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REPORT OF THE COMPTROLLER GENERAL OF THE UNITED STATES

090060

Using Comprehensive Employment And Training Act Funds To Rehire Laid-Off Employees In Toledo, Ohio

Department of Labor

MWD-76-84 090060 MARCH 19, 1976

907308

COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-183400

The Honorable Delbert L. Latta
House of Representatives

Dear Mr. Latta:

Your March 10, 1975, letter requested us to review the use of Federal funds provided the city of Toledo, Ohio, under the Comprehensive Employment and Training Act of 1973 (CETA) (29 U.S.C. 801) to rehire city employees that had been laid off. You referred to allegations that, contrary to the intent of the Congress, Federal funds were not used to hire the unemployed but simply to shift salary costs from local funds to Federal funds.

Because the rehiring was financed with funds authorized under title VI of CETA, we focused on activities under that title. We reviewed (1) the legislative history of CETA to determine the congressional intent regarding the rehiring of laid-off employees and (2) Department of Labor regulations. We also examined Toledo's budgeted and actual revenue and expenditures, and its personnel levels by funding category for the period January 1971 through April 1975, especially the layoffs and rehires in early 1975. In addition, we met with appropriate city and Labor Department officials.

The act allows funds to be used to rehire employees who have been laid off for bona fide reasons. On February 28, 1975, Toledo laid off 100 permanent city employees who were then rehired with CETA funds after they had been unemployed for at least 30 days. First the city had to lay off 132 temporary and seasonal employees and Federal program participants. Local labor agreements required that such employees be laid off before any permanent employees in the same job classification. The temporary and seasonal workers, however, were not subsequently rehired. The city justified the layoffs by lack of funds.

Labor's regulations require prime sponsors--generally States or local governments with 100,000 or more citizens--to furnish data to support the use of CETA funds to rehire laid-off employees. In our opinion, the data Toledo submitted did not give Labor information sufficient to determine whether the layoffs were bona fide and therefore whether the use of CETA funds for rehiring the employees was according to the act's intent.

Labor did not question Toledo's rehires, nor did it request additional information to support them. Labor officials said they did not have the resources or expertise to determine the validity of Toledo's reported financial condition and accepted the data provided by the city.

BACKGROUND

The Comprehensive Employment and Training Act was enacted December 28, 1973, to provide job training and employment opportunities for economically disadvantaged, unemployed, and underemployed persons through a flexible and decentralized system of Federal, State, and local programs. Two of its seven titles authorize the bulk of funds for public service employment.

Title II: Public Employment Programs is primarily intended to provide unemployed and underemployed persons transitional employment (until they can find unsubsidized positions) in jobs providing needed public services in areas qualifying under the act and Labor's regulations. Title VI: Emergency Job Programs, added on December 31, 1974, by passage of the Emergency Jobs and Unemployment Assistance Act of 1974, has basically the same objectives as title II but is more of an emergency program to reduce unemployment.

Public service employment programs under both titles are administered by prime sponsors, which must present to Labor for approval their title II and VI program plans, including the number and types of jobs and public services to be provided. Labor must review the plans for compliance with the act and with Department regulations, policies, and procedures.

CRITERIA FOR REHIRING LAID-OFF EMPLOYEES

The legislative history of CETA shows that the Congress allowed for rehiring workers who were laid off for bona fide reasons. At the same time, the Congress emphasized its strong opposition to "paper layoffs"--laying off people in anticipation of refilling the positions by using CETA funds.

Reiterating the act, Labor's regulations require that public service employment programs (1) shall result in an increase in employment opportunities over those which would otherwise be available, (2) shall not result in the displacement of currently employed workers, (3) shall not impair existing contracts for services or result in the substitution of Federal funds for other funds, and (4) shall not substitute public service jobs for existing federally assisted jobs.

The regulations for title VI require prime sponsors to submit certain data with their plans if they intend to rehire any terminated or laid-off employees with title VI funds. The sponsor must estimate the number of rehires and provide budgetary data and explanations establishing that employees were not terminated or laid off to replace local with Federal funds, but because of local budgetary conditions, and would have been terminated or laid off even if Federal funds were not available. Labor can also ask prime sponsors for additional information to determine whether the act and regulations have been followed.

TOLEDO'S USE OF CETA FUNDS

The city of Toledo is part of the Toledo Area Manpower Consortium composed of Lucas and Wood Counties. The consortium received funds under titles II and VI and planned to serve its population as follows:

	Title II	Title VI
Funding	$1,812,222	$1,932,032
Planned enrollees:		
Toledo	348	166
Lucas County excluding Toledo	51	19
Wood County	30	21
Total	429	206
Number of planned rehires	-	107

Note: The grant periods were: for title II, August 1, 1974, to June 30, 1975, and for title VI, January 10, 1975, to February 9, 1976.

Laying off and rehiring employees

Toledo laid off 100 permanent employees as of February 28, 1975. The layoff occurred in 2 of Toledo's 10 municipal fund categories--52 employees from general fund operations and 48 from street construction, maintenance, and repair fund operations. (See app. I.)

Before permanent employees could be laid off, the city had to lay off 132 temporary, seasonal, and federally sponsored employees, as follows:

Temporary employees	34
Seasonal employees	69
Federal program participants	29
Total	132

The layoff of the 132 employees followed the terms of contracts between the city and local unions. These contracts specifically required that all temporary and seasonal employees in a particular job classification be laid off before any permanent employees in that classification could be laid off.

The 29 Federal program participants that were funded under title II of CETA, the Emergency Employment Act of 1971 (42 U.S.C. 4871), and the Work Incentive Program--a program, authorized by title II of the Social Security Amendments of 1967 (42 U.S.C. 630), which provides welfare recipients with incentives and services to help them obtain meaningful jobs--had jobs in the same classifications as the permanent employees being laid off and consequently were also laid off to meet the requirements of union contracts.

After 30 days--the period of unemployment the act requires in Toledo's situation for an individual to become eligible--Toledo rehired the 100 permanent employees with public service funds 1/ and the 29 Federal program participants with funds appropriated for those programs. We were told the seasonal employees were not rehired because they had been in jobs that would normally have ended in March anyway

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1/Only 80 laid-off employees were rehired with title VI funds in March. The other 20 were rehired using Emergency Employment Act funds until July 1, 1975, at which time they were transferred to the CETA title VI program.

and the temporary employees also were not rehired because they were in jobs of short duration intended only to meet peak workload periods.

Labor Department given insufficient information for determining Toledo's economic status

In its initial title VI application submitted to Labor on January 8, 1975, the Toledo prime sponsor requested authority from Labor to use CETA funds to rehire at least 95 employees who were going to be laid off by the city of Toledo. 1/ The city claimed the layoff was necessary to balance its 1975 budget. (Toledo's fiscal year is from January 1 through December 31.)

In support of its position, the prime sponsor gave Labor summary budget data setting forth the expected revenues and expenditures in the two fund categories where layoffs were planned. The information consisted of (1) a statement of estimated resources for the general and street funds for 1975, (2) an itemization of budgeted needs for the general fund and the total budgeted needs figure for the street fund for 1975, and (3) a letter from Toledo's management services office explaining the city's budget situation and the need to lay off people in these two fund categories. The letter explained that both funds would be faced with deficits in 1975 unless about 100 employees were laid off; the layoffs would take place regardless of whether the title VI application was approved by Labor.

Although the information submitted with Toledo's application complied with Labor's regulations, it was insufficient to determine whether Toledo's planned layoff was bona fide. A more detailed financial analysis would have shown that the city was anticipating an overall surplus because funds were available for transfer to the general and street funds.

Labor approved Toledo's title VI application and its plans to rehire the laid-off employees. According to a regional official, Labor did not have the resources or expertise to verify Toledo's reported financial condition so it accepted the data provided by the city and requested no additional information.

1/The number was later revised to 107.

Our analyses of Toledo's status

Unable to determine Toledo's financial status from the information provided to Labor, we performed additional analyses, concentrating on the two funds where the city planned to lay off employees.

Personnel level analysis

We analyzed city personnel levels from 1971 through April 1975 to determine whether they had been increasing or decreasing before and after the introduction of CETA funding. Although the total number of people employed had increased, fewer positions were funded by the city and more by the Federal Government. (See app. II.) Before CETA was passed, about 35 percent of the federally funded positions were paid from Federal revenue sharing funds. However, when CETA is fully implemented, it is expected to fund a substantial portion of Toledo's federally funded positions.

Financial analyses

Each November the city manager's office estimates the revenues and expenditures for the upcoming year for review by the mayor and city council. According to representatives of the city manager's office, these are only rough estimates. Not until mid-January, when the previous year's revenues and expenditures have been reported, can some reasonable budget projections be formulated.

In late January or February the city manager submits a proposed budget to the city council, which makes necessary adjustments and adopts a final budget. The budget can be amended during the year through separate appropriations by the council.

Appropriations have increased since 1971 in most fund categories. However, income taxes, a primary source of revenue, began to level off in early 1974. For 1975, general fund authorizations increased less and street fund authorizations were less than for 1974. (See app. III.)

For 1973 and 1974, we compared the proposed budget figures with actual expenditures in the general and street funds and in total to measure the accuracy of the proposed figures. The proposed and actual figures were close.

	Proposed budget	Actual expendi-tures	Expendi-tures less or greater(-) than budget	Percent of differ-ence
General fund:				
1973	$39,588,570	$40,134,165	-$545,595	1.4
1974 (note a)	42,778,810	42,336,420	442,390	1.0
Street fund:				
1973	4,520,290	4,411,077	109,213	2.4
1974 (note a)	4,583,190	4,668,034	-84,844	1.9
Total budget:				
1973	b/75,542,540	75,092,493	450,047	0.6
1974 (note a)	82,091,520	82,958,609	-867,089	1.0

a/The 1974 figures are subject to change based on the final fiscal audit of the city.

b/Includes $4,325,190 of general revenue sharing funds which were not actually included in the proposed budget for 1973.

We then compared the revenue and expenditure figures given to Labor on January 8, 1975, with the projected revenue and expenditure data for those same categories presented to the city council in November 1974 (the estimated budget) and on February 7, 1975 (the proposed budget). The results are shown below.

Funds	Estimated budget	Estimates provided to Labor	Proposed budget
	(000 omitted)		
General fund and general revenue sharing fund (note a):			
Resources (note b)	$52,280	$51,466	c/$52,794
Expenditures	51,094	52,231	d/51,682
Balance	$ 1,186	$ -765	$ 1,112
Street fund:			
Resources (note b)	$ 4,155	$ 4,142	c/$ 4,167
Expenditures	4,151	5,377	e/4,139
Balance	$ 4	$-1,235	$ 28

a/Federal revenue sharing was combined with the general fund because Toledo officials proposed to use the 1975 general revenue sharing funds strictly to supplement the general fund. In prior years it also was used for the street fund.

b/Resources equal carryover from 1974 plus 1975 anticipated receipts.

c/General fund includes $280,000 in CETA administration funds. Neither the general nor the street fund includes CETA program operation funds.

d/Includes a $670,000 cost reduction for personnel layoffs.

e/Includes a $486,500 cost reduction for personnel layoffs.

As the table indicates, Toledo officials predicted deficits in 1975 for both the general and street funds in the data they submitted to Labor on January 8, 1975, because they anticipated needs greater than revenues. In the explanation given Labor, greater needs were attributed to (1) a cost-of-living wage increase negotiated with the unions and (2) the rising prices of materials and supplies. At the same time, the general state of the economy led city officials to expect a leveling off of revenue from (1) local income taxes, the primary support for the general fund and (2) State gasoline taxes and automobile licenses, the primary supports for the street fund.

However, the data provided to the Toledo city council in November 1974 and the proposed budget submitted to the council in February 1975, 1 month after the financial information was provided to Labor, indicated a surplus in the general and street funds. One reason for the difference between the figures provided to Labor in January and those given to the council in February may be that the January figures do not reflect any adjustments due to personnel layoffs. (The November estimate did not indicate whether such adjustments were included.) Also, the data submitted to Labor reflected Toledo's anticipated needs, which may not be synonymous with budgeted expenditures since the city charter prohibits deficit budgeting. (In this situation some adjustments would have been necessary.)

The data submitted to Labor showed only $7,160,000 of total resources available from revenue sharing, while the November estimate showed $8.2 million, and the proposed budget, $9 million. Although there is a substantial difference between the November estimate and the budget proposed in February, the estimate given to Labor is much less than either figure sent to the city council. The overall differences between the November and February data were attributed by Toledo officials to the availability of more reliable information in February.

We reviewed the status of Toledo's carryover balances to find overall trends. The table below shows the actual beginning year balances for the general, street, and general revenue sharing funds for 1972 through 1974 and the estimated beginning 1975 balances, as well as the projected yearend balances for 1975. (1975 data is from the budget adopted by the city council in March 1975.)

Fund (note a)	1/1/72 (actual)	1/1/73 (actual)	1/1/74 (actual)	1/1/75 (estimated)	12/31/75 (projected)
	(000 omitted)				
General	$ 517	$ 135	$ 395	$ 173	$ 92
Street	1,277	1,371	975	225	72
General revenue sharing	(b)	2,294	4,504	2,887	1,055
Total surplus	$1,794	$3,800	$5,874	$3,285	$1,219

a/Most other funding categories in Toledo have carryover balances which, according to city and State officials, are generally restricted for use in those respective categories. In 1975 only the general fund and the general revenue sharing fund had surpluses which could have been transferred to other funds.

b/First allocation of Federal revenue sharing funds not received by Toledo until 1972.

As can be seen from the table, the city planned to use its surplus during 1974 and 1975 to satisfy funding needs, thereby reducing its reserves by almost $4.7 million--from $5.9 million to $1.2 million. The city established a goal of a $1 million surplus in its general revenue sharing fund at the end of 1975; however, as of September 1975 some city officials were predicting that more of the general revenue sharing surplus would have to be used than anticipated.

CONCLUSIONS

Toledo justified its intention to use CETA funds for rehiring on the basis of its reported financial situation at one point in time--early January 1975. The city informed the Department of Labor it was facing deficits in two funds which would require CETA moneys for rehiring. In support of its position, Toledo gave Labor summary financial data consisting of an estimate of resources for the general and street funds, an itemization of needs for the general fund and a total needs figure for the street fund, and a letter explaining the city's budget situation.

Labor should have required more data on the city's financial position--the basis of its plans to rehire laid-off employees with CETA funds. Our detailed analysis showed that 2 months before applying to Labor and less than a month afterward, the city was anticipating surpluses in the general, street, and general revenue sharing funds, although the surpluses were expected to be lower than in previous years. A deeper analysis by Labor of the city's financial position would have raised questions as to the propriety of the city's plans and given Labor a better basis for determining if its regulations regarding rehiring of laid-off employees with CETA funds had been complied with.

The provisions governing rehires with CETA funds are difficult to administer and enforce in situations such as that which occurred in Toledo. We have underway a major review of public service employment under CETA and we hope to make recommendations for improving Labor's administration of those provisions of the act.

LABOR AND TOLEDO COMMENTS

The Department of Labor agreed with our conclusions on the specific issues raised in the report, but the city of Toledo did not. (See apps. IV and V.)

The city said that our presentation of the data submitted by the city manager to the city council, projecting a surplus for 1975, in contrast to the data given Labor, projecting a deficit, might be interpreted as indicating that city officials were "something less than completely open and forthright in their reporting."

The city stated that our report does not sufficiently emphasize the fact that the budgets presented to city council had to be balanced to meet legal requirements. According to the city, the data presented to Labor was not subject to such a restriction and was purposely compiled to show that an imbalance between resources and expenditures did exist and that layoffs would be necessary without CETA funds.

We recognize that the data given Labor reflected anticipated needs, which were not the same as the budgeted expenditures presented to city council. However, Labor should have known that the figures the city provided were projected needs as opposed to actual budgeted expenditures. Also, the resource data furnished to Labor did not show that the city did, in fact, have funds available to decrease layoffs of permanent employees--if it so chose. We are not suggesting that the city was not completely forthright, merely that the data presented was an incomplete picture of the situation.

The city also took exception to our referring to the unused portion of its general revenue sharing funds as a projected surplus. The city took the position that this money was accumulated because it had not been spent for capital improvements and innovative programs as originally planned. The city said (1) the moneys would have been used for their original purposes, had they not been needed to get through 1975 and to balance the 1976 budget and (2) the city is committed to general revenue sharing expenditures at a rate far in excess of current receipts.

We agree and note that the city has been using up accumulated general revenue sharing funds and had planned to reduce this accumulation by about $4.7 million during 1974 and 1975. Regardless of how these funds were accumulated, the city may use them for capital improvements, employees' salaries, or almost any other purpose it chooses, and the fact remains that the city had $1 million in unspent general revenue sharing funds which it could have applied to lessen the proposed layoffs in the general and street funds.

Finally, the city stated in part that:

> "Labor was correct in its approval of our request, that it carried out the intent of Congress, and that the further investigation of the General Accounting Office did not, in fact, uncover a situation substantially different from the one accepted by Labor."

However, Labor agrees with us that it should have obtained additional data.

Sincerely yours,

Elmer B. Staats

Comptroller General
of the United States

OVERVIEW OF THE FUNCTIONS AND PRIMARY SOURCES OF REVENUE OF TOLEDO'S GENERAL AND STREET FUNDS

GENERAL FUND

The general fund covers city functions such as fire and police protection, garbage collection, and health services. It also includes the city's normal administrative functions, such as accounting, auditing, personnel, budgeting, and tax collections. Primary sources of revenue are property taxes; city income taxes; and departmental revenues, such as license fees, traffic fines, and rentals.

STREET CONSTRUCTION, MAINTENANCE, AND REPAIR FUND

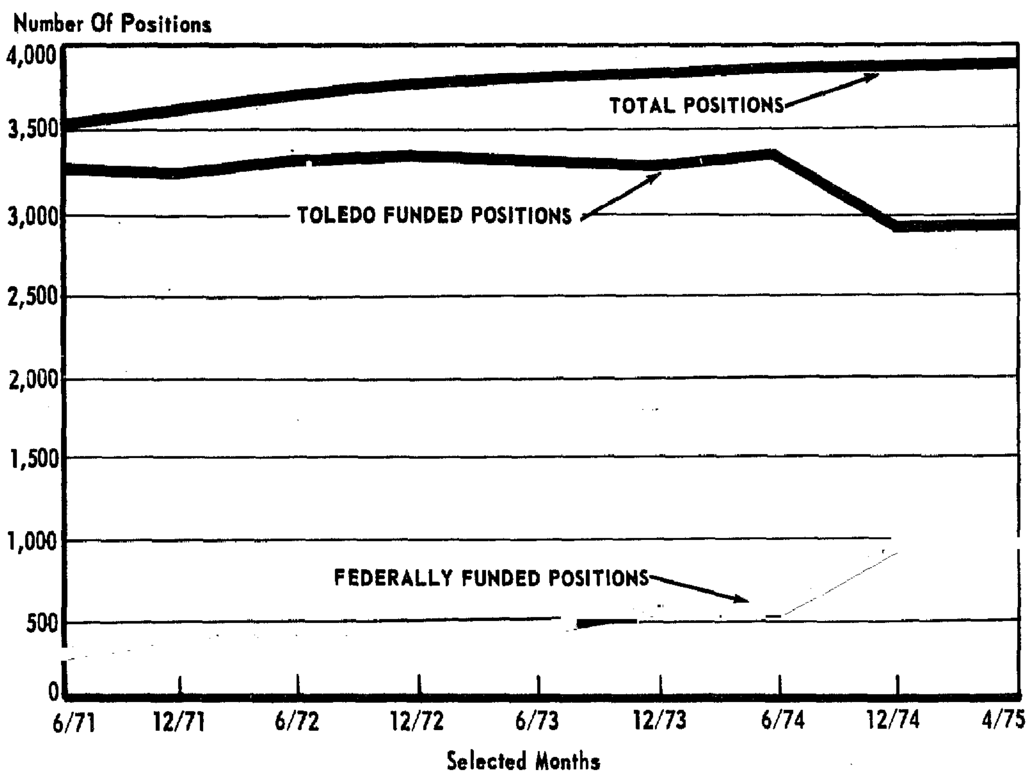
Some of the services funded are sweeping streets; engineering, planning, constructing, and inspecting streets and alleys; patching streets; repairing sidewalks; and installing and maintaining traffic signals and signs. Virtually all revenue for these operations flows from the State allocation of gasoline taxes and auto license fees.

TOLEDO'S PERSONNEL LEVELS AND SOURCES OF FUNDING

JUNE 1971 THROUGH APRIL 1975

Dates	City-funded	Federally funded	Total
1971:			
June	3,267	281	3,548
December	3,254	366	3,620
1972:			
June	3,307	399	3,706
December	3,345	409	3,754
1973:			
June	3,321	487	3,808
December	3,288	547	3,835
1974:			
June	3,326	527	3,853
December	2,911	948	3,859
1975:			
April (note a)	2,905	961	3,866

a/Latest data available at the time of our analysis.



TOLEDO'S ADOPTED BUDGETS

FY 1971-75

Fund categories (note a)	1971	1972	1973	1974	1975
	(000 omitted)				
General	$33,303	$36,676	$39,823	$42,814	$43,831
Waterworks	7,173	7,673	7,813	7,954	9,044
Rotary	2,953	2,806	2,495	3,121	3,300
City income tax	2,958	2,913	3,107	3,941	5,475
Airport (note b)	600	677	157	27	-
Forest cemetery perpetual care	9	10	10	11	11
Assessed	5,831	5,947	6,039	6,880	7,787
Street construction, maintenance, and repair	3,650	4,228	4,520	4,583	4,104
Sanitary sewer	5,425	8,277	9,497	10,806	12,017
General revenue sharing	-	(c)	(c)	5,003	7,911
Federal categorical grant (note d)	-	-	-	-	1,496
Total	$61,902	$69,207	$73,461	$85,140	$94,976

a/This table shows the authorization of appropriations by the Toledo City Council for the city's various fund categories, which represent neither revenue nor expense accounts. For example, the city income tax category contains funds to be used for debt retirement, capital improvements, and general administration. The assessed category includes funds for activities such as street lighting and snow removal.

b/Responsibility for airport operation, except for some capital improvement obligations, was shifted from the city to the port authority in February 1973.

c/Federal revenue sharing funds were not shown in the budget until 1974, although they were first distributed in 1972.

d/The year 1975 was the first year this item appeared in the adopted budget. It includes air pollution funds, intergovernmental personnel grants, and other accounts.

U.S. DEPARTMENT OF LABOR
OFFICE OF THE ASSISTANT SECRETARY
WASHINGTON
Feb. 12, 1976

Mr. Gregory J. Ahart
Director
Manpower and Welfare Division
U. S. General Accounting Office
Washington, D. C. 20548

Dear Mr. Ahart:

This is in response to your letter of January 9, 1976, to the Secretary, transmitting a proposed report to Congressman Delbert L. Latta, titled, Using Comprehensive Employment and Training Act Funds to Rehire Laid Off Employees in Toledo, Ohio. Our comments are keyed to the specific issues raised in the report.

The Department of Labor should have required more data with regard to the financial position of the city, as a basis for approving the city of Toledo's plan to rehire laid-off employees.

Comment: Concur: Section 99.5(b)(1)(i)(E) of the regulations requires eligible applicants to provide data, including fiscal and budgetary documents, and explanatory materials which establish that no termination or layoff of employees was done to utilize Federal funds in lieu of local funds, but was the result of local budgetary conditions. The Employment and Training Administration's (ETA) regional offices have made concentrated efforts to obtain adequate documentation to determine the legitimacy of rehire requests, consistent with their responsibilities under the Secretary's regulations.

Sincerely,

Fred G. Clark

FRED G. CLARK
Assistant Secretary for
Administration and Management

TOLEDO

JAMES B. DAKEN
CITY MANAGER

Feb. 4, 1976

Mr. Gregory J. Ahart
Director
Manpower and Welfare Division
U.S. General Accounting Office
Washington, D.C. 20548

Subject: Comments on Draft Copy: "Using Comprehensive Employment and Training Act Funds to Rehire Laid-Off Employees in Toledo, Ohio"

Dear Mr. Ahart:

Thank you for the opportunity to comment on the subject report, soon to be released. We will greatly appreciate any consideration you can give to the following comments in preparing the final draft.

It is the feeling of the City of Toledo that the conclusions drawn are based upon the existence or lack thereof, of "projected surplus." It is felt that insufficient emphasis is placed on the fact that by local law, our budget must be balanced when submitted to City Council by the City Manager, as well as when enacted by the City Council. This process requires the elimination of low priority expenses which becomes extremely difficult when the lowest surviving priority (next considered for cut) has policy implications determined by City Council. This problem was solved in the 1975 budget preparation by (1) applying a sufficient across-the-board percentage reduction to all expenditure estimates to achieve balance in the November 15, 1974, document, and (2) subtracting a sufficient amount from the bottom line to achieve balance without applying that amount to specific expenditures in the February document. Needless to say, neither of these approaches provides a realistic line-item budget. All they did was fulfill legal requirements and, in the case of the February budget, define the magnitude of yet-to-be determined cuts.

When the report was compiled for the Department of Labor, we were not required to balance resources and expenditures. In fact, the whole idea was to show that an imbalance existed and that permanent lay-offs would have been necessary had it not been for the existence of C.E.T.A. funds and the attendant ability to rehire laid-off employees. The pin-pointing of such lay-offs would have resulted in corresponding service cuts which fall within the policy-making prerogatives of the City Council, as interpreted by them and, therefore, could not have been specified in either of the proposed budgets published. It is felt that pages 11 and 12 of the draft report might be interpreted as indicating the City of Toledo officials were something less than completely open and forthright in their reporting. It is hoped that this explanation is sufficient to assure all concerned that the various reports correctly reflected the conditions at the time of preparation within the constraints imposed.

When general revenue sharing was first received by the City of Toledo, a program of utilization was formulated which allocated approximately 50% of the fund for current operations and the balance for capital type expenditures and innovative programs. Fortunately, the latter portion of the program was not totally committed and the City Manager was able to utilize increased portions of these funds at the expense of the original allocations to balance the 1975 proposed budget. This allowed an allocation of approximately $8 million in 1975 even though the city is only receiving revenue sharing at an annual rate of approximately $5.25 million. In view of the above, the City of Toledo takes exception to page 7 of the report terming the unused portion of general revenue sharing (approximately $1 million) as a "projected surplus" when, in fact, it was achieved at the expense of previously planned expenditures and would have reverted to some small part of those programs had it not subsequently been needed to get through 1975 and balance the 1976 budget. (The 1976 budget contemplates utilization of the entire currently enacted general revenue sharing resources in the amount of approximately $7 million for current operations. As can be seen, we are committed to a spending rate far in excess of current receipts of between $5.25 and $5.5 million per year).

[See GAO note 1.]

Finally, we would like to state that we feel the Department of Labor was correct in its approval of our request, that it carried out the intent of Congress, and that the further investigation of the General Accounting Office did not, in fact, uncover a situation substantially different from the one accepted by Labor. The possibility of permanent layoff was very real in 1975 and would have occurred except for the C.E.T.A. funds granted. Further, permanent layoffs are a distinct possibility in the City of Toledo for 1976 unless further assistance is forthcoming.

Again, I wish to thank you for the opportunity of this review and hope that the above will be given consideration in the preparation of the final draft.

Sincerely,

James B. Daken,
City Manager

JBD:wmg

cc: Richard C. Gilliland, Regional Administrator, ETA
Roy Davis, Federal Representative, ETA

GAO notes: 1. The deleted comment relates to a matter which has been revised in the final report.

2. Page numbers cited above refer to a draft report and not to the final report.