

# Information Bulletin:

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## RESTRUCTURING FEDERAL ASSISTANCE: THE CONSOLIDATION APPROACH

### IN BRIEF

Problems stemming from fragmentation and specificity of federal assistance programs have generated a variety of reform proposals over the years. Recent federal aid slowdowns and mounting state-local fiscal distress have rekindled interest in restructuring categorical grants through consolidation of functionally related programs.

This Bulletin will examine the advantages and disadvantages of consolidation as a grant reform strategy. Specific functional mergers, as well as legislation to facilitate passage of consolidation measures in general, will be discussed. Five different consolidation formats are identified. Several of the more important program consolidations now in effect, and consolidation proposals pending action before the 96th Congress, will also be considered.

The United States faces an era of lowered expectations, as the decade of the 80s seems to promise scarcer resources and continued high rates of inflation. Proposition 13, the balanced budget movement and the calls for the removal of states from the general revenue sharing program are three intergovernmentally significant responses to this disturbing situation. Unfortunately, these measure can only temporarily quell taxpayer concerns because they deal with

symptoms, not the real ills, of the system. Indeed, over a period of time they can even aggravate the fiscal imbalance between the different levels of government by shifting financial responsibility and putting severe restraints on the ability of government to raise revenues and effectively allocate resources. The real -- and difficult -- problem that must be attacked is the fragmented way in which the federal government approaches the difficulties besetting the nation -- perhaps best illustrated by the grant-in-aid "non-system."

Federal aid programs and their dollar amounts have increased at a phenomenal rate in the last few decades. The number of categorical grants available to state and local governments (now 492) has almost tripled since 1963, while funding has increased tenfold in that period to the current \$82 billion level. This proliferation has long been criticized by recipients, program managers, the research and academic communities, and the general public for its attendant red tape, distortion of recipient priorities and limited success in achieving national goals. In an era of abundant funds and unlimited optimism concerning the results of national intervention, this criticism was easily ignored. Now, in a time of fiscal stress and cutbacks, more attention is being paid to the cost and impact of federal programs. There is a growing consensus that federal assistance must be streamlined, simplified, and made more effective if any kind of a rational system is to be established in the decade ahead.

One way to improve intergovernmental assistance and control the fragmentation evinced by the melange of hundreds of uncoordinated categorical grants is consolidation. The Mayor of York, Pennsylvania, voiced the opinion of many in recent hearings on grant reform conducted by the Senate Subcommittee on Intergovernmental Relations when she stated:

Clearly programs which cover a related functional area, have similar objectives, and serve the same types of recipient jurisdictions ought to be coordinated and/or unified. Because each program may have unique and complicated application, management and audit procedures, consolidation has the potential to improve the federal grant system by reducing paperwork and overall costs and putting a stop to the proliferation of conflicting program requirements.

Consolidation has received support from state and local government officials and their interest group representatives as well as from the Administration and members of Congress as a potentially effective way of restructuring federal assistance.

In both 1967 and 1977, the Advisory Commission on Intergovernmental Relations called for consolidation of federal grants-in-aid. Programs related by function, objectives, and types of recipient government were thought best suited for merger. ACIR strongly supports the concepts contained in the "Federal Assistance Reform Act of 1979," (S. 878 and H.R. 4504) as well as other legislation designed to restructure federal grant programs. .

Despite this backing, consolidation has not been given the widespread attention it warrants. Perhaps one reason for this is the general lack of understanding of the contemporary grant "non-system."

#### The Tripartite Grant Arrangement

The three types of existing federal grants to state and local government are intended to serve different purposes:

- Categorical grants are directed at specific programs and limited to narrowly defined activities. Depending on the strictness of conditions and the format for fund distribution, categoricals are further classified as project, formula-project, or open-ended.
- Block grants allow for greater user discretion than categoricals and address a wider range of problems. They go to general purpose governments and are allocated by formula. Block grants are found in the areas of health, law enforcement, manpower, community development, and social services.
- General revenue sharing funds are distributed by formula with very few restrictions concerning their use.

While categoricals tend to be the primary scapegoats for ACIR and others seeking to reform the grant system, there are many positive features of these grants including their ability to:

- stimulate state and local governments to meet specific national goals such as anti-discrimination, environmental protection, or the promotion of arts and culture;
- act as a catalyst in numerous program areas that warrant exploration such as national research and demonstration in health or natural resources;

- attract the attention of appropriate aid recipients;
- ensure that the monies are used for Congress' intended purposes, thanks to the various strings and conditions attached to the funding.

Many feel, however, that categorical grants need adjusting because of their many shortcomings. Critics, for instance, contend that while they account for almost two-thirds of the categorical grant total, project grants represent only a third of the funds, which results in insignificant, ineffective programs with high overhead costs. Other criticisms are:

- Categoricals are overly specific, fragmented or duplicative and difficult to administer.
- Requirements intended to promote accountability are unduly complex, inflexible and sometimes actually counterproductive.
- The political misuse and administrative abuse involved in the creation and implementation of some programs engenders cynicism and mistrust.
- Categoricals are targeted to pacify particular interest groups rather than address situations of pressing need.
- General purpose governments are unable to affect program decisions in the face of interest group and government agency program domination.
- The fragmented program array with its multiple funding opportunities allows applicants to play grantor agencies off against one another in order to get the most favorable terms and highest dollar amounts.
- Congress has difficulties in effectively overseeing a large number of project grants.

Examples of difficulties engendered by the current categorical situation abound. Particularly illustrative are those relating to overly specific programs, fragmentation, duplication and administrative aggravations.

### Specificity, Fragmentation and Duplication

According to a recent New York Times article, "when Washington thinks, Federal programs spring up like dandelions after a spring rain." Most commonly, a number of agencies end up addressing some aspects of a particular problem. This results either in overly specific programs, fragmentation among agencies, or duplication and overlap.

Federal aid can be directed at such very limited issues as the control of fires in inactive coal deposits or beekeeper indemnity payments. Such overdirection can have unexpected results. Lynn Cutler, Supervisor of Black Hawk County, Iowa, cites an example of unnecessary targeting where five-year-old needy children are excluded from federally funded nutrition programs because one program only provides for children up to the age of five and school lunch programs serve only children six or over.

Development assistance programs are offered by numerous agencies. An Office of Management and Budget printout of such programs is over 40 feet long. It is hard to believe that such proliferation does not result in duplication. A General Accounting Office study reports that a community of less than one million people had 44 separate federally funded employment and training programs empowered through 16 legislative authorities and administered through 9 different organizational units.

Program fragmentation examples are numerous. To quote Cliff Tuck, intergovernmental coordinator for Shelby County, Tennessee:

In 1973, we had an eye opening energy crisis. In 1979 we are still faced with an energy crisis coupled with galloping inflation and the possibilities of a recession on the horizon... only now we have 29 new energy assistance programs to deal with as well. Twenty of these energy programs are applicable to local government involvement. Fourteen of these programs are so new they still lack regulations and in many cases are not even listed in the 1979 edition of the Federal Domestic Assistance Catalog. USDA has 3 programs, HUD - 3, DOT - 3, SBA - 2, TVA - 1, EPA - 4, DOE - 8, HEW - 1, and EDA - 1... if that is efficient and economical anything... I must be a 5 eyed 3 pound visitor from outer space.

EPA, HUD, and EDA all have sewer construction programs in addition to the one in FmHA for communities with populations smaller than 10,000. Communities straddling this population figure obviously have difficulties deciding where to turn for aid. Six agencies have welfare programs. Before the Federal Emergency Management Agency was established, disaster

victims were shuttled between 42 federal agencies whose task was to provide emergency relief. One flood victim was forced to apply to 33 places for a standard temporary housing form.

Federal program fragmentation is reflected on the state and local levels. According to a writer on intergovernmental relations, J. C. Doherty, "special districts spawned by federal money are proliferating like frogs in a springtime swamp." Similarly, regional planning units created in response to the structural inadequacies of local governments have given rise to a highly fragmented regional system.

#### Administrative Aggravations

Recent ACIR surveys of state and local grant recipients, and federal administrators, as well as testimony of elected officials point to widespread dissatisfaction with federal grants. The requirements accompanying funding are too complex, the paperwork too staggering, and the monitoring too inadequate. Fifteen years after the United States government declared the elimination of poverty within a decade, local government officials still juggle with differing federal poverty criteria as they try to coordinate low income programs.

Doherty reports how some commissioners of a rural North Carolina county "were dumbfounded by two workers from the county welfare department who unrolled before their amazed eyes a scroll made up of forms required for an average case processed by the department. The scroll consisted of 67 letter-size pages taped together that stretched round virtually the entire room." This volume of paperwork was largely a result of federal compliance requirements.

Auditing can be another source of aggravation for grant recipients. For example, an Illinois Coastal Zone Management program and its sub-contractors were audited some dozen times within one year by the federal and state governments.

State and local government officials point to the lack of timely information, application processing delays, reporting requirements and uncertainty over costs as hindering effective service delivery. Often the difficulty of locating federal assistance, applying for it and complying with requirements can render federal aid useless to potential applicants. According to an editorial in Science, researchers spent some 2700 man years in 1978 applying for grants. This is an exorbitant amount of time considering that only one out of four proposals obtains funding.

As a result of this difficulty, some potential recipients are saying "no" to federal dollars. The state of Wyoming turned down a juvenile justice grant because it would have cost \$500,000 in paperwork to obtain \$200,000. In the Georgia Department of Education, no grant under \$5,000 is considered worth applying for. Tulsa, Oklahoma, spends an estimated 15 to 20% of all the federal aid it receives for the application and administration of federal grants. Funding complications can lead to situations where local governments are compelled to complete several budget drafts to anticipate possible decisions on federal aid awards and payment schedules.

Federal interagency differences add another dimension to the frustration experienced by participants in the grant system. A New Jersey housing project is stymied because HUD and EPA are stalemated over sewer line requirements. The New York Times cites another instance involving HUD in "the Catch-22 that defeated a small Kentucky community when it tried to combine EDA funds with a HUD grant to build a new sewerline. EDA approved of its share of the project contingent upon HUD's matching the EDA grant. HUD, meanwhile, had rejected the application because there was no 'firm commitment' of funds from EDA."

#### Consolidation Continuum

One way to reduce -- if not eliminate -- some of the current difficulties with the grant "non-system" is through consolidation, a generic term encompassing a number of approaches to combining programs. The resulting mergers can be ranged along a continuum based on variations in consolidation objectives, scope format, recipient discretion, and political viability.

Supporters of consolidation argue that it would achieve at least some of the following objectives: economy of reduced administrative costs; efficiency resulting in less paperwork and personnel; decentralization allowing for more recipient direction and decision making; generalist control where decisions are made by elected officials; increased discretion of using funds to meet most urgent targets; program enlargement when desirable; improved coordination with reduced duplication and overlap; as well as the stimulation of innovation.

Formats of consolidations usually fall in one of five areas:

- Structural consolidation encompasses a merger of program authorizations, modifying eligibility

requirements and perhaps shifting the jurisdiction of the federal administrative agency and giving recipients greater discretion over resource allocation. Three block grants -- Partnership for Health Act, the Comprehensive Employment and Training Act and the Housing and Community Development Act -- are examples of structural consolidations. This approach entails both legislative and administrative streamlining, and hence is the most thorough type of merger. It is not used often, however, largely because the resulting loss of program identity and disruption of agency-interest group-Congressional alliances is politically difficult to achieve.

- Procedural consolidation does not change basic program structure. Instead, it aims at reducing overhead by simplifying and combining planning, application, funding, reporting, auditing and administrative requirements. The Cooperative Forestry Assistance Act of 1978 is an example of an attempted procedural consolidation. The aim of this legislation is to consolidate funding at the state level, as well as to streamline administrative requirements. Successful procedural consolidations may eventually help pave the way to structural mergers.
- Jurisdictional consolidation is undertaken when departments and agencies are authorized to consolidate their programs targeted to certain geographic regions. At the moment the only example of such consolidation concerns the U.S. Insular areas (the Virgin Islands, Guam, American Samoa, the Trust Territory of the Pacific Islands and the Government of the Northern Mariana Islands). This form of consolidation maintains separate program authorizations while administrative requirements are streamlined. Recipients are given some latitude in the use of received funds.
- Consolidation by title occurs occasionally when a number of programs can be grouped under one heading for conceptual reasons as in the case of the Older Americans Act Amendments of 1978 or the proposed "National Economic Development and Public Works Act of 1979."



In the Older Americans Act, it was hoped that this form of consolidation would increase the visibility and impact of agencies handling the programs in question, as well as providing coordination for elderly resources despite the lack of any substantial program merger.

- Consolidation by agency is not a program consolidation in the strict sense of the word, but it does bring together related programs under one organization. This is the case, for instance, with the Federal Emergency Management Agency which combines programs previously administered by the Fire Administration, Federal Insurance Administration, Defense Civil Preparedness Agency, Federal Disaster Assistance Administration and Federal Preparedness Agency.

Two important considerations in any type of grant consolidation are recipient discretion and political viability.

Grant consolidation, particularly of the structural variety, increases recipient discretion in the allocation of funds. This is a positive improvement in the current grant system which is characterized by a federal government which, with increased frequency, is making policy decisions in traditionally state and local program areas. Ideally, the federal government should concern itself with determining broad national goals and policies while leaving the specifics of smaller program design and implementation to states and localities.

Despite the benefits of structural consolidation, the option is far less popular politically than procedural consolidation. The latter provides legislators with a visible program profile that is lost when grants are combined. Structural consolidation raises the specter of loss of program control for legislators, functional area administrators and special interest groups.

In light of the above considerations, the most appropriate candidates for consolidation are programs:

- closely related in terms of the functional program area covered;
- similar or identical with regard to their program objectives;
- linked to the same type(s) of recipient governmental jurisdictions.

Other such considerations might include the clientele involved, the region of the country, the time period in question, type of grants involved, matching requirements and Congressional committees involved with the different program areas.

Consolidated grants must be seen in their relation to the overall grant spectrum. In the range of federal aid options from categorical grants to general revenue sharing, consolidated grants can vary from structurally consolidated block grants to the loosely combined categoricals of a consolidation by title. Figure 1 places the various consolidation options on a federal assistance continuum ranging from categoricals to general revenue sharing.

### The Consolidation Record

Consolidation has been on the grant reform agenda for the last 30 years. The Hoover Commission in 1949 criticized the "fragmentation" of federal assistance programs. Although change has been gradual, some 60 mergers have actually taken place in the last 15 years. The late 60s and early 70s are significant in consolidation history in view of the increased momentum behind mergers, and particularly the creation of block grants. Although no new block grants have been created in the last five years, a number of consolidations have been proposed and enacted.

It is important to distinguish between block grants and categorical mergers when discussing consolidation. The two are easily confused since block grants can be a result of consolidation. The Partnership for Health Act in 1966 consolidated 9 categoricals, the Comprehensive Employment and Training Act in 1973 consolidated 17, and the Housing and Community Development Act in 1974 consolidated 6. Two block grants created entirely new programs: The Omnibus Crime Control and Safe Streets Act of 1968 and Title XX to the Social Security Act of 1935, passed in 1974.

The five features rendering block grants unique are: substantial recipient discretion; funds authorized for a wide range of functionally related activities; minimal federal administrative, planning, application, reporting and other requirements; aid distribution on a formula basis; and preference for general purpose governments.

Non-block mergers retain a variety of the original categorical features of narrow recipient discretion and stringent administrative requirements. Two non-block mergers which are sometimes confused with block grants are the Social Security Amendments of 1967 and the Education Amendments of 1974. The former consolidated maternal and child health and crippled children services; the latter merged eight categoricals into a libraries program as well as a program for learning resources, educational innovation and support.

Other consolidations have occurred in the fields of education, elderly programs, vocational and teacher training. Numerous other proposals have been set forth over the years concerning agricultural extension laws, transportation and rural community development with little success.

Three consolidations were enacted in 1977 and 1978 dealing with consolidated grants to the Insular areas, forestry and programs for the elderly.

Figure 1.

CONSOLIDATION FORMATS

<p style="text-align: center;">POLITICAL SUPPORT ON NATIONAL LEVEL</p> <p style="text-align: center;">↑</p> <p style="text-align: center;">↓</p> <p style="text-align: center;">RECIPIENT DISCRETION</p>	<p>GRS</p> <p>Some block grants and mergers</p>	<p>Joint program authorizations and administrative streamlining</p>	<p>S T R U C T U R A L   C O N S O L I D A T I O N</p>
		<p>Administrative streamlining (combined program planning, application, reporting, auditing, simplified funding)</p>	<p>P R O C E D U R A L   C O N S O L I D A T I O N</p>
			<p>J U R I S D I C T I O N A L   C O N S O L I D A T I O N</p>
	<p>Categorical grants</p>	<p>Separate program authorizations and administrative requirements</p>	<p>C O N S O L I D A T I O N   B Y   T I T L E</p>
		<p>C O N S O L I D A T I O N   B Y   A G E N C Y</p>	

Source: Advisory Commission on Intergovernmental Relations.

- Title V of Authorization, Appropriation - U.S. Territories (P.L. 95-134) authorizes the jurisdictional consolidation of grants by agency to the U.S. Insular areas of the Virgin Islands, Guam, American Samoa, the Trust Territory of the Pacific Islands and the Government of the Northern Mariana Islands. Any one of these areas may present a single grant application or report. It may allocate agency funds between programs based on its particular needs. An agency may waive any written application or matching requirement. The amount of funds for consolidated programs may not be less than it would be otherwise. Although this jurisdictional consolidation facilitates program administration and provides greater recipient discretion, it does not consolidate funding at the source. Program authorizations remain separate.

To date, consolidation suggestions concerning the insular areas have been made by the Federal Emergency Management Agency (FEMA), HEW's Office of Education and Public Health Service, as well as DOT. Of these, FEMA has actually administered a consolidated grant program in fiscal year 1979, while HEW has plans for FY 1980 and DOT for FY 1981. Although there is no stipulation concerning the types of grants to be consolidated, the ones considered by FEMA, HEW and DOT are primarily formula grants.

The two consolidated FEMA grants to the insular areas cover personnel, travel and administrative expenses as well as maintenance of services and community planning reports. The Office of Education provides the option of consolidating two or more of over 20 grants ranging from elementary, secondary, vocational, handicapped and higher education through library services as well as Indochinese refugee children assistance. The Public Health Service has six possible candidates for consolidation in the area of alcohol and drug abuse prevention, comprehensive public health services, hypertension, crippled children's as well as maternal and child health services. The six DOT programs are administered by FHWA, the Coast Guard and FAA and cover traffic safety, highways, rural transportation, hazard elimination, boating and airport development.

- The Cooperative Forestry Assistance Act of 1978 (P.L. 95-313) consolidated the following programs: Assistance to States for Tree Improvement (CFDA 10.655; 16USC568e), Cooperative Forest Fire Control (CFDA 10.656; 16USC563), Cooperation in Forest Management and Processing (CFDA 10.657; 16USC568c-d),

Cooperative Forest Insect and Disease Management (CFDA 10.658; 16USC594-1), Cooperative Production and Distribution of Forest Tree Planting Stock (CFDA 10.659; 16USC567), General Forestry Assistance (CFDA 10.660; 7USC2201) and Rural Community Fire Protection (CFDA 10.662; 7USC2651 and 2652). The current CFDA number for the consolidated program is 10.664.

The Act gives states more flexibility in targeting federal cooperative forestry funds. Although this is a procedural consolidation since the funding is made available through separate authorizations, states may, upon approval of an application, receive consolidated funds. Ideally, in the future, states will have single applications, reports and audits as well as rules and regulations for all programs. They are currently still being separately administered and funded.

- The Older Americans Act Amendments of 1978, (P.L. 95-478) consolidated under one title the 1965 Older Americans Act Titles III, Grants for State and Community Programs on Aging (42USC3021-3029, CFDA 13.633, 4); V Multipurpose Senior Centers (42USC3041-3043); and VII Nutrition Programs for the Elderly (42USC3045(a)-(i), CFDA 13.635). The new Title III provides separate program authorizations for social services, now including senior-centers, (CFDA 13.633 incorporating the former 13.639) and for home delivered and congregate meals (CFDA 13.635).

Although the program authorizations remain separate, this consolidation, largely by title, was felt to reduce duplication and overlap in outreach, advocacy, needs assessment, planning, staff training and administration. Action of this sort could eventually lead to both procedural and structural consolidations.

Several additional consolidations have been proposed in the Congress. The Senate has passed the "National Economic Development and Public Works Act of 1979" (S. 914, H.R. 2063). This bill consolidates under a single title grants in the areas of public works and economic adjustment, while retaining separate program authorizations. The bill makes no provisions for administrative streamlining.

The "Domenici-Bellmon Optional Education Simplification Act of 1978" (S. 1780) is slated for reintroduction in the fall of 1979. This legislation gives the states the option to consolidate a number of elementary and secondary education grant programs grouped into titles dealing with special education, vocational and adult education as well as special curriculum projects. States may choose these consolidated grants clusters or retain the current, more fragmented approach. The advantages of opting for this procedural consolidation are the concomitant streamlining of planning and application requirements.

This Act is interesting in that it allows the states the choice of participation and using a negotiated plan as a vehicle for laying out intergovernmental administrative relations. The separate program authorizations at the federal side would, on the other hand, placate both existing influential Congressional-executive agency-interest group alliances as well as those concerned about retaining federal control.

The "Bellmon-Domenici Food and Nutrition Program Optional Consolidation and Reorganization Act of 1979" (S. 605) would also allow the states the option to choose reorganized and consolidated program funding. Programs to be consolidated include 14 in the areas of child feeding, food and nutrition education, as well as the commodity supplemental food program. The proposed consolidation of the food stamp program will likely be dropped. Under this procedural consolidation, the states may establish and administer programs to meet their specific needs in the above areas with some added discretion. Funding would be determined based on previous application.

The proposed "Integrated Environmental Assistance Act of 1979" (S. 1136; H.R. 4213) combines programs from such legislation as the Federal Water Pollution Control Act, as amended (33USC1151 et seq.) and the Safe Drinking Water Act (42USC300f et seq.). Environmental problems would be addressed by one coherent plan. The states would develop their own environmental programs to combat local problems. Recipient flexibility would increase by allowing up to 20% transfer of funds from one program to another. Single application, combined audit and progress reports would simplify program administration in this procedural consolidation.

The "Energy Management Partnership Act of 1979" (S. 1280; H.R. 4382) consolidates the State Energy Conservation Program (CFDA 81.043; 42USC6322)

and Energy Extension Service (42USC7005). The procedural consolidation calls both for simplified administration and joint funding at the state level.

The Carter administration has offered consolidation suggestions in the areas of highways and mass transit. As yet, no action has been taken on these. The Office of Management and Budget is studying the possibility of consolidations in the fields of health services, library resources, interstate highways, rural development and human development services for the FY 1981 budget.

Various states -- such as Connecticut, South Carolina and Texas-- as well as public interest groups -- such as the National Governors' Association, the National League of Cities and the National Conference of State Legislatures -- have considered consolidation measures that would simplify and streamline the federal aid process. In fact, the National Governors' Association has proposed a 10% reduction of state program costs in exchange for greater flexibility. The widespread interest highlights the need for facilitating legislation that would allow for grant consolidation in general.

The case of executive reorganization has demonstrated that efforts at change are likely to be stymied by statutory obstacles unless preventive legislation is enacted. Congressional pigeonholing of consolidation legislation is a perennial problem. For these reasons, functional consolidation must go hand in hand with overall consolidation legislation such as proposed in Titles II of S. 878 "Federal Assistance Reform Act" and S. 904 "Federal Assistance Reform and Small Communities Act."

#### Pending Federal Assistance Reform Legislation

Recent grant reform legislation indicates both a need for further action, as well as an encouraging interest in the issue. The two most promising areas currently under consideration by the Congress are sunset (S. 2 and H.R. 2) and grant reform (S. 878, H.R. 4504; S. 904). The two actually complement each other. Sunset evaluation of programs suited for termination would provide much of the necessary information for grant reform.

The two grant reform bills, the "Federal Assistance Reform Act" (FARA) (S. 878, H.R. 4504) and the "Federal Assistance Reform and Small Communities Act of 1979" (S. 904) address a number of vital issues in the grant-in-aid arena including grant consolidation. Both bills would provide for a permanent process for any proposed functional consolidation. The power of initiative rests in the executive branch since the President,

at his discretion, suggests various consolidation measures to Congress. To ensure prompt attention, the consolidation proposal must be considered in the appropriate committee within 90 days. In case of no action by committee, the resolution is placed on the calendar of the house involved. Under S. 878 and its companion bill H.R. 4504 the President shall report annually to Congress on the consolidation packages and their implementation (S. 904 excludes this requirement). The programs to be consolidated must be functionally related. They must be administered by a single agency previously responsible for them. If in conflict with another statute, the consolidation package supercedes it, when so specified. S. 904 considers proposed consolidation packages only to 1981; FARA to 1984.

The main benefits of Titles II of FARA and S. 904 would be to establish a permanent consolidation process and stimulate Congressional commitment to expeditiously deal with Presidential grant consolidation initiatives. While this measure is only as good as the cooperation of the various parties involved, its existence would serve to remind the public of the possibility of good government and the saving of tax dollars.

#### Conclusion

In order to facilitate consideration of grant consolidation, ACIR has updated its 1977 list of possible consolidations. That list is attached as Appendix A.

It should be noted that those who complain about the ramifications of program fragmentation often also help encourage the situation. Interest groups pressure an acquiescing Congress into creating special programs. State and local governments do solicit and accept federal grant funds. Obviously some self examination and rearranging of priorities is necessary if grant consolidation is to become a reality. Several public interest groups have begun this reassessment by exploring grant consolidation as a trade-off for reduced grants-in-aid, as has been noted. As our nation adjusts to the new and enduring environment of fiscal constraint, pressure will continue to grow for such cost-saving, economy producing strategies. In light of these pressures, grant consolidation, not grant proliferation, should characterize our federal grant system in the decade of the 1980s.



APPENDIX A

ACIR's LIST OF POTENTIAL  
CATEGORICAL GRANT CONSOLIDATIONS

KEY:

Recipient Key: 1. State  
2. State and Local  
3. Local  
4. Governmental and non-governmental

Matching Code for 33-67 Federal share is variable between 33% and 67%  
Percentage of 80,30 Federal share declines over time from 80% to 30%  
Federal Funds: 50/75 Federal share is different for different types  
of activities  
CS Federal share is less than 100%, but not specified  
14  
X Federal payment is flat rate per meal served.

Grant Type: F: Formula  
P: Project

Administering Agency: ACT: Action  
AGR: Department of Agriculture  
DOT: Department of Transportation  
EPA: Environmental Protection Agency  
OE: Office of Education (DHEW)  
OHDS: Office of Human Development Services (HUD)  
PHS: Public Health Service (DHEW)

CFDA 1978 Catalog of Federal Domestic Assistance

\* Asterisk indicates program added since 1977.

The following change in the 1979 CFDA should be noted:  
13.464, formerly called Library Services - Grants for Public Libraries is  
now entitled Library Services and Construction Act.

<u>U.S. Code Agency CFDA No.</u>	<u>Program Title</u>	<u>Grant Type</u>	<u>Percentage of Federal Funds</u>	<u>Recipient</u>	<u>Budget Subfunction</u>
	<u>HIGHWAY BEAUTIFICATION</u>				<u>406</u>
23USC136 DOT 20.214	Highway Beautification: Control of Junkyards	P	75	1	6
23USC131 (g), 131 (j) DOT 20.2214	Highway Beautification: Control of Outdoor Ad- vertising	P	75	1	7
23USC319 DOT --	Highway Beautification: Landscaping and Scenic Enhancement	F	100	1	8
	<u>TRANSPORTATION SAFETY</u>				<u>401</u>
23USC402(a)-(d) DOT 20.600	Highway Safety: Basic Grants	F	70	1	9
23USC130,130 <u>note</u> , 120 DOT --	Highway Safety: Elimi nating Hazards Railway- Highway Crossings	F	90	1	10
23USC402(j) DOT --	Highway Safety: Incent- ive Grants: Seat Belt Law	F/P	70	1	11
23USC402(j) DOT --	Highway Safety: Incent- ive Grants: Reduced Traffic Fatalities	F/P	70	1	12
23USC153,420(c) DOT --	Highway Safety: Program for the Elimination of Roadside Obstacles	F	90	1	14
23USC152,402(c) DOT --	Highway Safety: Projects for High Hazard Locations	F	90	1	15
23USC144 DOT --	Highway Safety: Special Bridge Replacement Program	F/P	75	1	19
15USC1961,1963 DOT --	Motor Vehicle Diagnostic Inspection Demonstration Projects	P	90	1	32

<u>U.S. Code Agency CFDA No.</u>	<u>Program Title</u>	<u>Grant Type</u>	<u>Percentage of Federal Funds</u>	<u>Recipient</u>	<u>Budget Subfunction</u>
	<u>VOCATIONAL REHABILITATION</u>				<u>506</u>
29USC771(b) OHDS 13.626	Vocational Rehabilitation and Other Rehabilitation Services: Special Federal Responsibilities: Rehabilitation Facilities Construction Grants	P	50-67	4	40
29USC771(c) OHDS 13.626	Vocational Rehabilitation and Other Rehabilitation Services: Special Federal Responsibilities Initial Staffing Grants	P	75,30	4	41
29USC771(d) OHDS 13.626	Vocational Rehabilitation and Other Rehabilitation Services: Special Federal Responsibilities: Rehabilitation Facilities Planning Grants	P	90	4	42
29USC772(c) OHDS 13.626	Vocational Rehabilitation and Other Rehabilitation Services: Special Federal Responsibilities: Rehabilitation Facility Improvement Grants	P	80	4	43
29USC772(b) OHDS 13.626	Vocational Rehabilitation and Other Rehabilitation Services: Special Federal Responsibilities: Vocational Training Services for Handicapped Individuals	P	90	4	44
29USC730 OHDS 13.624	Vocational Rehabilitation and Other Rehabilitation Services: Vocational Rehabilitation Services: Basic Grants to States	F	80/50-67	1	45
29USC740 OHDS 13.626	Rehabilitation Services: Innovation and Expansion	F	90	1	47

<u>U.S. Code Agency CFDA No.</u>	<u>Program Title</u>	<u>Grant Type</u>	<u>Percentage of Federal Funds</u>	<u>Recipient</u>	<u>Budget Subfunction</u>
	<u>CHILD NUTRITION AND SCHOOL MEALS</u>				604
7USC612c AGR 10.550	Food Distribution	P	100	4	17
42USC1755 AGR 10.550	Food Distribution: Differential Payments	F	100	1	18
42USC1774 AGR 10.554	Child Nutrition Programs: Equipment Assistance for School Service Programs	F	75	4	8
42USC1773(a) AGR 10.533	Child Nutrition Programs: School Breakfast Program	F	14 X	4	11
42USC1752,1753 AGR 10.555	Child Nutrition Programs: School-Lunch Food Assis- tance Programs	F	25	1	12
42USC1759a(a) AGR 10.555	Child Nutrition Programs: Special Assistance for Free and Reduced-Price School Lunches	F	14 X	1	13
42USC1761 AGR 10.559	Child Nutrition Programs: Summer Food Service Pro- gram for Children	F	100	1	15
42USC1772 AGR 10.556	Special Milk Program for Children	F	14 X	4	25
42USC1776 AGR 10.560	Child Nutrition Programs: State Administrative Expenses	F	100	1	14

<u>U.S. Code</u> <u>Agency</u> <u>CFDA No.</u>	<u>Program Title</u>	<u>Grant</u> <u>Type</u>	<u>Percentage</u> <u>of Federal</u> <u>Funds</u>	<u>Recipient</u>	<u>Budget</u> <u>Subfunction</u>
	<u>PREVENTIVE AND PROTECTIVE</u> <u>HEALTH</u>				<u>551</u>
42USC4571 PHS 13.257	Alcohol Basic Grants	F	100	1	3
42USC4574(a) PHS 13.290	Alcohol Abuse and Alco- holism Prevention, Treatment and Rehabili- tation: Special Projects to Implement the Uniform Act	P	100	1	2
42USC4577* PHS 13.899	Alcohol Abuse and Alco- holism Prevention Demonstration	P	100	4	1
42USC300d-2 (a) PHS 13.284	Emergency Medical Ser- vices: Establishment and Initial Operation of System	P	50,25	4	19
42USC300d-1 (a) PHS 13.284	Emergency Medical Ser- vices: Feasibility Studies and Planning	P	100	4	21
42USC701(2), 702(2) PHS 13.211	Maternal and Child Health and Crippled Children's Services: Crippled Children's Service: Basic Grants	F	50	1	34
42USC703(2) PHS 13.232	Maternal and Child Health and Crippled Children's Services: Maternal and Child Health Special Projects	P	100	4	37
42USC247d(d) PHS 13.246	Migrant Health Centers Operations.	P	CS	4	43

<u>U.S. Code Agency CFDA No.</u>	<u>Program Title</u>	<u>Grant Type</u>	<u>Percentage of Federal Funds</u>	<u>Recipient</u>	<u>Budget Subfunction</u>
	<u>PREVENTIVE AND PROTECTIVE HEALTH</u>				<u>551</u>
42USC26881 PHS 13.254 13.280	Narcotic Addiction: Drug Abuse and Drug Dependence Preventions and Rehabilitation: Survey and Demonstration Projects	P	100	4	45
42USC247b PHS 13.268	Communicable and Other Disease Control Programs: Measles Control	P	100	2	8
42USC247b PHS 13.268	Communicable and Other Disease Control Programs: Control of Diseases other than Tuberculosis or Measles	P	CS	2	9
42USC1176 PHS 13.269	Drug Abuse: Prevention and Treatment: Basic Grants	F	100	1	17
42USC4801(e) PHS 13.266	Lead-based Paint Poisoning Prevention: Detection and Treatment of Lead-based Paint Poisoning: Centralized Laboratory Facilities	P	100	1	32
42USC4801(a) PHS 13.266	Lead Based Paint Poisoning Prevention: Detection and Treatment of Lead-based Paint Poisoning: Development of Local Programs	P	90	4	33
42USC247(b) PHS 13.267	Urban Rat Control	P	CS	2	54
42USC247c(d)	Venereal Disease Prevention and Control Programs: Project Grants	P	CS	2	55
42USC247c(b) PHS 13.268	Veneral Disease Prevention and Control Programs: Research, Demonstration and Training Projects	P	CS	4	56

<u>U.S. Code</u> <u>Agency</u> <u>CFDA No.</u>	<u>Program Title</u>	<u>Grant</u> <u>Type</u>	<u>Percentage</u> <u>of Federal</u> <u>Funds</u>	<u>Recipient</u>	<u>Budget</u> <u>Subfun</u>
	<u>STATE EDUCATION ASSISTANCE</u>				<u>501</u>
20USC2380 OE 13.494	State Vocational Education Programs: Consumer and Homemaking Education	F	50/90	1	62
20USC2330 OE 13.493	State Vocational Education Programs: Basic Grant	F	50/100	1	61
20USC2370 OE 13.499	State Vocational Education Programs: Special Programs for the Disadvantaged	F	100	1	63
20USC2305 OE 13.500	State Vocational Education Programs: State and Local Advisory Councils	F	100	1	65
20USC2304 OE 13.493	State Vocational Education Programs: State Administration	F	100	1	64
	<u>COMPREHENSIVE URBAN TRANSPORTATION</u>				<u>401</u>
23USC104(b) (3),103 DOT --	Highways: Federal Aid Primary and Secondary Systems: Extensions within Urban Areas	F	70	1	21
23USC104(b) (6),103(d) DOT --	Highways: Federal-Aid Urban Systems	F	70	1	24
23USC146 DOT --	Highways: Special Urban High Density Traffic Program	P	90	1	30
23USC104(f), 134 DOT --	Transportation Planning in Urban Areas	F	70/90	1	35
23USC135 DOT --	Urban Area Traffic Operations Improvement	P	100	1	36

<u>U.S. Code Agency CFDA No.</u>	<u>Program Title</u>	<u>Grant Type</u>	<u>Percentage of Federal Funds</u>	<u>Recipient</u>	<u>Budget Subfunction</u>
	<u>COMPREHENSIVE URBAN TRANS- PORTATION</u>				<u>404</u>
49USC1604 DOT 20.507	Urban Mass Transportation Capital and Operating Assistance Formula Grants	F	50/80	3	1
49USC1607b DOT 20.503	Urban Mass Transportation: Managerial Training Pro- grams	P	75	2	4
49USC1607a DOT 20.505	Urban Mass Transportation: Technical Studies	P	80	2	7
49USC1602(a) DOT 20.500	Urban Mass Transportation: Facilities and Equipment	P	80	2	3
49USC1613* DOT 20.508	Urban Mass Transportation: Rail Passenger Service Assistance	P	50	2	5
	<u>COMPREHENSIVE STATE TRANS- PORTATION</u>				<u>401</u>
23USC321 DOT --	Education and Training Pro- grams for Highway Personnel	F	70	1	5
23USC125,120 DOT --	Highways: Emergency Relief	P	70	1	20
23USC104(b) (1),103(b) DOT --	Highways: Federal-Aid Primary System in Rural Areas	F	70	1	22
23USC104(b) (2),103(c) DOT --	Highways: Federal-Aid Secondary System in Rural Areas	F	70	1	23
23USC204,202 (a) DOT --	Highways Forest Highways	F	100	2	25



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	<u>COMPREHENSIVE STATE TRANSPORTATION</u>				<u>401</u>
23USC104(b) (5),103(e) DOT 20.205	Highways: Interstate System	F	90	1	26
23USC147 DOT --	Highways: Priority Primary Routes	F	70	1	27
23USC209, 202(c) DOT --	Highways: Public Land Highways	F/P	100	1	28
23USC307(c) DOT --	Surveys, Planning, Research and Development for Highway Programs	F	70/90	1	34
	<u>WATER POLLUTION PREVENTION AND CONTROL</u>				<u>304</u>
42USC300j-3 (a) EPA 66.506	Safe Drinking Water Research and Demonstration	P	67/75	4	9
33USC1288(f) EPA 66.426	Water Pollution Control: State and Areawide Waste Treatment Management and Planning Grants	P	75	2	22
33USC1256 EPA 66.419	Water Pollution Control: State and Interstate Programs	F/P	100	1	23
33USC1281(g) EPA 66.418	Water Pollution Control: Waste Treatments Works Construction	F/P	75	2	35
33USC1255(e) (2) EPA 66.505	Water Pollution Control: Research and Development Pollution from Sewage in Rural Areas	P	95	4	25

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	<u>PUBLIC LIBRARY AID</u>				<u>503</u>
20USC355e OE 13.465	Public Library Programs: Inter-library Cooperation	F	100	1	15
20USC352 OE 13.464	Public Library Services	F	33-67	1	16
20USC441,442 (a)443(a)(1) 44(a) OE 13.570	Strengthening Instruc- tion in Science, Math, Languages, and Other Cri- tical Subjects: Equipment and Minor Remodeling	F	50	1	17
20USC18010* 1806,1821 OE 13.570	Libraries and Learning Re- sources	F	100	1	10
	<u>CHILD WELFARE SERVICES</u>				<u>506</u>
42USC5103(b) OHDS 13.628	Child Abuse and Neglect Prevention and Treatment: Assistance to States for Developing, Strengthening and Conducting Programs	F/P	100	1	7
42USC620 OHDS 13.645	Child Welfare Services: Basic Grants to States	F	67-33	1	9
42USC5711, (5713,5716 5751(a)) OHDS 13.623	Developing Local Facilities for Runaway Youths	P	90	4	11
	<u>DOMESTIC VOLUNTEER SERVICES</u>				<u>506</u>
42USC5011(a) ACT 72.001	Domestic Volunteer Ser- vices: Foster Grandparent Program	P	90	4	15
42USC5001 ACT 72.002	Domestic Volunteer Ser- vices: Retired Senior Volunteer Programs (RSVP)	P	90/70	4	16
42USC5011(b) ACT 72.008	Domestic Volunteer Ser- vices: Senior Health Aids and Senior Companions	P	90	4	17



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