



technical bulletin

Municipal Technical Advisory Service
Institute for Public Service, The University of Tennessee
In cooperation with the Tennessee Municipal League

July 20, 1977

FEDERAL PROGRAMS: PROJECT IDEAS FOR TITLE VI CETA FUNDS; CLARIFICATION OF USE OF ANTIRECESSION FUNDS

(The following material was prepared by the County Technical Assistance Service. Since it is equally applicable to municipalities, MTAS is reprinting it for your information.)

PROJECT IDEAS FOR TITLE VI CETA FUNDS

By this time most of you are aware of the multitude of requirements and restrictions regarding who you may hire and for what purposes under CETA's Title VI program. Briefly, at least 50% of positions under Title VI must be filled by persons who:

- 1) Have been receiving unemployment compensation for 15 weeks or more;
- 2) Are ineligible for unemployment but have been unemployed for 15 weeks or more;
- 3) Have exhausted unemployment compensation benefits; or
- 4) Are, or whose family is, receiving aid to families with dependent children and whose family income, when annualized, does not exceed 70% of the lower living standard budget.

If you are having trouble finding people, the State Office of Employment Security reports that they have a list of approximately 50,000 people statewide who meet these requirements. The phone number in Nashville is (615) 741-3255.

Title VI projects may last no longer than 12 months. If you are "looking" for potential projects, here are examples of some types of activities which The National Association of Counties lists as being effective:

- 1) Building Renovation - Historic sites, older buildings for use as emergency shelter, etc.
- 2) River Clean-Up
- 3) Restocking Streams or Lakes
- 4) Survey Work - To determine the number and characteristics of area handicapped persons, veterans, etc.
- 5) Collection Repair - Used equipment for the handicapped, etc.
- 6) First Aid Project - Using Red Cross to train, place participants in parks, etc., to assist regular staff.

- 7) Trail Development - Bike, hiking, etc.
- 8) CO-OPs - Raise produce and sell at minimum cost to low income and elderly families.
- 9) Task Force Approach - Set up a team, i.e., nutritionist, handy-man, house cleaner, etc., to go to homes of elderly or handicapped on a set schedule. Could possibly be taken over by another agency such as Title XX after 12 months.
- 10) Swimming Project - Teach children how to swim and elementary rescue.

ANTIRECESSION FUNDS - CLARIFICATION OF USES

The Office of Revenue Sharing has issued a notice, which became effective July 1, regarding the uses and prohibitions concerning Antirecession funds. Money not already appropriated or obligated as of that date fall under the new rules.

Prohibitions

Prohibits the use of antirecession moneys for:

1. Acquisition of supplies and materials, except for normal supplies necessary to maintain basic services. "Normal" supplies are those commodities which are consumed when used or have a useful life of one year or less, i.e., office supplies, small hand tools, medicines and laboratory supplies, cleaning and sanitation supplies, fuel, printing and binding.
2. Purchase of capital assets such as equipment and motor vehicles.
3. Construction, except for repairs necessary to maintain basic services. "Repairs" must be limited to those which maintain a structure or other capital asset in ordinary efficient operating condition, but which do not substantially add to the utility of the property, appreciably prolong its useful life, or make the facility adaptable to a different use. Expenditures for projects classified as ordinary repairs--as opposed to capital improvements--in a commercial tax context are allowable.

Allowable Expenditures

1. To determine whether a specific program may be funded, a recipient government must determine whether the program can be reasonably classified under one of the following categories of basic services:
 - a. Highways
 - b. Education
 - c. Public Welfare
 - d. Health and Hospitals
 - e. Police and Corrections
 - f. Fire Protection
 - g. Sewage and Sanitation
 - h. Natural Resources
 - i. Housing and Urban Renewal
 - j. Transportation
 - k. Libraries
 - l. Financial Administration
 - m. General Administration
 - n. General Public Buildings
 - o. Interest on General Debt
 - p. Parks and Recreation

Next, you must determine whether the basic service category has been customarily provided. Only the broad basic service category is required; specific programs

may be initiated under such a customarily provided service category. For example, if health and hospital services have been provided, a new emergency intensive care unit program may be financed with antirecession funds.

2. Interest on a general debt. Antirecession funds may be used to pay for all or part of a governmental interest payment, provided, the proceeds of the indebtedness were used solely for purposes for which the funds may be used directly as noted above.
3. Principal payments. Funds may be used to pay the principal of a debt incurred by a government, provided, the proceeds of the indebtedness were used for a purpose for which antirecession funds may be used directly.

On or after July 1, 1977, antirecession funds may not be used to pay the principal or interest on a debt incurred in the purchase of a capital asset.

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