

M E M O R A N D U M

TO: George Berry, Governmental Liaison DATE: November 12, 1969
Charles Davis, Director of Finance

FROM: Ken Millwood, Director *KLM*

SUBJECT: Urban Corps 1970 Budget Proposal

There seems to be some question as to the derivation of the request for \$139,693 that the Urban Corps has made of the City of Atlanta. The budget was derived on a cash income - outflow basis without assigning specific usages of income to specific sources. In deriving this budget, we used income sources represented as the following:

- (1) College Work-Study - 80% of salaries of eligible students
- (2) Agencies - 30% of salaries of interns they employ
- (3) City of Atlanta - 50% of salaries of interns they employ
- (4) City of Atlanta - Supportive Grant

This plan was suggested by Mr. Berry as a method of deriving the City's financial participation based on services rendered. The private agencies were asked to pay only 30% because of their limited financial position and in an effort to keep the Urban Corps in a non-competitive situation with the colleges and universities.

The City of Atlanta has been and is now an active sponsor of the Urban Corps concept. The summer Urban Corps program was regarded a success by both local and national figures. We requested the City of Atlanta to share a larger part of the cost of defraying administrative expenses because it is the type of community activity a City government should be involved in. Also, quite frankly, the City can afford it. The City gains benefit through community service, publicity, and student involvement from the Urban Corps program in total, not only from the students who work directly with City departments.

The request of \$139,693 can be viewed in a different light than the 50%-grant combination outlined above. The administrative costs of the 1970 program will be \$75,349. Being a City sponsored program, the City could reasonably expect to absorb this total cost. The remaining \$64,344 can then be viewed as representing the City's

Memorandum
George Berry & Charles Davis
November 12, 1969

matching share of interns used by City departments. This cost represents 34% of the salaries of interns assigned to the City for 1970.

In using this \$64,344 in computing cost per man year, the result is:

\$64,344 for 44.1 man years = \$1,459.02 per man year

(The 52 man years quoted by Mr. Dan Sweat in his memo of November 5, 1969, is inaccurate because it does not allow for part-time employment. Using 52 man years, the cost is \$1,237.39 per man year.)

The cost to the private agencies participating is:

93 man years for \$116,808 = \$1,256 per man year.

Accepting the argument that the City truly benefits from all the interns in the Corps, the cost per man year would be:

137 man years-\$139,693 = \$1,042 per man year

(This figure does not include the 31 staff members who in total will contribute some 17 full man years to the operation.)

I believe these computations make the City's involvement more reasonable in comparison to that of the non-profit agencies. I feel the key point is not one of finance, but one of purpose. The Urban Corps, although it has involved financial ties, is not based on percentages of cost, cost per man year, or who pays how much. It is based entirely on service to the community and educational enrichment of the students. It would seem to me that it is worth at least \$140,000 to the City to continue such an enterprise.