

September 24, 1970

The U.S. Department of Labor today allocated \$3 million in emergency manpower training funds to Massachusetts to aid the Commonwealth in fighting its unemployment problems.

The decision on how the money can best be used to meet the Commonwealth's unemployment problems will be made by Governor Francis W. Sargent.

Massachusetts was not included among the States to which the Labor Department apportioned \$25 million in special funds earlier this month: Alaska, California, Maine, Michigan, Oregon, Rhode Island, Washington, and Puerto Rico.

These States were selected on the basis of the triggering formula for extended unemployment insurance benefits contained in the new UI amendments which will go into effect October 10. Under these provisions, a State must have had a four percent unemployment insurance rate for 13 consecutive weeks, and an insured unemployment level of 20 percent above the average for the corresponding 13-week period in the past two years.

Massachusetts was not selected originally because, although the rate of insured unemployment met the triggering level, the State would not have been eligible for Federal sharing in the costs of extended benefits.

The UI amendments provide that once an extended benefit period has triggered on by State insured unemployment and ends, a new one cannot be started earlier than the 14th succeeding week.

(More)

Insured unemployment in Massachusetts reached the trigger on point during the week ended April 4, but subsequently triggered off and the extended benefit period would terminate on June 27.

Insured unemployment again reached the trigger level during the week ended July 11, but because a new extended benefits period would not have started until September 26, the State would not have been eligible for Federal sharing of the costs of extended benefits.

The Department reconsidered the Commonwealth's eligibility on the basis that the rate of unemployment was more relevant to participation in the special program than its eligibility for Federal cost sharing.

The \$3 million allocation to Massachusetts was based on its insured unemployment rate (4.2%) and the number of persons (72,900) receiving unemployment insurance for the week ending August 22, the date when the allocations for the seven other States involved were planned.

The State ranking nearest to Massachusetts in numbers unemployed was Washington, on the high side with 74,700, with an insured unemployment rate of 9.0%. On the low side closest to Massachusetts was Oregon, (4.0%) with almost identical rates. However, Oregon had 21,700 persons as insured unemployed.

On this basis, Massachusetts' allocation was set at \$3 million, approximately midway between those for Washington (\$5 million) and Oregon (\$1.5 million), to maintain comparability.

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Cambridge,.....19

To the Honorable, the City Council of the  
City of Cambridge:

The undersigned respectfully pray

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~~PETITION~~  
COMMUNICATION

~~ref~~ from Representative Philip J. Philbin,  
Washington, D.C.

~~for~~ concerning the status of Massachusetts  
under recently announced program to  
~~No.~~ provide additional manpower training  
assistance to areas of high unemployment  
October 27, 1970

In City Council, November 2, 1970

Referred to the Committee on

Attest:

Temp/ City Clerk.