

vided through the project only for children who would not otherwise receive it because of low income or for other reasons beyond their control.

3. History

This is a new program authorized by Public Law 89-97, the Social Security Amendments of 1965. It is responsive to the President's health message of January 7, 1965, and is recognition of the fact that while acute and chronic illness strikes all children, the burden and the need for medical services is greatest among the poor. About one-third of our children live in low-income families—these families tend to be concentrated in crowded urban centers or in depressed rural areas. They strain the medical resources available to them in the communities in which they live, the quality of care deteriorates and an increasing number do not receive the services they need.

A supplemental appropriation of \$15 million for grants, the amount authorized for the fiscal year ending June 30, 1966, was signed by the President on October 31, 1965.

4. Level of operations

The appropriation and estimated obligations for 1966 are \$15 million, and for 1967 are \$35 million.

5. Estimated magnitude of program in 1970

The authorization for appropriation for project grants for fiscal year 1970 is \$50 million. It increases to this in steps of \$5 million from a \$35 million authorization in fiscal year 1967.

6. Prospective changes in program orientation

Because of the need for medical services for school age and pre-school children in low-income families it is anticipated that the program once funded will develop rapidly and that the full authorization will be needed. The legislation calls for evaluation and recommendation as to continuation and modification at the end of 5 years.

7. Coordination and cooperation

See item 7 under Maternal and Child Health Services.

8. Laws and regulations

Public Law 89-97 (79 Stat. 286).

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. Economic effects

The economic effects of all personal and community health programs are discussed in the statement covering those administered by Public Health Service and other operating agencies of the Department of Health, Education, and Welfare.

10. Economic classification of program expenditures

Program not in operation in fiscal 1965.