

May 21, 1968

TO: Dan Sweat
FROM: Pete Jones

Reference our conversation regarding reductions in the Atlanta Programs:

SUMMER HEAD START

The 1967 Program provided for 3,050 participants and made available \$540,409 in Federal Funds. The 1968 Program provides for 3,070 participants and made available \$513,649 and within this reduced amount the grant imposes greatly increased medical and dental care and an obligation for child insurance without providing funds therefor. The reduction of 5% in funding with additional 20 participants and increases of medical - dental and insurance costs has the effect of reducing needed support services or other categories of cost.

FULL YEAR - DAY CARE CENTERS

The 1967 Program provided for 725 participants with Federal funding of \$700,000. The 1968 Program provides for the same number of participants but reduces funding to \$605,204 (reduction \$94,796). included in the \$605,204 is approximately \$58,000 which was collected as Day Care Fees in 1967 and which EOA had planned to program into the 1968 projects in addition to Federal Funds. So actually OEO reduced Federal Funds from \$700,000 in 1967 to \$547,204 in 1968, a reduction of \$152,796 in Federal Funds.

We were therefore unable to provide Headquarters staff from Grant Funds for either Head Start or Day Care. This amounts to about \$65,000. Jim Parham apparently believes he can get this requested money later on.

NEIGHBORHOOD YOUTH CORPS

In the August, 1966-August, 1967 Contract we started with 620 slots and \$1,323,910. During mid 1967 the amount was reduced to \$1,223,910, the slots were reduced to 550 and we were required to run the program fourteen months instead of twelve within the reduced funds.

The succeeding Contract October, 1967 - October, 1968 we were authorized 440 slots and \$1,149,110. We are now faced with a reduction to 330 slots and a reduction in funding.

Mr. Dan Sweat
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CAP FUNDS

Our versatile funds for Program Direction and Neighborhood Service Centers, NSC Support and other Grant 306 Funds were reduced from around \$2,900,000 in 1967 to \$2,350,000 in 1968, a reduction of around \$550,000.

PSJ:rw