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August 2, 1974

Dear Mr. Gallegos:

Brad Patterson of my staff spoke to you the other day about Floyd McKissick's request on behalf of Soul City. Arthur Reid is familiar with it over in OEO.

I wanted you to know that in the White House and in HUD we all think highly of the Soul City enterprise, and HUD of course, among quite a few other agencies, has made major and concrete commitments to back up Floyd's new undertaking.

If OEO can see its way clear to handle this request for \$85,000 for the next six months, if it has merit when judged by itself, and if Soul City's needs for the short term are as clear as Floyd describes them, I would endorse your doing whatever is possible.

In HUD, Al Trevino of the New Communities Administration would be one to touch base with for an independent evaluation.

Sincerely,

Leonard Garment  
Assistant to the President

Mr. Bert Gallegos  
Acting Director  
Office of Economic Opportunity  
1200 19th Street  
Washington, D. C.



bcc: Al Trevino (with a copy of incoming correspondence)

THE WHITE HOUSE

WASHINGTON

August 5, 1974

Dear Ron,

I appreciate having your letter of July 22 as a follow-up to our luncheon.

A quick analysis of some of the attachments shows that the principal decline in UL contracts came from the Department of Labor and, of course, that was attributable to the new Comprehensive Employment and Training Act which moved federally funded manpower programs from the posture of national contracts nationally awarded to one of local contracts awarded at local decision.

My office has been in touch with each of the project officers mentioned on your list of "National Urban League Resource Projects" and what we have been told is related in the attached paper. (If you have a different view of the facts, I certainly want to hear it.)

Some of these projects, and what is happening to them, are a normal part of the process of granting or contracting, and of reviewing and improving performance under those grants or contracts. Some of the others, however, indicate some possible management looseness in the past, and allegedly an overly large slice for overhead in New York. I know you and Vernon will push your associates to correct any deficiencies, and I urge you to keep in close touch with the federal project officers in order to identify weak spots as the contract goes along, rather than wait until refunding time draws close.

I think we both realize that local League affiliates will have to aggressively identify manpower and other opportunities which are opening up on their respective local scenes, since the whole approach of national contracting is being changed. If local contracts with UL affiliates are added to these national projects, what do the totals show?



Again, I am not vouching for the views in the attachment, but passing on what was reported to Brad. I would urge you, Ron, to let me know where your own view of the picture is different.

In any event, there are some other matters that I would like to discuss with you, so please give me a call.

Sincerely,



Leonard Garment  
Assistant to the President

Attachment

Mr. Ronald H. Brown  
Director, Washington Bureau  
National Urban League, Inc.  
425 Thirteenth Street, N. W.  
Suite 515  
Washington, D. C. 20004



STATUS OF COMMENTS ON URBAN LEAGUE PROJECTS

1. Manpower Development and Training  
No special problems; likely to be refunded.
2. Labor Education Advancement  
No special problems; likely to be refunded.
3. Business Development  
Expected to be funded through the respective OMBE regional offices with contracts dated to begin August 1, 1974. In addition to the "regionalization" thrust, a national contract is not favored because of OMBE concern about the NUL headquarters capabilities, i. e. re managing this project, communicating with affiliates, and preparing budget and performance data on what the affiliates were doing.
4. New Careers for Women  
Reportedly another organization was funded.
5. Student Intern  
The NUL proposal was rejected because it was not submitted by the required deadline (November 1) and because it did not include an eligible "developing institution" as part of its package. NUL should resubmit its application in a timely manner this year.  
  
There was a second grant in this area: \$70,000 to the UL for cooperating with Alabama A and M to place faculty members in federal agencies for training. NUL wanted to double the grant amount to \$140,000 but this was disproportionate in terms of Alabama A and M's own priorities.
6. Drug Abuse Training and Employment  
The UL has submitted this proposal four times, according to the HEW officer, and each time HEW staff have worked with the UL to try to improve it and make it more acceptable. This year's proposal has been rejected by both the Review Group and the National Advisory Council on the grounds

6. Drug Abuse Training and  
Employment (continued)

that (a) a precise staffing pattern was not specified, (b) no resumes of prospective staff were submitted, (c) the training design was inadequate, (d) the criteria for admission of trainees were not spelled out, (e) the evaluation design was vague, methods for obtaining evaluations not adduced, (f) the costs were high, the budget lacking in justification, the overhead heavy. HEW has actually given the UL a model of just how this proposal should be re-done, and HEW is open and willing to consider a new proposal when submitted in accordance with the model and the letters sent to the UL.

7. Road Builders Service

Money in this program goes to the States. Sometimes the States pass some of it back to the Federal government, requesting the Federal government to negotiate contracts on the States' behalf, but it is done only at the State request. There is no "national contract" other than the specific ones which individual States request. In this case, the work has been completed in 3 States; work remains to be done in one more. States can make their own individual, direct arrangements with the Urban League or with local League affiliates.

8. Enrichment of Community  
Health/HEW/PHS

This was a three year, one-shot contract and UL was so informed; the current extensions are to close it out. Experience has been spotty; overhead to the National UL office was quite large: 22.8% the first year, 44.7% the 2nd and 3rd years; even some of the remaining funds were spent on staff in New York. Commitments were occasionally changed so that work was done in cities meeting NUL's priorities rather than the government's. Now cities and counties have their own out-reach programs, and it is considered sounder to have them hire their own, local out-reach workers--

8. Enrichment of Community  
Health/HEW/PHS (continued)

and fire them for poor performance-- rather than operate through remote New York/Washington arrangements. Not likely to be refunded.

9. Pre-School Dental

This was a national contract with services delivered at Columbia, S. C. and Westchester County, N. Y. But as of June 30, 1974, the special project authority for these contracts expired. Now the program is on a formula basis and only States are the grantor. NUL performed satisfactorily and has been advised which State officials to apply to.

10. Work Evaluation on HEW/SRS

The purpose of this project is to develop a model of how local UL affiliates can help local and States agencies, providing services to the handicapped link those services to the needs of the black community. UL has done well in this effort and a model is being developed from experience in several localities. When the project is finished in October and the model complete, that will end the R&D phase; the next step would be for individual UL affiliates to take the model and, in effect, sell their services to local and State agencies at local levels. Funding is federal funding but via State and local agencies. HEW is pleased to see the growing numbers of black clients who, in fact, are being reached in the service programs affected.

11. Advocacy in Support of  
Minority Aged

Begun as a two-year R&D project (in Columbia, S. C., Chicago and California); now in an extension in its third year for purpose of close-out, wrap-up of research, and evaluation. After some initial on-site organizational problems, UL did a satisfactory job, so much so that in Columbia, S. C. the local UL affiliate has already received a contract of this same kind from the State Agency on Aging. And

11. Advocacy in Support of  
Minority Aged (continued)

this will be the picture nationally from now on: local operational programs will have to convince local and State and area agencies on Aging that what this R&D project showed is worth continuing.

12. Law Enforcement  
Minority Manpower

A two-year grant. Audit from first year turned up \$100,000 in questionable or unallowable expenditures, but no criminal charges. National UL instructed to straighten out its procedures so that (a) the existing unallowables are refunded, and (b) the problem won't occur again. NUL has sent in some assurances and these are now being reviewed carefully by senior LEAA people so that they are satisfied they meet the requirements. Refunding will be held up until this review is complete. No programmatic problems; decision soon.

13. Early Childhood Program  
for Exceptional Children

This program has gone on for two years and has been refunded for a third year at the reduced level indicated on the UL's list (\$158,000 instead of \$332,000). This is a demonstration program to show how money can be leveraged out of other community resources so that the program itself can be self-supporting; requires excellent relationships with school boards, State Departments of Education, other local funding sources. UL changed its Project Directors often; allegedly did not get enough results for the money expended. Overhead to UL headquarters was high-- \$200,000 out of one year's \$332,000 grant. Therefore, HEW has insisted that all of the refunded program (\$158,000) go directly to children in the service area and if the UL can show good management, concentrated focus and results, there could be more money next year.





14. Family Planning/HEW/PHS

This was a project to provide concentrated technical assistance to three areas, Albany, NY; Albany, Georgia; and Miami, Fla. The first contract was very loosely written, according to the HEW officer currently in charge, and while the UL performed legally under that contract, the new contract is written very tightly and specified performance and results are mandated. UL is going to be pressed hard to produce what the new contract calls for. Previously the UL's project managers were rotated; overhead to the national UL office was 44.7%.

