

UNITED STATES GOVERNMENT

Memorandum

TO : State-Based Program Officers

DATE: March 17, 1977

FROM : Geoffrey Marshall *gme.*

SUBJECT: Legislative Formula for Funding

Because we are sending out the full legislation, there may be questions about the formula funding part of the bill. My advice would be that we should avoid detail in discussions with anyone. It is a complex matter and mostly irrelevant, since it has no effect except to assure a minimum grant to the states which 95% of them exceed at present.

Nevertheless, for your files, the formula for FY 1977 is as follows:

State-based budget	\$17,500,000
less 55 "states" @\$200,000	-11,000,000

	<u>\$ 6,500,000</u>
less 25% of \$17.5M which is available to the Chairman at his discretion	- 4,375,000
	<u>\$ 2,125,000</u>

\$2,125,000 equally divided by 55 = \$38,636

Therefore: basic "block" grant for 12 months:	\$200,000
	<u>38,636</u>
	\$238,636

Converted to 18 months and rounded:	\$358,000
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GM/kg