
BY THE U.S. GENERAL ACCOUNTING OFFICE

**Report To The Chairman, Subcommittee On
Employment And Productivity
Committee On Labor And Human Resources
United States Senate**

**Projects Funded In Fresno County, California,
By The Emergency Jobs Appropriations
Act Of 1983**

To meet economic problems facing the nation, the Congress enacted the Emergency Jobs Appropriations Act of 1983, which made over \$9 billion available for fiscal year 1983 and beyond. Title I of the act made funds available to provide, among other things, essential and productive jobs. GAO analyzed available data on projects that were awarded these funds in six geographical areas throughout the United States. This report discusses Fresno County, California.

GAO found that about \$1.2 million, or about 21 percent of nearly \$6 million awarded to projects identified in Fresno County, had been spent by March 31, 1984--about 1 year after passage of the act. Of an estimated 279 people who were employed, at least 97 had been previously unemployed. In addition to short-term employment opportunities resulting from these funds, other benefits--such as recreation facility improvements, public building renovations, and humanitarian assistance--had been and are expected to be provided to the county.



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HUMAN RESOURCES
DIVISION

B-205627

The Honorable Dan Quayle
Chairman, Subcommittee on
Employment and Productivity
Committee on Labor and
Human Resources
United States Senate

Dear Mr. Chairman:

In response to your request that we monitor and report on the implementation of the Emergency Jobs Appropriations Act (Public Law 98-8), we are providing to you the third of six reports we plan to issue on projects funded by the act in six geographical areas of the United States. Enacted on March 24, 1983, this legislation provided emergency supplemental appropriations for use in fiscal year 1983 and subsequent years to (1) provide productive employment; (2) hasten or initiate federal projects and construction, such as remodeling hospital rooms in a Veterans Administration medical center; and (3) provide humanitarian assistance, including maternal and child health services.

This report provides information on the status of projects funded by the act in Fresno County, California, as of March 31, 1984--about 1 year following the act's passage--and as current as April 1985 for selected projects. Because the act does not contain comprehensive requirements for federal, state, and local agencies to maintain detailed and separate records on the use of Public Law 98-8 funds, the report presents information on only those projects that we were able to identify in Fresno County.

The following sections summarize the results of our review of projects in Fresno County. Appendixes I and II provide further details on the methodology of our review and our findings. The other appendixes contain detailed statistics relative to Public Law 98-8 funds spent in Fresno County.

\$6 MILLION AWARDED TO
87 PROJECTS IN FRESNO COUNTY

As of March 31, 1984, about \$6 million of Public Law 98-8 funds were awarded to 87 projects in Fresno County. These funds include about \$5.7 million for 79 public works projects, such as general repair and facility maintenance activities, and about \$330,000 for 8 public service projects, including health care services.

The economy in Fresno County, which encompasses an area of about 6,000 square miles in central California, includes agriculture, government, manufacturing, retail trade, and service-oriented industries. When the law was enacted in March 1983, 51,631 people were unemployed in this urban area, or 18.4 percent of its 281,089 labor force. At that time, statewide and national unemployment rates were 10.9 and 10.3 percent, respectively. In March 1984, about 1 year after passage of the act, the unemployment rates for the nation, the state, and the county were 7.8, 8.6, and 16.5 percent, respectively.

TWENTY-ONE PERCENT OF AWARDED FUNDS
SPENT WITHIN FIRST YEAR OF THE ACT

As of March 31, 1984, about \$1.2 million, or about 21 percent of the \$6 million awarded, had been spent on 62 of the 87 projects. Twenty-nine completed projects had spent about \$701,000 of about \$869,000 allocated to them, while 33 partially completed projects spent \$532,000 of about \$3.6 million allocated to them. Twenty-five other projects, which were allocated about \$1.5 million, had not started.

AN ESTIMATED 279 PEOPLE
EMPLOYED BY MARCH 31, 1984

Readily available employment data indicate that about 279 people were employed on 41 projects. As of March 31, 1984, about \$1.1 million had been spent on these projects. At least 97 of those employed had been previously unemployed. However, information was not readily available to determine how long these people had been unemployed. Also, data available on the duration of employment indicate that 248 people were employed for 958 weeks, or an average of about 4 weeks per person.

Because uniform comprehensive reporting is not required on the use of Public Law 98-8 funds, detailed employment information, such as race, gender, and prior employment status data, was not readily available from federal, state, or local

agencies for all the projects. Most of the detailed employment data we did obtain for the projects discussed in this report were from projects in which the act or federal departments or agencies required that such information be maintained. For example, detailed employment data were available for most projects that received Department of Housing and Urban Development-Community Development Block Grant funds because the act required the Department to submit detailed quarterly reports to the appropriate congressional committees on the use of these funds. These quarterly reports contain estimated data on the number of people employed and weeks of employment, but not race, gender, and prior employment status data.

VARYING EFFORTS MADE TO
EMPLOY THE UNEMPLOYED

The act required federal agencies, states, and political subdivisions of the states to use funds, to the extent practicable, "in a manner which maximizes immediate creation of new employment opportunities to individuals who were unemployed at least fifteen of the twenty-six weeks immediately preceding the date of enactment of this Act"--March 24, 1983. Efforts by federal, state, and local officials and project managers to fulfill this provision varied. Examples of these efforts include the following.

- The state agency administering a Department of Health and Human Services Community Services Block Grant informed prospective grantees of the act's purpose and listed the act's employment provision as a state program objective. In administering the funds awarded, one grantee in Fresno County required employees hired to sign a sworn statement that they had been unemployed 15 of the 26 weeks before March 26, 1983.
- The Department of Agriculture's Forest Service regional office in San Francisco instructed its local forest officials to include the employment provision in all contracts and purchase orders funded by Public Law 98-8. However, only one of nine contracts awarded before July 1984 and funded with Public Law 98-8 moneys in two national forests in Fresno County contained the provision. Local officials said that they were not aware of the provision and could not explain how the provision was included in the one contract.

--In providing guidance to its regions on the use of Public Law 98-8 funds, the General Services Administration stressed initiating projects quickly and funding projects in high unemployment areas. Also, the regions were instructed to contract for the project work and minimize any direct work performed by in-house personnel. The manager of the Administration's Fresno field office said that, had he not been directed to contract for the work, he could have hired locally unemployed people for projects requiring no special skills.

BENEFITS, OTHER THAN SHORT-TERM
EMPLOYMENT, ACHIEVED AND EXPECTED

In addition to the short-term employment opportunities resulting from the projects, other benefits have been and are expected to be achieved in Fresno County. These include (1) improvements to community recreation facilities, such as restoration of campsites and modification of restroom facilities; (2) general repair, maintenance, and renovation of public buildings, including remodeling hospital rooms; (3) humanitarian assistance to communities, such as providing a low-cost cafeteria for the low-income elderly and additional health care services to low-income women and children; and (4) potential long-term employment opportunities, such as those that may result from training to be provided to cooks in a cafeteria for the low-income elderly.

- - - -

We will be issuing similar reports to you on the high unemployment urban area of Cleveland, Ohio; the low unemployment urban area of Lawrence-Haverhill, Massachusetts; and a low unemployment rural area consisting of five counties near Valdosta, Georgia. We have already issued reports on projects funded by Public Law 98-8 in northeast Texas (GAO/HRD-85-42) and Montgomery, Alabama (GAO/HRD-85-59), on March 26 and May 7, 1985, respectively. The information provided in these reports on the geographical areas should not be considered representative of all projects funded by the act or of the programs and activities that awarded funds to the projects reviewed. We will issue a final report to you summarizing the results of our review of Public Law 98-8, using information from the reports on the six geographical areas and a nationally representative questionnaire.

As arranged with your office, we are sending copies of this report to the House and Senate Committees on Appropriations and other interested congressional parties. Copies will also be made available to other interested parties who request them.

Sincerely yours,

Edward A. Benson

for

Richard L. Fogel
Director



C o n t e n t s

	<u>Page</u>	
APPENDIX		
I	OBJECTIVES, SCOPE, AND METHODOLOGY	1
	Selecting Fresno County, California, for review and identifying projects	2
	Project review methodology	5
	Projects' status	5
	Employment data	5
	Efforts to provide employment oppor- tunities	6
	Projects' benefits	6
II	EMERGENCY JOBS APPROPRIATIONS ACT OF 1983 AND PROJECTS FUNDED IN FRESNO COUNTY, CALI- FORNIA, BY THE ACT AS OF MARCH 31, 1984	7
	Emergency Jobs Appropriations Act of 1983	7
	Congressional concerns	7
	Objectives of title I	7
	Overview of funds allocated to Fresno County	8
	Twenty-one percent of allocated funds expended	11
	Employment data	16
	Other benefits	17
	Efforts to provide employment opportu- nities to the unemployed	18
III	PUBLIC LAW 98-8 FUNDED PROJECTS IN FRESNO COUNTY, CALIFORNIA	20
IV	EXPENDITURE STATUS OF PUBLIC LAW 98-8 FUNDS ALLOCATED TO PROJECTS IN FRESNO COUNTY, CALIFORNIA, AS OF MARCH 31, 1984	24
V	EMPLOYMENT-RELATED DATA FOR PROJECTS FUNDED BY PUBLIC LAW 98-8 IN FRESNO COUNTY, CALI- FORNIA, AS OF MARCH 31, 1984	26

ILLUSTRATIONS

Chart

1	Geographic location of Fresno County, California, examined in the GAO study	3
2	Methodology used to select Fresno County and identify projects	4
3	Employment by industry in Fresno County in 1983	9
4	Quarterly unemployment rates for Fresno County, California, and nation (March 1982 - March 1984)	10
5	Funds allocated and expended on 87 projects in Fresno County, California, as of March 31, 1984	11
6	29 projects completed in Fresno County, California, as of March 31, 1984, by cost category	12
7	25 projects not started in Fresno County, California, as of March 31, 1984, by allocation category	15

ABBREVIATIONS

CDBG	Community Development Block Grant
GSA	General Services Administration
HHS	Department of Health and Human Services
HUD	Department of Housing and Urban Development
SBA	Small Business Administration

OBJECTIVES, SCOPE, AND METHODOLOGY

In response to a request from the Chairman, Subcommittee on Employment and Productivity, Senate Committee on Labor and Human Resources, we reviewed the implementation of the Emergency Jobs Appropriations Act (Public Law 98-8), enacted on March 24, 1983. As part of this review, we obtained available information on projects that were awarded Public Law 98-8 funds in Fresno County, California.

The information we attempted to obtain for each project included the

- project's nature and status;
- funds awarded and expended as of March 31, 1984, about 1 year after the act's enactment;
- number and characteristics of people employed, such as ethnic background and gender;
- efforts made by federal, state, and local government officials and project managers to provide employment to unemployed persons; and
- benefits, other than short-term employment, achieved and expected.

Because uniform comprehensive reporting is not required on the use of Public Law 98-8 funds, we were not able to obtain complete information for every project.

Our review of projects was limited to those that were allocated funds from 61 of the 77 federal programs and activities that had funds made available by the act. These programs and activities consist of 48 in which federal agencies selected the projects to be funded and 13 in which state agencies, administering federally funded programs, selected the projects. We did not include 16 programs and activities (1) for which the Congress made funds available by disapproving the administration's proposed deferral of prior appropriations or by earmarking existing appropriations for other purposes; (2) that were strictly humanitarian assistance and income support, such as an emergency food and shelter program, thus providing limited employment opportunities; or (3) whose funds were consolidated with existing funds, thus precluding projects from being separately identified.

Our fieldwork was done between June and September 1984. We did the review in accordance with generally accepted government auditing standards.

SELECTING FRESNO COUNTY, CALIFORNIA,
FOR REVIEW AND IDENTIFYING PROJECTS

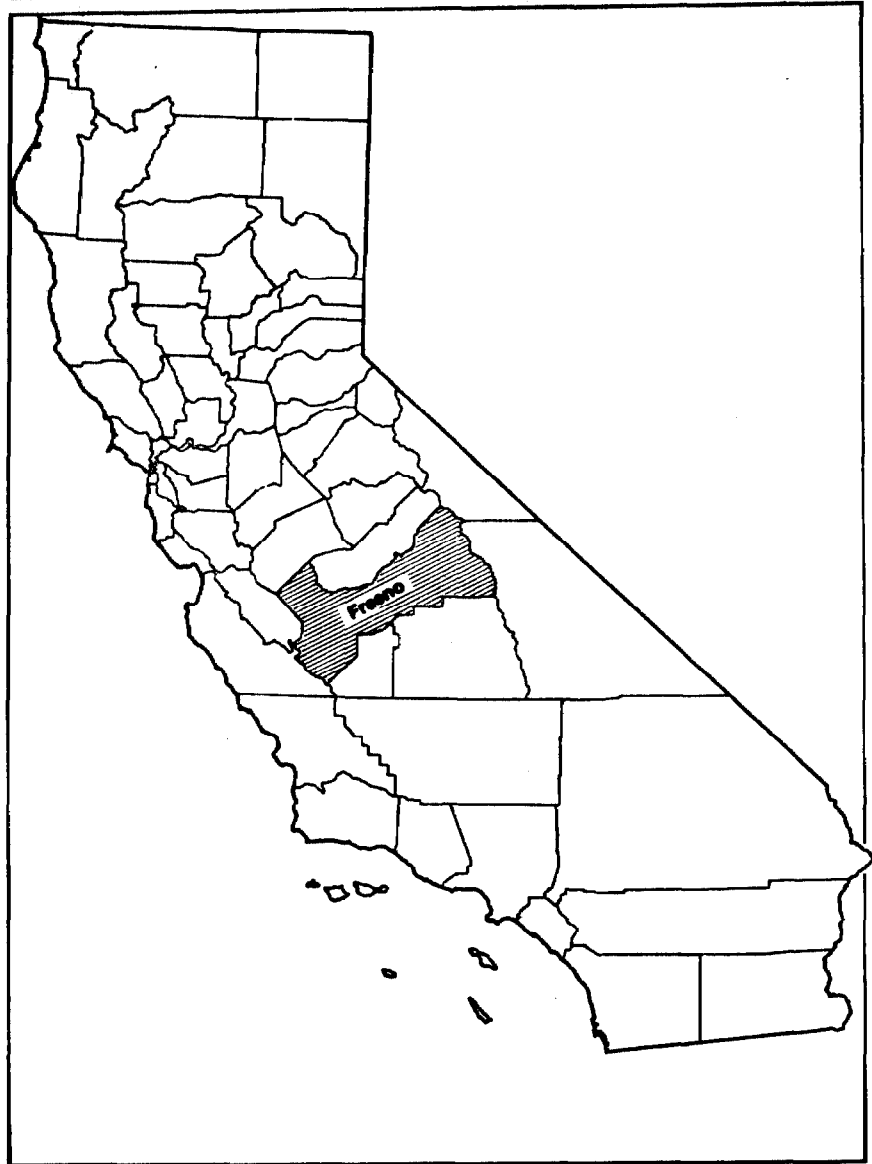
We judgmentally selected Fresno County as one of six areas to review based on criteria developed with the Subcommittee Chairman's office. These criteria were to select (1) a range of geographical areas, (2) areas of high and low unemployment as of March 1983, (3) rural and urban areas, and (4) different types of projects funded by the act, such as public service and public works activities.

To obtain a range of geographical areas, we selected six states with varying unemployment rates in different parts of the United States. We obtained from federal agencies project listings as of the February-March 1984 time frame for the 48 programs and activities in which federal agencies selected projects to receive Public Law 98-8 funding within these states. We did not include four of these programs and activities because the lack of detail in the project listings would have required a significant amount of time to identify specific project locations. Based on the established criteria and the projects identified within the six states, we selected Fresno County--a high unemployment urban area--as one of six geographical areas to review.¹ Fresno County is shown in chart 1 as the darkened area superimposed on a map of California.

In addition to the programs and activities in which federal agencies selected projects, there were 13 programs and activities in which states were responsible for selecting projects to receive funds made available by the act. We interviewed state officials administering these federally sponsored programs and activities to identify other projects in Fresno County for inclusion in our review. We did not include projects in which (1) other funds were awarded to the project and information on Public Law 98-8 funds was not separately identifiable or (2) other areas also were served and the funds benefiting only Fresno County were not separately identifiable.

¹The other areas selected for review are the high unemployment urban areas of Montgomery, Alabama, and Cleveland, Ohio; a high unemployment rural area composed of seven counties in northeastern Texas near Texarkana; the low unemployment urban area of Lawrence-Haverhill, Massachusetts; and a low unemployment rural area consisting of five counties near Valdosta, Georgia.

Chart 1
Geographic Location of Fresno County,
California, Examined in the GAO Study



From the 44 federal and 13 state-administered programs and activities reviewed, we identified 15 that allocated funds to 87 projects in Fresno County. Chart 2 illustrates the methodology used to select Fresno County and identify projects.

Chart 2

Methodology Used To Select Fresno County
and Identify Projects

<u>Method</u>	<u>Result</u>
1. Identify universe of federal programs and activities that had funds made available by Public Law 98-8	Identification of 77 federal programs and activities
2. Exclude programs that were indirectly funded, provided limited employment opportunities, or precluded identifying projects	Reduction of 77 programs and activities to 61
3. Select states with varying unemployment rates to obtain nationwide coverage	Selection of six dispersed states with varying unemployment rates, including California
4. Obtain project lists of federally administered programs in each state (Exclude programs for which projects could not be identified)	List of projects to receive funds from 44 federally administered programs and activities within the six states
5. Select rural and urban areas having a variety of project types and unemployment rates within the six states	Selection of six diverse areas, including Fresno County
6. Obtain project lists of state-administered programs for each state	List of projects to receive funds from 57 programs and activities in the six states
7. Identify programs and projects in each selected rural and urban area	Identification of 87 projects funded by 15 programs and activities in Fresno County

PROJECT REVIEW METHODOLOGY

Having identified the projects awarded Public Law 98-8 funds in Fresno County, we obtained information about each project as of March 31, 1984. To obtain the project information, we interviewed federal, state, and local government officials, project managers, and contractors; reviewed their records on the projects; and visited selected projects.

Projects' status

We established three categories to reflect the status of each project as of March 31, 1984--completed, partially completed, and not started. We classified projects as completed if work on the project site was finished or funds were reported as fully expended as of March 31, 1984. A project was classified as partially completed if any work had begun or project funds had been spent before March 31, 1984, and funds remained to be spent on the project. We classified a project as not started if work on the project site had not begun or no funds had been spent as of March 31, 1984. The allocation and expenditure information obtained is as reported by federal, state, or local government officials or project managers.

Employment data

We obtained employment data on each project from project managers. We asked for information on the number, ethnic background, gender, hours worked, employment duration, and prior employment status of persons employed. Because there were no uniform comprehensive requirements to report on the use of Public Law 98-8 funds for most programs and activities, detailed employment information was not readily available for all the projects and would have required a significant effort to obtain or develop. If a contractor was responsible for employing people and was readily accessible, we contacted the contractor to obtain the information. In cases in which data were not available, we asked project managers to estimate the employment information.

Most of the detailed employment data we did obtain were on projects in which the act or federal departments or agencies required that such information be maintained. For example, detailed employment data generally were available for projects that received Department of Housing and Urban Development (HUD) community development funds, because the act required HUD to submit detailed quarterly reports to the appropriate congressional committees on the use of these funds. These

quarterly reports contain estimated data on the number of people employed and weeks of employment, but not race, gender, and prior employment status data. Also, detailed employment information generally was available for projects funded by the General Services Administration (GSA) and National Park Service because reports on employment were required.

Efforts to provide employment opportunities

Because one objective of the act was to provide employment opportunities to the unemployed, we discussed with federal, state, and local officials and project managers the efforts made to hire such individuals. Because of the limited employment information available, we did not assess the degree to which these efforts were successful.

Projects' benefits

To determine project benefits achieved and expected, we interviewed project managers and federal, state, and local officials; visited and observed selected projects; and reviewed project documentation. We were interested in identifying benefits other than the short-term employment opportunities created with Public Law 98-8 funds, such as construction, humanitarian assistance, and permanent employment opportunities.

EMERGENCY JOBS APPROPRIATIONS ACT OF 1983
AND PROJECTS FUNDED IN FRESNO COUNTY, CALIFORNIA,
BY THE ACT AS OF MARCH 31, 1984

Eighty-seven projects in Fresno County, California, were awarded about \$6 million in funds made available by the Emergency Jobs Appropriations Act of 1983.

EMERGENCY JOBS APPROPRIATIONS ACT OF 1983

To meet economic problems facing the nation, the Congress passed the Emergency Jobs Appropriations Act, providing emergency supplemental appropriations for fiscal year 1983 and subsequent years. The act's primary objectives were to (1) provide productive employment for jobless Americans, (2) hasten or initiate federal projects and construction of lasting value to the nation and its citizens, and (3) provide humanitarian assistance to the indigent. Title I of the act made funds available to provide, among other things, essential and productive jobs and humanitarian assistance. Two other titles provided appropriations for other purposes, including the creation of a temporary emergency food assistance program for the needy.

Congressional concerns

In 1982, the Congress found that a severe economic recession had resulted in nearly 14 million unemployed Americans, including those no longer searching for work. Millions of other Americans were working part-time because they could not find full-time jobs. The annual cost of unemployment compensation had reached \$32 billion. Compared with previous recessions, hardships were much more severe, people were out of work longer, and a reduced percentage of unemployed were receiving unemployment benefits. Business failures were 49 percent higher than in the previous year. The Congress passed the Emergency Jobs Appropriations Act to help alleviate some of the hardships of the unemployed.

Objectives of title I

Title I of the Emergency Jobs Appropriations Act is entitled "Meeting Our Economic Problems With Essential and Productive Jobs." It made over \$9 billion available to 77 federal programs and activities, including public service,

public works, and employment and training programs.¹ Among these were programs and activities administered by the Department of Commerce's Economic Development Administration, the Department of Health and Human Services' (HHS') Health Resources and Services Administration, and the Department of Labor's Employment and Training Administration.

Title I contains a number of provisions concerning the targeting, use, and administration of Public Law 98-8 funds. Sections 101(a) and (b) provide specific formulas based on unemployment information for federal agencies to use in allocating funds. To the extent practicable, states receiving funds were to spend them in areas of high, long-term unemployment and for purposes that would have the greatest immediate employment impact.

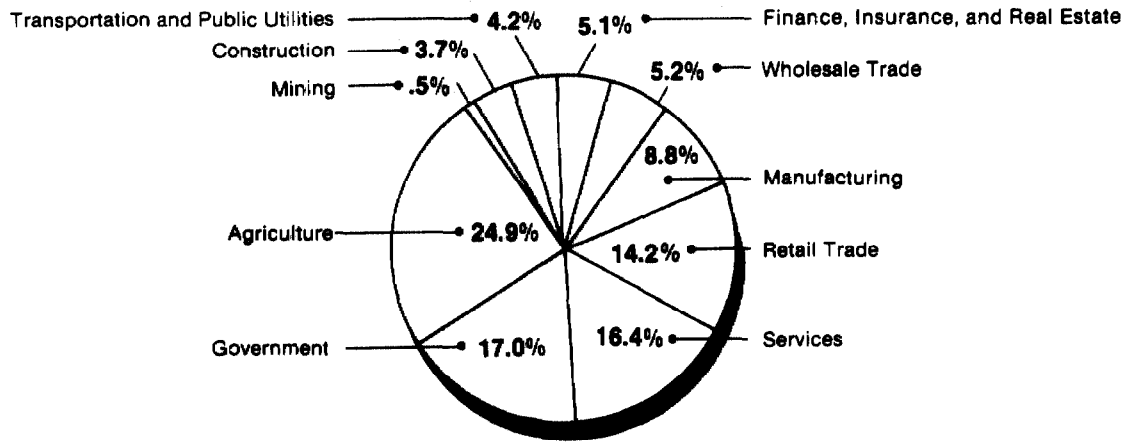
Section 101(c) specifies that, to the extent practicable, federal agencies, states, and political subdivisions of the states are to use the funds in a manner that quickly provides new employment opportunities to individuals who were unemployed at least 15 of the 26 weeks before the act's enactment. This section also specifies that the funds be obligated and disbursed as rapidly as possible to quickly assist the unemployed and the needy, as well as to minimize future budgetary outlays.

OVERVIEW OF FUNDS
ALLOCATED TO FRESNO COUNTY

Fresno County, which had a 1980 population of 514,621 compared with California's population of about 24 million, covers about 6,000 square miles in central California and had a labor force of 281,089 in March 1983. As depicted in chart 3, in 1983 Fresno County's economy included agriculture, government, manufacturing, retail trade, and service-oriented industries.

¹A list of these programs and activities and the amounts made available to each is included in enclosure II of our report on federal agencies' implementation of the act (GAO/OACG-84-1), issued in November 1983.

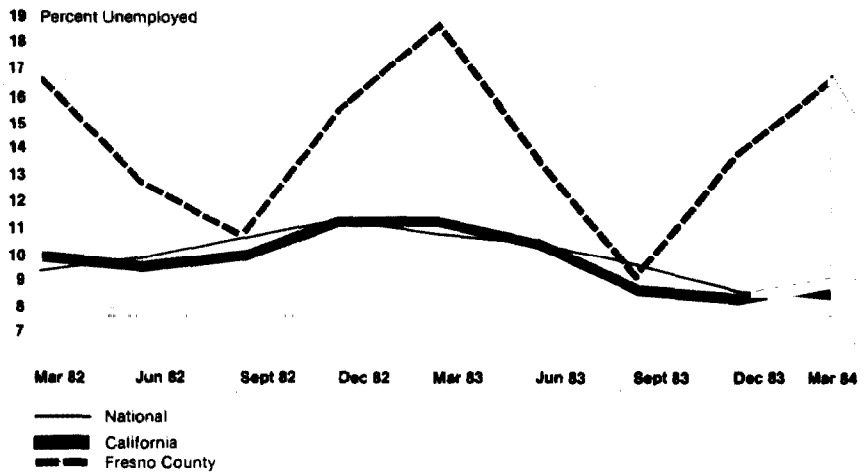
Chart 3: Employment By Industry In Fresno County In 1983



Source: Annual Planning Information, Fresno, Standard Metropolitan Statistical Area, 1984-1985, State of California, Employment Development Department, May 1984.

When the act was passed in March 1983, 51,631 people, or 18.4 percent of this urban area's labor force, were unemployed. Statewide and national unemployment rates during this period were 10.9 and 10.3 percent, respectively. In March 1984, about 1 year after passage of the act, the unemployment rates for the nation, the state, and the county were 7.8, 8.6, and 16.5 percent, respectively. Chart 4 illustrates the unemployment trends for these areas 1 year before and after the passage of Public Law 98-8.

Chart 4
Quarterly Unemployment Rates for Fresno
County, California, and Nation (March
1982-March 1984)^a



^a Fluctuations in the unemployment rates in Fresno County are largely attributable to the seasonal employment nature of its agriculture and agriculture related industries.

California was allocated about \$508.5 million² of the funds made available by Public Law 98-8 as new budget authority--that is, direct appropriations and obligation authority increases. Eighty-seven projects in Fresno County were allocated about \$6 million from 15 federal programs and activities that were appropriated funds by the act. Seventy-nine of these projects were allocated about \$5.7 million for public works activities, such as construction of public and private facilities, road improvement, and general repair and maintenance. The other eight projects were allocated about \$330,000 for public service activities, such as health care and job training services, to the community. Appendix III provides general background information on the 87 projects funded.

²The amount allocated to California is based on data reported to us by federal departments and agencies in February and March 1984. These data were reported in our April 10, 1984, letter to the Chairman of the Subcommittee on Employment and Productivity, Senate Committee on Labor and Human Resources, on the allocation of the act's funds.

Twenty-one percent of allocated funds expended

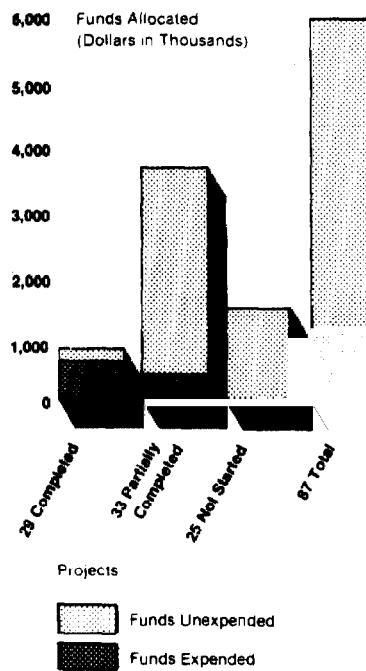
About \$1.2 million, or nearly 21 percent of the \$6 million allocated to the 87 projects in Fresno County, had been spent as of March 31, 1984--about 1 year following enactment of the Emergency Jobs Appropriations Act.³ As illustrated in chart 5,

--29 projects allocated about \$869,000 were completed and spent about \$701,000,

--33 partially completed projects spent about \$532,000 of over \$3.6 million allocated, and

--25 projects allocated about \$1.5 million had not started as of March 31, 1984.

Chart 5
Funds Allocated and Expended on 87
Projects in Fresno County, California,
as of March 31, 1984

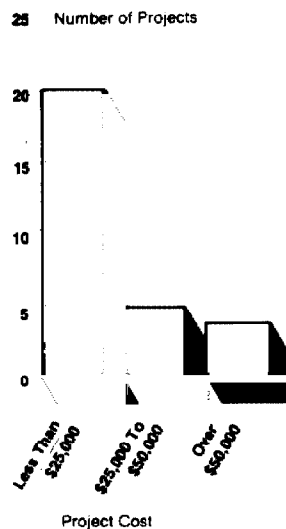


³Appendix IV shows the expenditure status of the funds allocated to the 87 projects in Fresno County as of March 31, 1984.

Expenditures for 29 completed projects

As of March 31, 1984, 29 projects in Fresno County were completed, and about \$701,000 had been spent, or 81 percent of about \$869,000 allocated. Four of these projects, allocated \$271,000 in total, each had expenditures exceeding \$50,000; five projects, allocated about \$200,000 in total, each had expenditures between \$25,000 and \$50,000; and 20 projects, allocated \$230,000 in total, each had expenditures of less than \$25,000. According to project officials, most of the funds that were not spent were reallocated to projects outside of Fresno County or returned to the federal agency that awarded the funds.

Chart 6
29 Projects Completed in Fresno County
as of March 31, 1984 by Cost Category



Two of the four projects that cost more than \$50,000 received funds through two Small Business Administration (SBA) programs. One of these projects was awarded an \$85,000 SBA Small Business Loan to construct and purchase equipment for a meat market, which was completed in March 1984. Another project, administered by the California Youth Conservation Corps, received \$55,000 of an SBA Parks and Recreational Area Development Grant to landscape, build retaining walls, and refurbish picnic facilities at Millerton Lake State Recreation Area. According to project officials, 32 previously unemployed youths had worked on this project between July and September 1983 for 183 staff weeks.

Included among the five projects that spent between \$25,000 and \$50,000 each were two projects that received funds from the National Park Service and the Veterans Administration. About \$39,000 of the National Park Service's Operation of National Park System Program funds were spent on a project to replace 50 broken or dilapidated campsite fire rings at three recreation sites. Five people were employed an average of 9.6 weeks per person on this project, which began in June 1983 and was completed in December 1983. The project manager said that these people had already been hired for the summer and the Public Law 98-8 funds extended their employment for about 2 months. The Veterans Administration spent about \$39,000 remodeling two hospital rooms at its medical center in the city of Fresno. Twenty-three people were employed for 18 staff weeks to remove and replace a wall, plumbing, lighting, and other specialty items.

About \$230,000 had been spent on 20 projects that were completed at a cost of less than \$25,000 each. Eight of these were SBA Parks and Recreational Area Development Grant projects for which \$107,000 was spent to plant trees and improve parks. The 46 people employed on these projects for 425 staff weeks were previously unemployed. GSA spent \$35,000 on five repair and alteration projects that each cost less than \$25,000. Four people were employed on these projects, which included replacing parking lot lights, renovating offices, and installing air-handling motors.

Expenditures for 33
partially completed projects

In addition to the funds spent on the 29 completed projects, about \$532,000, or 15 percent of about \$3.6 million allocated to 33 projects, was spent as of March 31, 1984. As illustrated in the following table, five of these projects each spent over 50 percent of their allocations; five spent between 10 and 50 percent; and 23 spent less than 10 percent.

<u>Percent of allocation spent</u>	<u>Number of projects</u>	<u>Allocated</u>	<u>Spent</u>
Over 50	5	\$ 401,964	\$274,214
10 to 50	5	504,249	212,179
Under 10	<u>23</u>	<u>2,722,825</u>	<u>45,677</u>
	<u>33</u>	<u>\$3,629,038</u>	<u>\$532,070</u>

The two largest partially completed projects that had spent more than half their funds were the following:

- The city of Fresno allocated \$277,000 of a \$1.3 million HUD Community Development Block Grant (CDBG)-Entitlement Cities grant to construct three parking lots and remove blight in its Chinatown district. The project, which was estimated to cost \$320,000 and had been previously planned, began in January 1984 and was completed in April 1984. Construction did not begin until demolition and site clearance, which were not funded with Public Law 98-8 funds, were completed in December 1983. As of March 31, 1984, about \$197,000, or 71 percent of the allocated funds, had been spent. According to the project manager, 8 of the 36 people that were employed on this project for 81 staff weeks were previously unemployed.
- Under its Urban Park and Recreation Recovery Program, the National Park Service awarded about \$113,000 to the city of Fresno to rehabilitate and provide handicapped access to restroom facilities at six parks. The project, whose total cost was about \$162,000, began in late December 1983 and was completed in July 1984. As of March 31, 1984, about \$67,000, or 59 percent of the Public Law 98-8 funds awarded, were spent. Data indicate that 20 people were employed for 13 staff weeks as of that time.

The five projects that spent between 10 and 50 percent of their awards consisted of four public works projects allocated \$426,857 and one public service project allocated \$77,392. The largest of these projects was allocated \$350,000 in CDBG-Entitlement Cities funds for constructing commercial buildings in downtown Coalinga. The project, which replaced buildings that were destroyed by a May 1983 earthquake, also received about \$650,000 in non-Public Law 98-8 funds from the Department of Commerce. Construction began in December 1983 and was completed in October 1984. As of March 31, 1984, about \$173,000, or 49 percent of the Public Law 98-8 funds, had been spent and four people were employed for about 45 staff weeks.

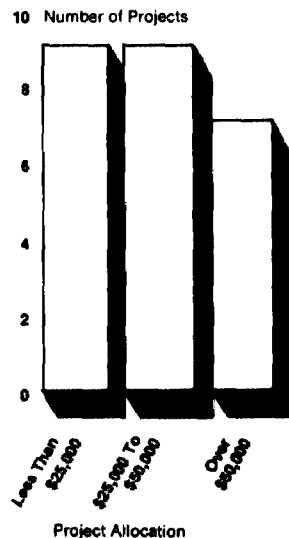
The 23 projects that had spent less than 10 percent of their Public Law 98-8 funds had allocations ranging from about \$3,600 to \$1 million. Fifteen of these, allocated about \$930,000, were GSA projects involving repair, remodeling, and maintenance of federal buildings; the other eight, allocated about \$1.8 million, were Bureau of Indian Affairs, Federal Aviation Administration, Forest Service, HHS, and HUD projects.

The largest of the 23 projects was being administered by the city of Fresno to construct streets, sidewalks, curbs, and gutters and eliminate flooding in a low- to moderate-income area. As of March 31, 1984, \$6,832 of about \$1 million in CDBG-Entitlement Cities funds allocated to the project had been spent on planning. Construction contracts were awarded in September and November 1984. According to city officials, a consultant's nonperformance and tardiness in completing the plans and various administrative procedures delayed construction that began in April 1985.

No funds expended on 25 projects

Twenty-five projects, allocated about \$1.5 million, had not started as of March 31, 1984. As illustrated in chart 7, seven of these projects were each allocated over \$50,000, nine were allocated between \$25,000 and \$50,000 each, and nine were allocated less than \$25,000 each.

Chart 7
25 Projects Not Started in Fresno County
as of March 31, 1984 by Allocation
Category



About \$1.3 million was allocated to 19 public works projects whose allocations ranged from \$4,500 to install carpet to \$300,000 to construct farm housing. The other six were public service projects that were awarded over \$191,000 in HHS Maternal and Child Health and Alcohol, Drug Abuse, and Mental Health Services Block Grants.

Included among the 19 public works projects are six that GSA had allocated about \$93,000 and eight that were allocated \$1,047,400 of Fresno County's CDBG-Entitlement Cities grant. The GSA funds were allocated to install carpeting, replace a hot water tank, correct safety deficiencies on an emergency fire pump, and renovate offices at the Internal Revenue Service Processing Center or federal building in Fresno. Two of these projects, allocated \$13,038, were completed in June and July 1984. A GSA official informed us that \$79,800 for the other four projects was reallocated to projects outside of Fresno County. The eight CDBG projects were part of a larger county development effort that included other funding sources. For example, the largest project was allocated \$300,000 in Public Law 98-8 funds to construct farm worker housing estimated to cost \$500,000. The smallest CDBG project not started was for acquiring a library site estimated at \$25,000.

California allocated \$101,000 of Maternal and Child Health Services Block Grant funds to two projects and \$90,395 of Alcohol, Drug Abuse, and Mental Health Services Block Grant funds to four projects in Fresno County. According to state officials administering these programs, no funds were spent as of March 31, 1984, because of political or administrative reasons. For example, the maternal and child health projects were not awarded funds until September 1984, after differences between the governor and state legislature were resolved on how the funds were to be used. Alcohol and drug abuse funds were not spent when they first became available in October 1983 because the county was not adequately staffed to use them. Consequently, the funds had to be reapproved by the state legislature and did not become available to the county until September 1984.

Employment data

During the first year following the act's enactment, an estimated 279 people worked on 41 of 45 projects for which employment data were readily available. These 41 projects had spent about \$1.1 million as of March 31, 1984. As of that time, no one had been employed on the other four projects that had spent about \$65,000 for planning activities and materials.

At least 97 of the estimated 279 people employed had been previously unemployed. Data available on the prior employment status of 136 people employed on 12 projects, which had spent about \$404,000, indicate that about 97 had been previously unemployed. Information was not readily available, however, to determine how long these people had been unemployed. Prior

employment information was not readily available for the 143 people employed on the other 29 projects for which about \$739,000 had been spent.

Data on the duration that people were employed on 32 projects that were completed or partially completed as of March 31, 1984, follow.

--Recorded data available for 23 projects indicate that 181 people were employed for 782 staff weeks, or an average of over 4.3 weeks per person. As of March 31, 1984, about \$392,000 had been spent on these projects.

--Estimated data obtained for nine projects that had spent \$580,449 indicate that 67 people were employed about 176 weeks, or an average of about 2.6 weeks per person.

Appendix V summarizes employment data for 45 projects that were completed or partially completed in Fresno County as of March 31, 1984. We did not obtain employment data for 25 projects that were not started by March 31, 1984.

Other benefits

In addition to the short-term employment opportunities resulting from the projects, other benefits have been and are expected to be provided to communities in Fresno County. These other benefits include the (1) construction, modification, or maintenance of public and private facilities; (2) beautification of public areas; and (3) provision of humanitarian assistance and public service to the community.

Public Law 98-8 funds were allocated to several projects in Fresno County to construct public and private facilities. For example, a meat market, a warehouse, and poultry sheds were constructed; a dirt road was paved; and sewer lines were installed. In addition, repair, modification, and maintenance projects made improvements to parking lots, county buildings, private homes, restroom facilities, campsites, a hospital, and federal office buildings in Fresno County. For example, the Department of the Interior's Bureau of Indian Affairs used funds to repair three houses on the Big Sandy Rancheria. In addition, GSA provided funds to repair and renovate federal offices, which included modifying light systems and overhauling air-conditioning units.

Eleven projects provided beautification benefits to recreation areas in Fresno County. Eight SBA park improvement

projects that we visited had planted over 1,300 trees, shrubs, and other vegetation. In addition, the Veterans Administration installed a sprinkler and drainage system, planted shrubs, trimmed trees, and constructed pre-fab sheds at its Fresno medical center.

Public service and humanitarian benefits also are being achieved with Public Law 98-8 funds. For example, Community Services Block Grant funds were used to establish a low-cost cafeteria food service, which in July 1984 was providing about 800 meals a month to low-income senior citizens. In addition to providing inexpensive meals, the grantee planned to use the cafeteria to train cooks. The manager anticipated that the cafeteria would become self-supporting and is expected to provide long-term employment to three people.

EFFORTS TO PROVIDE EMPLOYMENT OPPORTUNITIES TO THE UNEMPLOYED

The act requires federal agencies, states, and political subdivisions of the states to use funds, to the extent practicable, "in a manner which maximizes immediate creation of new employment opportunities to individuals who were unemployed at least fifteen of the twenty-six weeks immediately preceding the date of enactment of this Act"--March 24, 1983. In implementing the act, federal, state, and local efforts to provide employment opportunities to the long-term unemployed varied. These efforts ranged from hiring people who signed statements attesting to their unemployment to not making attempts to hire the unemployed.

An example of a grantee fully implementing the act's employment provision is a project that received \$61,000 of a Community Services Block Grant. The state agency administering the grant informed prospective grantees of the act's purpose and that the employment provision was a state program requirement. The official managing the project implemented the state's guidance in its strictest sense, requiring sworn statements from the two employees hired that they had been unemployed 15 of the 26 weeks before March 26, 1983.

Projects funded by the Forest Service provide an example in which guidance to hire the unemployed was transmitted to the local level, but had not been fully implemented. The Forest Service's San Francisco regional office advised its local forest officials that the intent of the act was to put the unemployed to work and emphasized that the project work be contracted out. Also, local officials were instructed to include a clause

emphasizing the employment provision in all contracts and purchase orders funded by Public Law 98-8. However, only one of nine contracts that were awarded before July 1984 and funded with Public Law 98-8 moneys in two national forests in Fresno County contained the provision. Contract officials at these forests said they were unaware of the regional guidance. The contract officer from the forest in which the one contract contained the provision could not explain why it had been included. In explaining this situation, regional office officials said that the local officials probably were not aware when soliciting bids that the projects would be funded with Public Law 98-8 funds. Prior employment information for the 28 people employed on these Forest Service projects was not readily available.

Other examples of efforts made to provide employment opportunities to the unemployed include the following:

- In providing guidance to its regions on the use of Public Law 98-8 funds, GSA stressed initiating projects quickly and funding projects in high unemployment areas. Also, the regions were instructed to contract for the project work and keep to a minimum any direct work performed by in-house personnel. The manager of GSA's Fresno field office said that, had he not been directed to contract for the work, he could have hired locally unemployed people for projects requiring no special skills.
- The Veterans Administration allocated funds to its medical centers based on unemployment statistics and instructed its regional offices to select projects that were labor intensive. In addition, the regional offices initially were instructed to include language similar to the act's employment provision in all solicitations for contracts. The Veterans Administration subsequently notified its regional offices that, instead of adding the provision to contracts, they were to discuss the provision with contractors during prebid and preconstruction conferences. Contractors for two projects at the medical center in Fresno could not recall any discussion of hiring the unemployed. Both contractors said they made no effort to hire unemployed people.

PUBLIC LAW 98-8 FUNDED PROJECTS

IN FRESNO COUNTY, CALIFORNIA^a

<u>Federal department/agency</u>	<u>Program/activity</u>	<u>Number of projects</u>	<u>Project(s) description</u>	<u>Public Law 98-8 funds Allocated</u>	<u>Public Law 98-8 funds Expended as of 3/31/84</u>	<u>Percent of allocations expended</u>
<u>Public Works:</u>						
Department of Agriculture: Forest Service	Construction	7	Repair recreation facilities, including vault toilets and roofs, and construct a well, water line, and comfort station	\$ 102,304 ^b	\$ 6,247	6
	Roads, Trails, and Facilities	4	Clean out culverts and ditches and clear trails to improve access, facilitate recreation, and improve fire prevention	172,906 ^b	71,224	41
	Timber Stand Improvement	1	Thin trees and clean up trimmings in forests	16,276 ^b	16,276	100
Department of Housing and Urban Development: Community Planning and Development	Community Development Block Grant-Entitlement Cities					
	Fresno County	15	Construct an addition to a health clinic, farm housing, fire station, and underground canal; make park improvements; rehabilitate a community center; provide earthquake assistance; and study community needs	1,831,910 ^{b,c}	307,483	17
	City of Fresno	3	Construct parking lots, pave a street, and fund property assessments for low-income people	1,301,000 ^b	208,789	16

<u>Federal department/agency</u>	<u>Program/activity</u>	<u>Number of projects</u>	<u>Project(s) description</u>	<u>Public Law 98-8 funds</u>		<u>Percent of allocations expended</u>
				<u>Allocated</u>	<u>Expended as of 3/31/84</u>	
<u>Public Works (continued):</u>						
Department of the Interior: Bureau of Indian Affairs	Operation of Indian Programs-Indian Housing	1	Repair three houses and construct four houses	\$ 177,000	\$ 4,733	3
National Park Service	Urban Park and Recreation Recovery Program	1	Repair and rehabilitate restrooms in parks to service and provide handicapped access	113,158 ^b	66,667	59
	Operation of the National Park System	2	Repair campsite fire rings and replace explosive storage	54,400	49,233	91
Department of Transportation: Federal Aviation Administration	Airport Improvement Program	1	Construct and improve runway damage	326,034 ^b	14,130	4
General Services Administration: Public Buildings Service	Federal Buildings Fund: Repairs and Alterations	28	Rehabilitate office space, modernize lighting and air-conditioning, and install electrical bus duct and air-handling motors	1,121,704 ^d	51,860	5

<u>Federal department/agency</u>	<u>Program/activity</u>	<u>Number of projects</u>	<u>Project(s) description</u>	<u>Public Law 98-8 funds</u>		<u>Percent of allocations expended</u>
				<u>Allocated</u>	<u>Expended as of 3/31/84</u>	
<u>Public Works (continued):</u>						
Small Business Administration	Parks and Recrea- tional Area De- velopment Grants	10	Plant trees and shrubs; install irrigation systems; construct picnic shelter, bar- beque, and water foun- tain; purchase a booster pump; and provide park beautification	\$ 220,983	\$ 201,880	91
	Small Business Loans	4	Provide capital to con- struct buildings and purchase towing equip- ment, inventory, and other general equipment	159,500	157,063	98
22 Veterans Administration: Department of Medi- cine and Surgery	Medical Care	2	Renovate hospital rooms and beautify hospital grounds	64,454	64,454	100
		—				
	Total	<u>79</u>		<u>5,661,629</u>	<u>1,220,039</u>	22
<u>Public Service:</u>						
Department of Health and Human Services: Alcohol, Drug Abuse, and Mental Health Administration	Alcohol, Drug Abuse, and Mental Health Services Block Grant	4	Provide community care for alcohol and drug abuse, earthquake assistance, and on- the-job training	90,935	0	0

<u>Federal department/agency</u>	<u>Program/activity</u>	<u>Number of projects</u>	<u>Project(s) description</u>	<u>Public Law 98-8 funds</u>		<u>Percent of allocations expended</u>
				<u>Allocated</u>	<u>Expended as of 3/31/84</u>	
<u>Public Service (continued):</u>						
Health Resources and Services Administration	Maternal and Child Health Services Block Grants	2	Provide maternal and child health care	\$ 101,000 ^b	\$ 0	0
Office of Community Services	Community Services Block Grant	2	Provide training to youth offenders during probation and provide meals to senior citizens	138,332	12,556	9
		—				
Total		<u>8</u>		<u>329,727</u>	<u>12,556</u>	4
TOTAL		<u>87</u>		<u>\$5,991,356</u>	<u>\$1,232,595</u>	21

^aNot included among these projects is a loan of \$121,000 made to a small business to expand an existing building. The loan is guaranteed by SBA's Certified Development Company Loan Program. Unless the small business defaults on this loan, no Public Law 98-8 funds will be spent.

^bFunds, in addition to Public Law 98-8 funds, were allocated to some of these projects.

^cOne project, allocated \$75,000 to construct an addition to a health clinic, was canceled after March 31, 1984, due to problems with property ownership.

^dEight projects, which were allocated \$483,606 and had expenditures of \$5,840, were canceled after March 31, 1984. According to a GSA official, the funds not spent were reallocated to projects outside of Fresno County.

EXPENDITURE STATUS OF PUBLIC LAW 98-8 FUNDS

ALLOCATED TO PROJECTS IN FRESNO COUNTY,

CALIFORNIA, AS OF MARCH 31, 1984^a

<u>Program/activity</u> ^b	<u>Number of projects</u>	<u>Public Law 98-8 funds</u>		<u>Percent of allocations expended</u>
		<u>Allocated</u>	<u>Expended</u>	
Projects completed:				
Community Development Block Grant -				
Entitlement Cities:				
Fresno County	3 ^c	\$ 169,510	\$ 109,960	65
Federal Buildings Fund	5	96,927	35,262	36
Forest Service:				
Construction	1 ^c	3,459	3,459	100
Roads, Trails, and Facilities	1	83,000	62,938	76
Timber Stand Improvement	1	16,276	16,276	100
Medical Care	2	64,454	64,454	100
Operation of the National Park System	2	54,400	49,233	91
Parks and Recreational Area Development				
Grants	10	220,983	201,880	91
Small Business Loans	4	159,500	157,063	98
Total	29	868,509 ^d	700,525 ^d	81 ^d
Projects partially completed:				
Airport Improvement Program	1 ^c	326,034	14,130	4
Community Development Block Grant -				
Entitlement Cities:				
City of Fresno	3 ^c	1,301,000	208,789	16
Fresno County	4 ^c	615,000	197,523	32
Community Service Block Grant	2 ^c	138,332	12,556	9
Federal Buildings Fund	17 ^e	931,939	16,598	2
Forest Service:				
Construction	3 ^c	17,169	2,788	16
Road, Trails, and Facilities	1	9,406	8,286	88
Indian Housing	1	177,000	4,733	3
Urban Park and Recreation Recovery Program	1 ^c	113,158	66,667	59
Total	33	3,629,038	532,070	15

<u>Program/activity^b</u>	<u>Number of projects</u>	<u>Public Law 98-8 funds</u>		<u>Percent of allocations expended</u>
		<u>Allocated</u>	<u>Expended</u>	
Projects not started:				
Alcohol, Drug Abuse, and Mental Health Services Block Grant	4 ^c	\$ 90,395	\$ 0	0
Community Development Block Grant - Entitlement Cities:				
County of Fresno	8 ^{c, f, g}	1,047,400	0	0
Federal Buildings Fund	6 ^h	92,838	0	0
Forest Service:				
Construction	3 ^c	81,676	0	0
Roads, Trails, and Facilities	2 ^c	80,500	0	0
Maternal and Child Health Services Block Grant	2 ^c	101,000	0	0
Total	25	1,493,809	0	0
TOTAL	87	\$5,991,356	\$1,232,595	21

^aNot included among these projects is a \$121,000 loan made to a small business, which is guaranteed by SBA's Certified Development Company Loan Program. Unless the small business defaults on the loan, no Public Law 98-8 funds will be spent.

^bSee appendix III for the federal department/agency responsible for each program activity.

^cFunds, in addition to Public Law 98-8 funds, were allocated to some of these projects. These other funds are not included in our figures.

^dAccording to project officials, allocated funds not spent were reallocated to other projects outside of Fresno County or returned to the agency that awarded the funds.

^eFour of these projects that had spent \$5,840 of the \$403,806 allocated were canceled after March 31, 1984. According to a GSA official, the unexpended funds were reallocated to projects outside of Fresno County.

^fOne project allocated \$75,000 to construct an addition to a health clinic was canceled due to problems with property ownership.

^gFunds allocated to some of these projects augmented other ongoing projects funded by sources other than Public Law 98-8. Because the Public Law 98-8 funds had not been spent as of March 31, 1984, we classified these projects as not started.

^hFour of these projects allocated \$79,800 were canceled after March 31, 1984. According to a GSA official, these funds were reallocated to projects outside of Fresno County.

EMPLOYMENT-RELATED DATA FOR PROJECTS
FUNDED BY PUBLIC LAW 98-8 IN FRESNO COUNTY,
CALIFORNIA, AS OF MARCH 31, 1984^a

<u>Program/activity^b</u>	<u>Projects with employment data</u>	<u>Number employed</u>	<u>Number previously unemployed</u>	<u>Weeks of employment</u>
Actual employment data:				
Community Development Block Grant -				
Entitlement Cities	4 ^c	44	8	95 ^e
Community Services Block Grant	2 ^f	2	d	15
Federal Aviation Administration	1	10	d	23
Federal Buildings Fund	6	8	d	89
Forest Service	5	18	d	25 ^h
Indian Housing	1	7	7	d
Medical Care	1	23	d	18
Parks and Recreational Area				
Development Grants	10	93	82	625
Small Business Loans	4 ⁱ	4	d	d
Urban Park and Recreation				
Recovery Program	<u>2</u>	<u>25</u>	d	<u>61</u>
Total	<u>36</u>	<u>234</u>	j	j
Estimated employment data:				
Community Development Block Grant -				
Entitlement Cities	6	22	d	80
Forest Service	2	10	d	8
Medical Care	1	13	d	d
Total	<u>9</u>	<u>45</u>	j	j
TOTAL	<u>45</u>	<u>279</u>	j	j

^aIncludes only those projects that were completed or partially completed by March 31, 1984, and employment data were readily available or estimated by project managers.

^bSee appendix III for the federal department/agency responsible for each program/activity.

^cIncludes one completed project that had not employed anyone.

^dData not readily available.

^eIncludes an estimated 81 weeks for one project that employed 36 persons.

^fIncludes one partially completed project that had not employed anyone as of March 31, 1984.

^gData are only for two projects that employed four persons; weeks of employment data were not readily available for the other four projects.

^hIncludes an estimated 6.5 weeks for one project that employed 2 persons.

ⁱIncludes two completed projects that did not employ anyone.

^jTotals have not been provided because data were not readily available for each project.

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