effect of Federal Government efforts to reduce unemployment through public service jobs is substantially limited if State and local governments use federally financed public service employees to replace regular employees that they have been forced to lay off;
- (6) that efforts to stimulate the construction industry and reduce unemployment are substantially undermined when State and local governments are forced to cancel or delay the construction of essential capital projects; and
- (7) that efforts by the Federal Government to stimulate the economic recovery will be substantially enhanced by a program of emergency Federal Government assistance to State and local governments to help prevent those governments from taking budget-related actions which undermine the Federal Government efforts to stimulate economic recovery.

FINANCIAL ASSISTANCE AUTHORIZED

42 USC 6722.

SEC. 202. (a) PAYMENTS TO STATE AND LOCAL GOVERNMENTS.—The Secretary of the Treasury (hereafter in this title referred to as the "Secretary") shall, in accordance with the provisions of this title, make payments to States and to local governments to coordinate budget-related actions by such governments with Federal Government efforts to stimulate economic recovery.

(b) AUTHORIZATION OF APPROPRIATIONS.—Subject to the provisions of subsections (c) and (d), there are authorized to be appropriated for each of the five succeeding calendar quarters (beginning with the calendar quarter which begins on July 1, 1976) for the purpose of payments under this title—

- (1) \$125,000,000 plus
- (2) \$62,500,000 multiplied by the number of one-half percentage points by which the rate of seasonally adjusted national unemployment for the most recent calendar quarter which ended three months before the beginning of such calendar quarter exceeded 6 percent.

(c) AGGREGATE AUTHORIZATION.—In no case shall the aggregate amount authorized to be appropriated under the provisions of subsection (b) for the five calendar quarters beginning with the calendar quarter which begins July 1, 1976, exceed \$1,250,000,000.

(d) TERMINATION.—No amount is authorized to be appropriated under the provisions of subsection (b) for any calendar quarter if—

- (1) the average rate of national unemployment during the most recent calendar quarter which ended three months before the beginning of such calendar quarter did not exceed 6 percent, and
- (2) the rate of national unemployment for the last month of the most recent calendar quarter which ended three months before the beginning of such calendar quarter did not exceed 6 percent.

ALLOCATION

42 USC 6723.

SEC. 203. (a) RESERVATIONS.—

(1) ELIGIBLE STATES.—The Secretary shall reserve one-third of the amounts appropriated pursuant to authorization under section 202 for each calendar quarter for the purpose of making payments to eligible State governments under subsection (b).

(2) ELIGIBLE UNITS OF LOCAL GOVERNMENT.—The Secretary shall reserve two-thirds of such amounts for the purpose of making payments to eligible units of local government under subsection (c).

(b) STATE ALLOCATION.—

(1) IN GENERAL.—The Secretary shall allocate from amounts reserved under subsection (a) (1) an amount for the purpose of making payments to each State equal to the total amount reserved under subsection (a) (1) for the calendar quarter multiplied by the applicable State percentage.

(2) APPLICABLE STATE PERCENTAGE.—For purposes of this subsection, the applicable State percentage is equal to the quotient resulting from the division of the product of—

- (A) the State excess unemployment percentage, multiplied by
- (B) the State revenue sharing amount by the sum of such products for all the States.

(3) DEFINITIONS.—For the purposes of this section—

- (A) the term "State" means each State of the United States;
- (B) the State excess unemployment percentage is equal to the difference resulting from the subtraction of 4.5 percentage points from the State unemployment rate for that State but shall not be less than zero;

(C) the State unemployment rate is equal to the rate of unemployment in the State during the appropriate calendar quarter, as determined by the Secretary of Labor and reported to the Secretary; and

(D) the State revenue sharing amount is the amount determined under section 107 of the State and Local Fiscal Assistance Act of 1972 for the one-year period beginning on July 1, 1975.

31 USC 1226.

(c) LOCAL GOVERNMENT ALLOCATION.—

(1) IN GENERAL.—The Secretary shall allocate from amounts reserved under subsection (a) (2) an amount for the purpose of making payments to each local government, subject to the provisions of paragraphs (3) and (5), equal to the total amount reserved under such subsection for calendar quarter multiplied by the local government percentage.

(2) LOCAL GOVERNMENT PERCENTAGE.—For purposes of this subsection, the local government percentage is equal to the quotient resulting from the division of the product of—

(A) the local excess unemployment percentage, multiplied by

(B) the local revenue sharing amount, by the sum of such products for all local governments.

(3) SPECIAL RULE.—

(A) For purposes of paragraphs (1) and (2), all local governments within the jurisdiction of a State other than identifiable local governments shall be treated as though they were one local government.

(B) The Secretary shall set aside from the amount allocated under paragraph (1) of this subsection for all local government within the jurisdiction of a State which are treated as though they are one local government under subparagraph (A) an amount determined under subparagraph (C) for the purpose of making payments to each local government, other than identifiable local governments within the jurisdiction of such State.

(C) The amount set aside for the purpose of making payments to each local government, other than an identifiable local government, with the jurisdiction of a State under subparagraph (B) shall be—

(i) equal to the total amount allocated under paragraph (1) of this subsection for all local governments within the jurisdiction of such State which are treated as though they are one local government under subparagraph (A) multiplied by the local government percentage as defined in paragraph (2) (determined without regard to the parenthetical phrases at the end of paragraphs (4) (B) and (C) of this subsection), unless

(ii) such State submits, within thirty days, after the effective date of this title, an allocation plan which has been approved by the State legislature and which meets the requirements set forth in section 206(a), and is approved by the Secretary under the provisions of section 206(b). In the event that a State legislature is not scheduled to meet in regular session within three months after the effective date of this title, the Governor of such State shall be authorized to submit an alternative plan

which meets the requirements set forth in section 206(a), and is approved by the Secretary under the provisions of section 206(b).

(D) If local unemployment rate data (as defined in paragraph (4)(B) of this subsection without regard to the parenthetical phrase at the end of such definition) for a local government jurisdiction is unavailable to the Secretary for purposes of determining the amount to be set aside for such government under subparagraph (C) then the Secretary shall determine such amount under subparagraph (C) by using the local unemployment rate determined under the parenthetical phrase of subsection (4)(B) for all local governments in such State treated as one jurisdiction under paragraph (A) of this subsection unless better unemployment rate data, certified by the Secretary of Labor, is available.

(4) DEFINITIONS.—For purposes of this subsection—

(A) the local excess unemployment percentage is equal to the difference resulting from the subtraction of 4.5 percentage points from the local unemployment rate, but shall not be less than zero;

(B) the local unemployment rate is equal to the rate of unemployment in the jurisdiction of the local government during the appropriate calendar quarter, as determined by the Secretary of Labor and reported to the Secretary (in the case of local governments treated as one local government under paragraph (3)(A), the local unemployment rate shall be the unemployment rate of the State adjusted by excluding consideration of unemployment and of the labor force within identifiable local governments, other than county governments, within the jurisdiction of that State);

(C) the local revenue sharing amount is the amount determined under section 108 of the State and Local Fiscal Assistance Act of 1972 for the one-year period beginning on July 1, 1975 (and in the case of local governments treated as one local government under paragraph (3)(A), the local revenue sharing amount shall be the sum of the local revenue sharing amounts of all eligible local governments within the State, adjusted by excluding an amount equal to the sum of the local revenue sharing amounts of identifiable local governments within the jurisdiction of that State);

(D) the term "identifiable local government" means a unit of general local government for which the Secretary of Labor has made a determination concerning the rate of unemployment for purposes of title II or title VI of the Comprehensive Employment and Training Act of 1973 during the current or preceding fiscal year; and

(E) the term "local government" means the government of a county, municipality, township, or other unit of government below the State which—

(i) is a unit of general government (determined on the basis of the same principles as are used by the Social and Economic Statistics Administration for general statistical purposes), and

(ii) performs substantial governmental functions. Such term includes the District of Columbia and also

31 USC 1227.

29 USC 841, 961.

includes the recognized governing body of an Indian tribe of Alaskan Native village which performs substantial governmental functions. Such term does not include the government of a township area unless such government performs substantial governmental functions.

For the purpose of paragraph (4) (D), the Secretary of Labor shall, notwithstanding any other provision of law, continue to make determinations with respect to the rate of unemployment for the purposes of such title VI.

29 USC 961.

(5) SPECIAL LIMITATION.—If the amount which would be allocated to any unit of local government under this subsection is less than \$100, then no amount shall be allocated for such unit of local government under this subsection.

USES OF PAYMENTS

42 USC 6724.

SEC. 204. Each State and local government shall use payments made under this title for the maintenance of basic services customarily provided to persons in that State or in the area under the jurisdiction of that local government, as the case may be. State and local governments may not use emergency support grants made under this title for the acquisition of supplies and materials and for construction unless such supplies and materials or construction are to maintain basic services.

STATEMENT OF ASSURANCES

42 USC 6725.

SEC. 205. Each State and unit of local government may receive payments under this title only upon filing with the Secretary, at such time and in such manner as the Secretary prescribes by rule, a statement of assurances. Such rules shall be prescribed by the Secretary not later than ninety days after the effective date of this title. The Secretary may not require any State or local government to file more than one such statement during each fiscal year. Each such statement shall contain—

Rules.

(1) an assurance that payments made under this title to the State or local government will be used for the maintenance, to the extent practical, of levels of public employment and of basic services customarily provided to persons in that State or in the area under the jurisdiction of that unit of local government which is consistent with the provisions of section 204;

(2) an assurance that the State or unit of local government will—

(A) use fiscal, accounting, and audit procedures which conform to guidelines established therefor by the Secretary (after consultation with the Comptroller General of the United States), and

(B) provide to the Secretary (and to the Comptroller General of the United States), on reasonable notice, access to, and the right to examine, such books, documents, papers, or records as the Secretary may reasonably require for purposes of reviewing compliance with this title;

(3) an assurance that reasonable reports will be furnished to the Secretary in such form and containing such information as the Secretary may reasonably require to carry out the purposes of this title and that such report shall be published in a newspaper of general circulation in the jurisdiction of such government unless the cost of such publication is excessive in relation to the amount of the payments received by such government under

Reports, publication.

this title or other means of publicizing such report is more appropriate, in which case such report shall be publicized pursuant to rules prescribed by the Secretary;

(4) an assurance that the requirements of section 207 will be complied with;

(5) an assurance that the requirements of section 208 will be complied with;

(6) an assurance that the requirements of section 209 will be complied with;

(7) an assurance that the State or unit of local government will spend any payment it receives under this title before the end of the six-calendar-month period which begins on the day after the date on which such State or local government receives such payment; and

(8) an assurance that the State or unit of local government will spend amounts received under this title only in accordance with the laws and procedures applicable to the expenditure of its own revenues.

OPTIONAL ALLOCATION PLANS

SEC. 206. (a) STATE ALLOCATION PLANS FOR PURPOSES OF SECTION 203(c) (3).—A State may file an allocation plan with the Secretary for purposes of section 203(c) (3) (C) (ii) at such time, in such manner, and containing such information as the Secretary may require by rule. Such rules shall be provided by the Secretary not later than sixty days of the effective date of this title. Such allocation plan shall meet the following requirements:

42 USC 6726.

Rules.

(1) the criteria for allocation of amounts among the local governments within the State shall be consistent with the allocation formula for local governments under section 203(c) (2);

(2) the plan shall use—

(A) the best available unemployment rate data for such government if such data is determined in a manner which is substantially consistent with the manner in which local unemployment rate data is determined, or

(B) if no consistent unemployment rate data is available, the local unemployment rate data for the smallest unit of identifiable local government in the jurisdiction of which such government is located,

(3) the allocation criteria must be specified in the plan, and

(4) the plan must be developed after consultation with appropriate officials of local governments within the State other than identifiable local governments.

(b) APPROVAL.—The Secretary shall approve any allocation plan that meets the requirements of subsection (a) within thirty days after he receives such allocation plan, and shall not finally disapprove, in whole or in part, any allocation plan for payments under this title without first affording the State or local governments involved reasonable notice and an opportunity for a hearing.

NONDISCRIMINATION

SEC. 207. (a) IN GENERAL.—No person in the United States shall, on the grounds of race, religion, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.

42 USC 6727.

(b) **AUTHORITY OF THE SECRETARY.**—Whenever the Secretary determines that a State government or unit of local government has failed to comply with subsection (a) or an applicable regulation, he shall, within ten days, notify the Governor of the State (or, in the case of a unit of local government the Governor of the State in which such unit is located, and the chief elected official of the unit) of the non-compliance. If within thirty days of the notification compliance is not achieved, the Secretary shall within ten days thereafter—

(1) exercise all the powers and functions provided by title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000e);

(2) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted;

(3) take such other action as may be provided by law.

(c) **ENFORCEMENT.**—Upon his determination of discrimination under subsection (b), the Secretary shall have the full authority to withhold or temporarily suspend any payment under this title, or otherwise exercise any authority contained in title VI of the Civil Rights Act of 1964, to assure compliance with the requirement of nondiscrimination in federally assisted programs funded, in whole or in part, under this title.

(d) **APPLICABILITY OF CERTAIN CIVIL RIGHTS ACTS.**—

(1) Any party who is injured or deprived within the meaning of section 1979 of the Revised Statutes (42 U.S.C. 1983) or of section 1980 of the Revised Statutes (42 U.S.C. 1985) by any person, or two or more persons in the case of such section 1980, in connection with the administration of a payment under this title may bring a civil action under such section 1979 or 1980, as applicable, subject to the terms and conditions of those sections.

(2) Any person who is aggrieved by an unlawful employment practice within the meaning of title VII of the Civil Rights Act of 1964 (42 U.S.C. 2000e et seq.) by any employer in connection with the administration of a payment under this title may bring a civil action under section 706(f)(1) of such Act (42 U.S.C. 2000e-5(f)(1)) subject to the terms and conditions of such title.

**LABOR STANDARDS**

42 USC 6728.

Sec. 208. All laborers and mechanics employed by contractors on all construction projects funded in whole or in part by payments under this title shall be paid wages at rates not less than those prevailing on similar projects in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act (40 U.S.C. 276a to 276a-5). The Secretary of Labor shall have, with respect to the labor standards specified in this section, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 C.F.R. 3176) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

5 USC app. I

**SPECIAL REPORTS**

42 USC 6729.

Sec. 209. Each State and unit of local government which receives a payment under the provisions of this title shall report to the Secretary any increase or decrease in any tax which it imposes and any substantial reduction in the number of individuals it employs or in services which such State or local government provides. Each State which receives a payment under the provisions of this title shall report to the Secretary any decrease in the amount of financial assistance which the State provides to the units of local governments during the twelve-

month period which ends on the last day of the calendar quarter immediately preceding the date of enactment of this title, together with an explanation of the reasons for such decrease. Such reports shall be made as soon as it is practical and, in any case, not more than six months after the date on which the decision to impose such tax increase or decrease, such reductions in employment or services, or such decrease in State financial assistance is made public.

**PAYMENTS**

Sec. 210. (a) **IN GENERAL.**—From the amount allocated for State and local governments under section 203, the Secretary shall pay not later than five days after the beginning of each quarter to each State and to each local government which has filed a statement of assurances under section 205, an amount equal to the amount allocated to such State or local government under section 203.

42 USC 6730.

(b) **ADJUSTMENTS.**—Payments under this title may be made with necessary adjustments on account of overpayments or underpayments.

(c) **TERMINATION.**—No amount shall be paid to any State or local government under the provisions of this section for any calendar quarter if—

(1) the average rate of unemployment within the jurisdiction of such State or local government during the most recent calendar quarter which ended three months before the beginning of such calendar quarter was less than 4.5 percent, and

(2) the rate of unemployment within the jurisdiction of such government for the last month of the most recent calendar quarter which ended three months before the beginning of such calendar quarter did not exceed 4.5 percent.

**STATE AND LOCAL GOVERNMENT ECONOMICIZATION**

Sec. 211. Each State or unit of local government which receives payments under this title shall provide assurances in writing to the Secretary, at such time and in such manner and form as the Secretary may prescribe by rule, that it has made substantial economies in its operations and that payments under this title are necessary to maintain essential services without weakening Federal Government efforts to stimulate the economy through reductions in Federal tax obligations.

42 USC 6731.

**WITHHOLDING**

Sec. 212. Whenever the Secretary, after affording reasonable notice and an opportunity for a hearing to any State or unit of local government, finds that there has been a failure to comply substantially with any assurance set forth in the statement of assurances of that State or units of local government filed under section 205, the Secretary shall notify that State or unit of local government that further payments will not be made under this title until he is satisfied that there is no longer any such failure to comply. Until he is so satisfied, no further payments shall be made under this title.

Hearing.  
42 USC 6732.

**REPORTS**

Sec. 213. The Secretary shall report to the Congress as soon as is practical after the end of each calendar quarter during which payments are made under the provisions of this title. Such report shall include information on the amounts paid to each State and units of

42 USC 6733.

local government and a description of any action which the Secretary has taken under the provisions of section 212 during the previous calendar quarter. The Secretary shall report to Congress as soon as is practical after the end of each calendar year during which payments are made under the provisions of this title. Such reports shall include detailed information on the amounts paid to State and units of local government under the provisions of this title, any actions with which the Secretary has taken under the provisions of section 212, and an evaluation of the purposes to which amounts paid under this title were put by State and units of local government and economic impact of such expenditures during the previous calendar year.

ADMINISTRATION

42 USC 6734.

SEC. 214. (a) RULES.—The Secretary is authorized to prescribe, after consultation with the Secretary of Labor, such rules as may be necessary for the purpose of carrying out his functions under this title. Such rules should be prescribed by the Secretary not later than ninety days of the effective date of this title.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary for the administration of this title.

PROGRAM STUDIES AND RECOMMENDATIONS

42 USC 6735.

SEC. 215. (a) EVALUATION.—The Comptroller General of the United States shall conduct an investigation of the impact which emergency support grants have on the operations of State and local governments and on the national economy. Before and during the course of such investigation the Comptroller General shall consult with and coordinate his activities with the Congressional Budget Office and the Advisory Commission on Intergovernmental Relations. The Comptroller General shall report the results of such investigation to the Congress within one year after the date of enactment of this title together with an evaluation of the macroeconomic effect of the program established under this title and any recommendations for improving the effectiveness of similar programs. All officers and employees of the United States shall make available all information, reports, data, and any other material necessary to carry out the provisions of this subsection to the Comptroller General upon a reasonable request.

(b) COUNTERCYCLICAL STUDY.—The Congressional Budget Office and the Advisory Commission on Intergovernmental Relations shall conduct a study to determine the most effective means by which the Federal Government can stabilize the national economy during periods of rapid economic growth and high inflation through programs directed toward State and local governments. Such study shall include a comparison of the effectiveness of alternative factors for triggering and measuring the extent of the fiscal coordination problem addressed by this program, and the effect of the recession on State and local expenditures. Before and during the course of such study, the Congressional Budget Office and the Advisory Commission shall consult with and coordinate their activities with the Comptroller General of the United States. The Congressional Budget Office and the Advisory Commission shall report the results of such study to Congress within two years after the date of enactment of this title. Such study shall include the opinions of the Comptroller General with respect to such study.

Report to Congress.

Report to Congress.

TITLE III—FEDERAL WATER POLLUTION CONTROL ACT AMENDMENTS

SEC. 301. There is authorized to be appropriated to carry out title II of the Federal Water Pollution Control Act, other than sections 206, 208, and 209, for the fiscal year ending September 30, 1977, not to exceed \$700,000,000 which sum (subject to such amounts as are provided in appropriation Acts) shall be allotted to each State listed in column 1 of table IV contained in House Public Works and Transportation Committee Print numbered 94-25 in accordance with the percentages provided for such State (if any) in column 5 of such table. The sum authorized by this section shall be in addition to, and not in lieu of, any funds otherwise authorized to carry out such title during such fiscal year. Any sums allotted to a State under this section shall be available until expended.

Appropriation authorization, 33 USC 1287 note, 33 USC 1281.

CARL ALBERT

*Speaker of the House of Representatives.*

JOHN CULVER

*Acting President of the Senate pro tempore.*

IN THE SENATE OF THE UNITED STATES,

*July 21, 1976.*

The Senate having proceeded to reconsider the bill (S. 3201) entitled "An Act to authorize a local public works capital development and investment program, to establish an antirecessionary program, and for other purposes", returned by the President of the United States with his objections, to the Senate, in which it originated, it was

*Resolved*, That the said bill pass, two-thirds of the Senators present having voted in the affirmative.

Attest:

FRANCIS R. VALEO

*Secretary.*

I certify that this Act originated in the Senate.

FRANCIS R. VALEO

*Secretary.*

IN THE HOUSE OF REPRESENTATIVES, U.S.,

*July 22, 1976.*

The House of Representatives having proceeded to reconsider the bill (S. 3201) entitled "An Act to authorize a local public works capital development and investment program, to establish an antirecessionary program, and for other purposes", returned by the President of the United States with his objections, to the Senate, in which it originated, and passed by the Senate on reconsideration of the same, it was

July 22, 1976

*Resolved*, That the said bill pass, two-thirds of the House of Representatives agreeing to pass the same.

Attest:

EDMUND L. HENSHAW, JR.

*Clerk.*

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**LEGISLATIVE HISTORY:**

HOUSE REPORTS: No. 94-1077 accompanying H. R. 12972 (Comm. on Public Works and Transportation) and No. 94-1260 (Comm. of Conference).

SENATE REPORTS: No. 94-710 (Comm. on Public Works) and No. 94-939 (Comm. of Conference).

CONGRESSIONAL RECORD, Vol. 122 (1976):

Apr. 12, 13, considered and passed Senate.

May 13, considered and passed House, amended, in lieu of H. R. 12972.

June 16, Senate agreed to conference report.

June 23, House agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 12, No. 28:

July 6, vetoed; Presidential message.

CONGRESSIONAL RECORD, Vol. 122 (1976):

July 21, Senate overrode veto.

July 22, House overrode veto.



# CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139  
Tel. 876-8800

EXECUTIVE DEPARTMENT  
JAMES L. SULLIVAN  
City Manager

September 13, 1976

To the Honorable, the City Council:

I am enclosing herewith copies of material pertaining to the Public Works Employment Act of 1976.

Item No. 1 is a short comprehensive explanation of the three Titles under the provisions of the P. L. 94-369.

Item No. 2 is a copy of the Federal Register of Monday, August 23, 1976, which contains the rules and regulations for Title I of the Public Works Bill specifically concerned with Capital Development and Investment Program.

Item No. 3 is a copy of a communication to Mr. William Fitzhenry of the EDA Administration of Massachusetts, submitting a list of proposed projects under Title I of the Act. The communication of August 20, 1976 to Mr. Fitzhenry is not an application under the provision of the law, but is providing him with information as to some of the needs of the City of Cambridge that may possibly comply with the provisions of the Act.

Item No. 4 is an analysis of the Title II section of the Act involving Antirecessionary Grants. This particular section of the Public Works Act of 1976 has some complications for Massachusetts communities that are specifically noted on pages 2 and 3 of the summary.

Item No. 5 is a copy of the Act itself.

This material is provided to the members of the City Council so that they may be aware of the detailed provisions of the Act and the rules and regulations that apply.

Two of the Agenda items on this week's City Manager Agenda call for action by the City Council to enable the City to take advantage of the provisions of the Act and to provide the necessary Council actions to enable the City to set a tax rate within the near future. I believe that the City Council should send Agenda Items No. 9 and 10 to a public hearing of the Finance Committee so that the Council actions can be explored in detail.

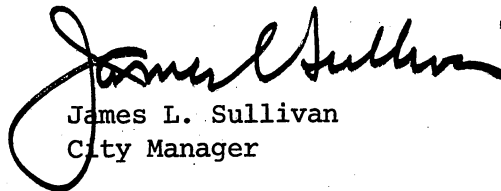
Basically, in the budget submitted to the City Council in April, it was estimated that a full year of Revenue Sharing funds would be available as Estimated Receipts by the time of establishing the City tax rate. At this time Congress has yet to act on the re-enactment of Federal Revenue Sharing so that, in essence, approximately one-quarter of the estimated receipts are not available, but should be within the near future as the general consensus is that Congress will re-enact Revenue Sharing within the next month.

Additionally, the provisions of the Public Works Act are complicated by the process of Massachusetts Finance Laws which do not permit an estimated receipt to be used until the actual appropriation by the Congress. The Act is further complicated in Massachusetts in that the provisions of the Act are that the funds must be spent within six months of their receipt.

Accordingly, Agenda Item No. 9 contains necessary Council action to take advantage of Federal funds while at the same time minimizing the impact upon the local property tax. Agenda Item No. 10 is a request of the City Manager to authorize the utilization of an additional \$1,000,000 in Free Cash for the purpose of setting the tax rate and offsetting the impact on the local property taxpayer. A copy of the Balance Sheet has been submitted under Agenda Item No. 11, which will show that the total Free Cash available to the City at the end of the last fiscal year is \$4,006,127.99.

Thus, if the Council accepts the recommendations of the City Manager, we will be able to establish a tax rate that stabilizes the cost to the local property owners and, at the same time, retains a cash surplus position of \$1,000,000 for unexpected contingencies.

Respectfully submitted,



James L. Sullivan  
City Manager

JLS/mbf  
Encs. 5

Public Works Employment Act of 1976.

In City Council,

Sept. 13, 1976

9/13/76

To Com on Finance

ON MOTION OF

- COUNCILLOR DUCKY -

9/20/76

Placed on File.

- File in Finance -