

REPORT TO THE  
CITY MANAGER  
AND  
CITY COUNCIL  
ADMINISTRATION OF THE  
EMERGENCY EMPLOYMENT ACT

JUNE 1, 1972

### UNEMPLOYMENT IN CAMBRIDGE

Latest available figures conservatively estimate the Cambridge unemployment rate at 6.3%. This figure does not reflect the fact that the largest single employers in Cambridge are educational institutions. New statistics are expected to be available shortly which will include those individuals who were previously employed by the Universities, and thus not eligible for unemployment benefits. At that time, it is likely that the Cambridge unemployment rate will climb to over 7%.

## THE EMERGENCY EMPLOYMENT ACT OF 1971

On July 12, 1971 President Nixon enacted into law The Emergency Employment Act (EEA) of 1971. This Act proposed "to provide unemployed and underemployed persons with transitional employment in jobs providing needed public services during times of high unemployment and, wherever feasible, related training and manpower services to enable such persons to move into employment or training not supported under this Act." To implement these provisions, Congress appropriated a sum of seven hundred fifty million dollars (\$750,000,000.00) for the fiscal year ending June 30, 1972 and an additional one billion dollars (\$1,000,000,000.00) for the fiscal year ending June 30, 1973. Moreover, Section 6 of the EEA established "A Special Employment Assistance Program" targeted toward "areas of substantial unemployment." This additional program was funded by an appropriated of five hundred million dollars (\$500,000,000.00) to equally divided between fiscal years 1972 and 1973.

Shortly after the passage of the EEA, the Cambridge City Council on August 16, 1971, empowered the City Manager "to execute any order and directives deemed necessary and expedient to implement or assure implementation of the provisions of the Emergency Employment Act of 1971." On August 25, 1971, the Cambridge Manpower Staff presented a "Fact Sheet on Unemployment and the Cambridge Economy" to the City Manager. This report served as the basis for negotiations between the City of Cambridge and the Department of Labor (DOL), which culminated in early October with the full-funding of the Cambridge EEA Program.

The Cambridge EEA Program received a total of \$435,884.00 in Federal Funds. Of this total, \$408,187.00 or 93.6% was used for participant wages. The remaining \$27,697.00 was utilized for employee benefits and program administration.

Local funds in the amount of \$48,432.00 were contributed. These funds provided employment and training services for EEA enrollees and helped to defray program administration costs.

The original contracts between Cambridge and DOL allowed for a total of 65 public service positions, 47 to be funded under Section 5 and 18 under Section 6 of the EEA. The City of Cambridge, as program agent, was required to attempt to place at least 50% of the program's enrollees in unsubsidized public service positions by the termination of the Act. This placement goal imposed further responsibility upon the program's administrator. It became necessary to identify those expanding areas of public service in which future job vacancies might reasonably be expected. EEA enrollees would then be concentrated in these sectors so as to increase their chances of obtaining regular city employment. To identify these expanding public service areas, City department heads were surveyed and their future personnel needs were projected. Certain of these positions were then earmarked for EEA enrollees.

## SIGNIFICANT SEGMENTS

The hiring objectives of the Emergency Employment Act are set forth in the Act itself, in the Guidelines to the Act and in the contracts signed by the City of Cambridge and the Department of Labor. These documents recognized that certain clearly definable groups accounted for a disproportionate share of the city's unemployment, and thus should be granted preferential consideration in the filling of EEA-funded positions. These groups, or "Significant Segments", specifically mentioned are as follows:

- A. Persons of limited English speaking ability
- B. Blacks
- C. Vietnam Era Veterans
- D. Older workers (Over 45)
- E. Youths (Under 22)
- F. Disadvantaged Individuals

The selection and representation of these particular segments was determined jointly by DOL and City authorities. The representation of certain groups (e.g. Vietnam Era Veterans and Disadvantaged Individuals) was governed by federal guidelines. Other groups were apportioned with regard to both population, unemployment and poverty ratios. For instance, latest available census figures reveal a Black population of 6,783 in Cambridge, or roughly 6.5% of the city's total population. Examination of poverty figures, however, revealed that approximately 16% of the city's Black population subsisted on less than poverty level incomes. Therefore, the programs goal was set at 16% Black participation. Similar analysis resulted in a goal of 9% Limited English-Speaking enrollment rather than the 2.17% goal which would have been derived from population statistics.

## EEA AND CIVIL SERVICE

Early attempts to implement the EEA program were hampered by a conflict between the EEA and the Massachusetts Civil Service. The demands of Civil Service were twofold. Civil Service wished to fill all EEA positions with applicants currently on the Civil Service list, while simultaneously allowing current Civil Service job-holders to bid for all EEA positions which were above opening-level. It was felt that acquiescence to such demands would run counter to the intentions of the EEA, as, in effect, the implementation of this policy would relegate all EEA enrollees to opening level positions and preclude adequate representation of those significant segments which the EEA sought to assist.

This uncertainty was partially dispelled on December 21, 1971 when an agreement was reached between the Commonwealth's Secretary of Manpower Affairs, the Director of Civil Service and the Regional Manpower Administration. This agreement allowed for the provisional appointment of enrollees to EEA-funded positions. On March 1, 1972 accommodations were made to extend all EEA provisional appointments for the duration of the law. It is hoped that further conflict between EEA agents and Civil Service will be unlikely.

## MODIFICATIONS TO ORIGINAL-CONTRACTS

Recent modifications to EEA contracts have allowed for the placement of fifteen additional enrollees on the EEA program. No additional funding, however, was provided by federal sources. Rather, these recent enrollees are being paid from lapse funds which accrued during the lengthy negotiations with Civil Service and DOL. Thus, it is possible that these positions will terminate with the expiration of EEA contracts in September of this year. However, every effort is and will be made to secure additional funding for the next fiscal year so as to retain these enrollees in the EEA program.

In March of 1972 an agreement was finalized between the City and State authorities which placed five additional enrollees in the Cambridge program. These enrollees are all Cambridge residents who had been working in public service positions funded by the State program. These positions, however, were jeopardized by lack of sufficient funds in the State's EEA budget. Not wishing to see Cambridge residents become unemployed, the Cambridge program volunteered to fund these positions until September of this year.

BENEFITS TO THE CITY

Through the Cambridge EEA program, the various participating departments have been in a position to perform services that were not otherwise possible. The additional manpower provided under EEA has allowed for additional help in seventeen city departments. Assignments are as follows:

<u>DEPARTMENTS</u>	<u>NUMBER OF PEOPLE IN EACH DEPARTMENT</u>
Assessors Department	1
Auditing Department	1
Mayor's Office	1
Free Employment Office	7
Library	8
Public Works Department	10
Purchasing Department	3
Veterans Service	2
Hospital	8
Infirmery	3
Recreation Department	10
Water Department	8
Traffic and Parking Department	4
Engineering Department	1
Model Cities	1
License Commission	1
Planning Department	1

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## TRAINING AND SUPPORTIVE SERVICES FOR E.E.A. ENROLLEES

The objective of the Emergency Employment Program is to fill existing Public Service Career vacancies with individuals qualified both by their own experiences in receiving social services and by additional training and on-the-job experience. The program has therefore attempted:

1. To meet the needs of the city of Public Service employees.
2. To improve the service capabilities of Public Agencies by creating new positions to provide for constantly evolving community needs and by training residents employed in these agencies to better fulfill their functions.
3. To provide upwardly-mobile careers to individuals who are presently underemployed or unemployed.
4. To create new employment opportunities in Cambridge which will, in turn, generate increasing demands for private goods and service, provide additional tax resources for all levels of government, and reduce the number of citizens requiring public assistance.

The concept of on-the-job training with full pay is an attractive and proven method of assisting unemployed and underemployed individuals to gain steady, remunerative employment. Several previous on-the-job training programs sponsored by Federal and Civic Agencies, however, have exhibited two basic failures.

1. Certain of these programs have provided "instant jobs" that provide little training for career advancement.
2. Other programs have provided both jobs and advancement opportunity, but have failed to provide counseling and supportive service which would assist trainees to stay on the job.

The Cambridge E.E.A. on-the-job training program was designed as to avoid these basic failures and to allow for maximum effectiveness of the limited available funding.

On-the-job training programs were developed by participating city departments so as to aid each enrollee to develop his skills, increase his awareness of the functions of his job and clarify his own job skills. Particular emphasis was placed upon training which would prepare the enrollee for entrance into the Civil Service Personnel System.

Recently, arrangements have been finalized to supplement the Departmental on-the-job training programs with programs provided by the Public Service Careers Programs. Negotiations between the Cambridge City Manager's Office and the Directors of both E.E.A. and PSC Programs have resulted in the allocation of thirty PSC training slots to E.E.A. enrollees. These enrollees have been tentatively selected from among those E.E.A. participants who qualify as disadvantaged or who belong to one of the significant segments specifically mentioned in E.E.A. contracts 252-003 and 252-0052. Utilization of PSC facilities will allow E.E.A. enrollees to pursue studies such as English as a second language and high school equivalency. While such studies may not be directly job-related, they do greatly influence the enrollee's career mobility, and, as such, represent an integral part of the E.E.A. training program.

## THE FREE EMPLOYMENT OFFICE

The Cambridge EEA Program is unique in that it recognized the fact that only a minute percentage of Cambridge's unemployed would be directly aided by the provisions of the law. In an attempt to aid those residents who could not be placed in federally funded job slots, the Cambridge Free Employment Office (FEO) was created. This agency not only administers the EEA Program, but also acts as a local public service attempting to serve both potential employers and employees. The FEO operated on the assumption that the unemployed of Cambridge represent a potential asset which has not, as yet, been fully utilized by Cambridge employers. The FEO is confident that it can find Cambridge people with the appropriate job qualifications to fulfill most, if not all, of the needs of the city's employers. It is felt that such cooperation between the citizens of Cambridge, both corporate and private, will accrue to the benefit of all.

Since the inception of this agency over 1,000 applications have been accepted from Cambridge residents. This number of applications represents approximately 2.4% of the resident work force. The accumulation of such a large number of applications by a small and relatively unpublicized agency suggests that the unemployment rate in Cambridge may be higher than the generally accepted range of six to seven per cent. In an effort to place these applicants in regular gainful employment, virtually every business concern in Cambridge has been solicited through mail or by personal contact. These efforts have resulted in the placement of at least sixty residents in positions in private industry.

The success of the FEO, however, should not be judged in terms of placement. Since the agency is a free public service, it tends to attract applicants who would not generally avail themselves of a professional employment service. Many of these individuals face severe handicaps when they enter the labor market. If, as is often the case, regular career opportunities cannot be developed for these individuals, the Cambridge Free Employment Office, working within its limited resources, attempts to be of assistance. Such assistance may take the form of a referral to a public or private vocational training program, or a discussion of the applicant's career plan which may reveal to the applicant himself some of the handicaps under which he is laboring.

These discussions have resulted, at times, in the individual's decision to defer his entry into the labor market, and, instead to continue or complete his education. Such counselling activities are viewed by personnel of the FEO as being of equal importance with the actual placement of qualified applicants in private employment.

The Free Employment Office has also sought to aid Cambridge residents to enter regular public service careers. In this capacity the FEO has worked closely with the Massachusetts Division Civil Service. Recently, the FEO in conjunction with Civil Service embarked on a highly successful campaign to publicize forthcoming entrance examinations for police service positions. The FEO will also provide for any interested applicant information concerning Civil Service entrance procedures.

Most recently, the FEO has become involved in the placement of temporary workers on the city payroll. While this program has barely begun, it promises to provide the Free Employment Office with a useful instrument to aid unemployed residents of Cambridge.

EMERGENCY EMPLOYMENT ACT FUNDING

FISCAL YEAR 1972

<u>CONTRACT NUMBER</u>	<u>SECTION 5</u> EEA-252-0003		<u>SECTION 6</u> EEA-252-0052	
<u>DATE OF CONTRACT</u>	SEPTEMBER 1, 1971		OCTOBER 5, 1971	
FEDERAL FUNDS	\$317,500.00	(90%)	\$118,384.00	(90%)
LOCAL SHARE	<u>35,278.00</u>	(10%)	<u>13,154.00</u>	(10%)
TOTAL FUNDING	\$352,778.00	(100%)	\$131,538.00	(100%)
 <u>EXPENDITURE OF FEDERAL FUNDS</u>				
PARTICIPANT WAGES	\$297,507.00	(93.7%)	\$110,680.00	(93.5%)
BENEFITS	9,833.00	( 3.1%)	3,917.00	( 3.3%)
ADMINISTRATION	<u>10,160.00</u>	( 3.2%)	<u>3,787.00</u>	( 3.2%)
	\$317,500.00	(100%)	\$118,384.00	(100%)
 <u>EXPENDITURE OF LOCAL FUNDS</u>				
TRAINING	\$ 15,000.00	(42.5%)	\$ 5,000.00	(38.1%)
ADMINISTRATION	20,278.00	(57.5%)	6,000.00	(45.6%)
EMPLOYMENT SERVICES	<u>                    </u>		<u>2,154.00</u>	(16.3%)
	\$ 35,278.00	(100%)	\$ 13,154.00	(100%)

The average wage paid to Cambridge EEA enrollees, as of March 1, 1972 was \$3.25 per hour. This figure compares favorably with the average national hourly wage of \$3.03 paid to all EEA participants.

STATISTICAL COMPARISON OF THE CAMBRIDGE AND NATIONAL PROGRAMS

	<u>CAMBRIDGE</u> PER CENT OF ENROLLEES	<u>NATIONAL</u> PER CENT OF ENROLLEES
Vietnam Era Veterans	35	30
Youths (Under 22)	25	10
Older Workers (Over 45)	19	16
Minorities	24	29
Disadvantaged	30	33
Public Assistance Recipient	12	10

The Cambridge percentages compare favorably with the National averages.

\*National figures are supplied by the Department of Labor, and cumulative as of December 1, 1971. Cambridge figures are based on cumulative enrollment through June 1, 1972.

STATISTICAL COMPARISON OF THE CAMBRIDGE, STATE AND REGIONAL EEA PROGRAMS

SECTION 5

	CAMBRIDGE PER CENT OF ENROLLEES	MASSACHUSETTS PER CENT OF ENROLLEES	NEW ENGLAND PER CENT OF ENROLLEES
White	74	88	86
Spanish-American	8	2	3
Blacks	18	9	10
Vietnam Era Veterans	35	23	23
Disadvantaged	28	22	26
Public Assistance Recipients	14	16	14

SECTION 6

White	86	81	83
Spanish-American	0	4	5
Blacks	14	14	11
Vietnam Era Veterans	36	23	18
Disadvantaged	36	42	30
Public Assistance Recipients	4	14	11

TOTALS FOR SECTIONS 5 AND 6

	CAMBRIDGE PER CENT OF ENROLLEES	MASSACHUSETTS PER CENT OF ENROLLEES	NEW ENGLAND PER CENT OF ENROLLEES
White	77	87	85
Spanish-American	6	2	3
Blacks	17	9	10
Vietnam Era Veterans	35	23	21
Disadvantaged	28	25	27
Public Assistance Recipients	11	15	12

The Cambridge EEA Program has provided employment for significantly greater percentages of minority groups, and Vietnam Era Veterans than either state or regional programs.

\*Comparison statistics were supplied by the Department of Labor as of January 31, 1972.

Cambridge figures are based on cumulative program enrollment through June 1, 1972.

SIGNIFICANT SEGMENTS

GOALS AND ATTAINMENTS

SECTIONS 5 & 6

	GOALS PER CENT OF ENROLLEES	ACTUAL ENROLLMENT PER CENT OF ENROLLEES AS OF JUNE 1, 1972
Limited English	9	9
Blacks	17	17
Vietnam Era Veterans*	33	36
Older Workers	10	17
Youth	13	26
Disadvantaged*	21	42

Percentage goals are based upon figures contained in EEA Contracts

EEA 252-0003 AND EEA 252-0052

\*FEDERAL GUIDELINES CONTROLLING



CITY OF CAMBRIDGE

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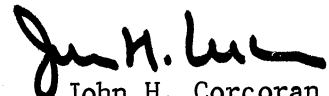
EXECUTIVE DEPARTMENT  
JOHN H. CORCORAN  
City Manager

June 12, 1972

To the Honorable, the City Council,

I transmit herewith for your information a report dated June 1, 1972 relative to the Emergency Employment Act.

Yours truly,

  
John H. Corcoran  
City Manager

JHC/mg

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COMMUNICATION  
from the City Manager trans-  
mitting ~~XXXXXX~~ a report of the  
Emergency Employment Act, dated June 1,  
1972

June 12, 1972

*Placed on File*