

A SUPPLEMENTAL APPROPRIATION FOR
THE OFFICE OF ECONOMIC OPPORTUNITY

FACTS AND A PROPOSAL

The Current Situation

In the past few weeks the Administration has made public two decisions that will have substantial immediate impact on urban programs to fight poverty and which may materially affect such programs for some time to come.

These decisions were:

1. To fund the National Alliance of Businessmen (NAB) program primarily out of existing Office of Economic Opportunity appropriations;
2. To not seek supplemental funds for special summer programs as was done last year.

The first of these decisions will have the greatest impact. The NAB program will channel \$100 million from such activities as Head Start, Neighborhood Youth Corps, and Job Corps into efforts to train and place hard-core unemployed. The NAB effort, if effective, would result in the training/placement of about 28,000 hard-core unemployed during this fiscal year. However, the funding method used will substantially reduce, if not negate, the effectiveness of the program as it will:

1. Reduce the number of fundable Job Corps Centers by sixteen, thereby reducing available enrollee openings by 6,800;
2. Lower Neighborhood Youth Corps enrollment by 170,000 school-age youths from low-income families;
3. Reduce Head Start capacity for accepting the very young children of poverty by 13,000 student places.

The multiplier effect of these reductions is substantial. Community programs, exclusive of Head Start will be forced to lay-off 7,000 non-professional people, most of whom were previously members of the poverty population. Head Start will be forced to lay-off 2,500 non-professionals from that same group.

There is no estimate of the number of mothers who will revert to welfare rolls because they have been deprived of the day-care services inherent in Head Start.

The impact of OEO cut-backs on individual communities is exemplified in the cases of New York and Atlanta. Summer Youth Corps openings in New York City are to be reduced from last year's 24,000 to 8,000. In Atlanta, the community action programs are to be cut back 32% and Head Start 25%. By the above stated program cuts the Administration has been forced to fund the creation of about 28,000 potential jobs at a cost of 9,500 lay-offs of adults, the cut-back of 170,000 training places for Neighborhood Youth Corps students, the reduction of 13,000 students in Head Start, and the elimination of sixteen Job Corps Centers.

NATIONAL ALLIANCE OF BUSINESSMEN

The National Alliance of Businessmen, whose membership contains many individuals also active in the Urban Coalition, met in Washington this week. Christopher Mould, Deputy National Coordinator and Staff Director of the Coalition, addressed the group and stressed the need for the two organizations to complement each other's efforts in securing assistance for the hard-core unemployed. Mould will also speak to the first of three AFL-CIO conferences on social security on Saturday, March 2, to explain the work of the Coalition.

PRIVATE EMPLOYMENT

Printing of the proceedings of the very productive Regional Private Employment Conference held by the Coalition on December 13, 1967, in Atlanta has been accomplished. The booklet, entitled "The Urban Coalition, Phase II, Expanding Employment Opportunities," is being mailed to the entire Coalition mailing list.