CAP CRITERIA FOR EVALUATING SPACE COSTS

Non-Federal Space Costs

I. QUALITY CONTROL GUIDELINES

2.1c. The value placed on a local share item must be no greater than the cost allowed if the same item were acquired with Federal funds.

B. 4. Space Costs:

a. Justification must be present for all space costs claimed in items of community rates, building value, etc. The location of the space to be utilized should be included. Where space costs appear high (exceeding $3.50 to $4.00 per square foot), utilities and custodial costs should be included.

b. Space in a Federal building and any other item constituting expenditures by OEO or another Federal source, cannot be credited as a contribution toward non-Federal share.

c. Local housing authorities may contribute the use of space and facilities if the contribution is genuinely "non-Federal" in character.

II. ANALYSTS NOTEBOOK NO. 67, MARCH 25, 1966

A.3. The grantee must be required to submit sufficient data to enable the analyst to determine the basis and the reasonableness of the valuation of non-Federal share.

B.4.0 School space costs in excess of 20 cents a square foot a month, inclusive of custodial and maintenance costs, and classroom furniture, must be justified.

Mr. DELLENBACK. I don't mean for you to go into minutiae but I would be interested in the major thrust at this time.

As to the number of centers, you said there are 630 urban and 70 rural as of this time, $160 million would add how many centers?

Mr. BERRY. A total of 300 additional. That raises it to approximately 1,000 of which the major portion is intended to be in the rural areas, raising the total in rural areas to approximately 300.

Mr. DELLENBACK. So almost 230 of these 300 would tend to be in the rural area?

Mr. BERRY. Yes.

Mr. DELLENBACK. So this year you will be thrusting with this additional increment in the direction of bringing the rural up?

Mr. BERRY. Serving needs that have not yet been served.

Mr. DELLENBACK. I was wondering about your priority between rural and urban. I recognize that sometimes it is easier to begin in an urban area than in a rural area. Mr. Gibbons made comment on this in one of our prior days of testimony. But you are attempting to thrust beyond the more easily developed centers into some of the more difficult ones; namely, the rural?

Mr. BERRY. Yes.

Mr. DELLENBACK. Is there any greater emphasis on any group or any subgrouping within the "poor" than there is on any other? Don't you find that when you use an arbitrary qualification such as $2,700 or $3,000 or whatever it may be, that there are those who are just within it and those who are just groveling in complete poverty? Do you have any information that you can give us as to how effective you have been in reaching the upper stratum of the poor as opposed to the lowest stratum of the poor? Have you tended to have more cooperation from the upper stratum than the lower and to reach them first instead of the lower?

Mr. BERRY. In an operating program we have not been able to draw those narrow lines of distinction between the clientele. Some of our