GRANT-IN-AID PROGRAMS ENACTED
BY THE 2nd SESSION OF THE
88th CONGRESS
A Supplement to Report A-19

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS
March 1965
In its report, *The Role of Equalization in Federal Grants*, The Advisory Commission described the Federal grants to State and local governments in effect on January 1, 1964. This supplement to the earlier report describes all the grant-in-aid programs enacted by the 2nd session of the 88th Congress, which adjourned on October 3, 1964.
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<th>Agency and Program</th>
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* Not specified.  #Guidelines only.  1/ See program description.
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<td>5. Extension and Expansion of Hospital and Medical Facilities Construction Program; 3/</td>
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* Not specified. #Guidelines only. 2/ Amends the previously established program for "Development of Library Services in Rural Areas." 3/ Amends the previously established hospital and medical facilities (Hill-Burton) program. The two new components listed here are in addition to the regular Hill-Burton grants, which are extended by P.L. 88-443 through fiscal year 1969.
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<td>7. Urban Mass Transportation</td>
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# Guidelines only.  4/ Variable, based on equalization formula.
### Grant-in-Aid Programs Enacted by the 2nd Session of the 88th Congress (Cont'd)

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5/ Based on proceeds from certain fees and other revenue sources credited to the land and water conservation fund.
ADMINISTRATION OF FOOD STAMP PROGRAM
(P.L. 88-525, August 31, 1964)

Administering Agency

Department of Agriculture

Purpose

To assist States in determining the eligibility of certain households for participation in the food stamp program.

Amount of Statutory Authorization

Not specified; amount required is to be made available from the authorization for the food stamp program: $75 million for fiscal year 1965; $100 million for fiscal 1966; and $200 million for fiscal 1967.

Apportionment Formula

There is no initial allocation of Federal funds among the States. The amount of the Federal payment is 50 percent of the sum of (1) salary costs in connection with eligibility investigations of households not receiving any public assistance; (2) travel and related costs in connection with such investigations; and (3) up 25 percent of the costs computed under (1) and (2).

Matching Provisions

See "Apportionment Formula."
LOW-RENT HOUSING FOR DOMESTIC FARM LABOR
(P.L. 88-560, Title V, September 2, 1964)

Administering Agency

Department of Agriculture

Purpose

To assist State and local governments in providing low-rent housing and related facilities for domestic farm laborers.

Amount of Statutory Authorization

$10 million until September 30, 1965.

Apportionment Formula

Apportionment of the Federal funds is at the discretion of the Secretary of Agriculture, subject to his finding that (1) provision of such housing will fulfill a pressing need in the area to which financial assistance is extended; (2) that the applying government will provide at least one-third of the development cost from its own resources or from borrowed funds; (3) the types of housing and related facilities to be provided are most practical; and (4) the construction will be in an economical manner.

Matching Provisions

Federal, up to 2/3 of the total development cost.
Administering Agency

Office of Economic Opportunity

I. Work-Training Programs (Title I, Part B)

Purpose

To increase the employability of unemployed youths (aged 16 to 21) by enabling them to resume or continue their education while employed in State or community activities.

Amount of Statutory Authorization

$412.5 million authorized for youth programs, including the Job Corps, under Title I, for fiscal year 1965, and unspecified authorization for fiscal years 1966 and 1967. The work-training programs are estimated to cost $150 million in fiscal 1965.

Apportionment Formula

Funds are to be allotted among the States on the basis of population, unemployment, and family income levels. No State is to be allotted more than 12½ percent of the amount appropriated for any fiscal year.

Matching Provisions

Federal, up to 90 percent through August 20, 1966; up to 50 percent thereafter. Non-Federal contributions may be in cash or in kind, including the provision of plant, equipment, and services.
II. Work-Study Programs (Title I, Part C)

Purpose

To stimulate and promote the part-time employment of students in institutions of higher education who are from low-income families and in need of the earnings from such employment to pursue courses of study at such institutions.

Amount of Statutory Authorization

Of the $412.5 million authorized for youth programs (Title I) for fiscal year 1965, it is estimated that the work-study programs will cost $72.5 million.

Apportionment Formula

After reserving an amount sufficient to provide grants to institutions of higher education to establish and administer the programs, the remainder is allotted among the States:

1/3 in proportion to full-time enrollment in institutions of higher education;

1/3 in proportion to the number of high school graduates; and

1/3 in proportion to the number of children under 18 years of age living in families with annual incomes of less than $3,000.

Matching Provisions

Federal, up to 90 percent through August 20, 1966; up to 75 percent thereafter.
ECONOMIC OPPORTUNITY ACT OF 1964 (Cont'd)

III. General Community Action Programs (Title II, Part A)

Purpose

To assist local communities to mobilize their resources to combat poverty.

Amount of Statutory Authorization

$340 million authorized for community action programs and adult basic education programs under Title II for fiscal year 1965, and unspecified authorization for fiscal years 1966 and 1967. The community action programs, including financial assistance for their development, technical assistance, and research, training, and demonstrations are estimated to cost $315 million in fiscal 1965.

Apportionment Formula

After reserving 2 percent for allotment to territories and 20 percent as a discretionary fund for the Director of the Office of Economic Opportunity, the remainder is allotted among the States:

1/3 in proportion to the number of public assistance recipients;

1/3 in proportion to the number of unemployed persons; and

1/3 in proportion to the number of children under 18 years of age living in families with annual incomes of less than $1,000.

Statutory guidelines are also provided for allocating funds among the areas, rural and urban, within each State, under which the Director is to consider the following factors (in terms of relative numbers): (1) low-income families, particularly with children;
ECONOMIC OPPORTUNITY ACT OF 1964 (Cont'd)

(2) unemployed persons; (3) persons receiving cash assistance on a needs basis from public or private agencies; (4) school dropouts; (5) adults with less than eighth-grade education; (6) persons rejected for military service; (7) persons living in urban places relative to number living in rural places.

Matching Provisions

Federal, up to 50 percent through August 20, 1966; up to 50 percent thereafter. Non-Federal contributions may be in cash or in kind, including the provision of plant, equipment, and services.

IV. Adult Basic Education Programs (Title II, Part B)

Purpose

To assist States and local communities to provide basic education and literacy training to adults.

Amount of Statutory Authorization

Of the $340 million authorized for programs under Title II for fiscal year 1965, it is estimated that the basic education programs will cost $25 million.

Apportionment Formula

After reserving 2 percent for allotment to territories, the remainder is allotted to the States in proportion to the number of individuals who have attained 18 years of age and have no more than a fifth-grade education.
Matching Provisions

Federal, 90 percent through June 30, 1966; 50-50 sharing for fiscal year 1967.

V. Assistance for Migrant, and Other Seasonally Employed, Agricultural Employees and their Families. (Title III, Part B)

Purpose

To assist State and local governments in establishing and operating housing, sanitation, education, and day-care programs for migrant farm workers and their families.

Amount of Statutory Authorization

Up to $15 million for fiscal year 1965, to be made available from amounts authorized under other titles of the Economic Opportunity Act of 1964.

Apportionment Formula--None.

Matching Provisions--None.
PUBLIC LIBRARY SERVICES AND CONSTRUCTION*
(P.L. 88-269, February 11, 1964)

Administering Agency

Department of Health, Education, and Welfare

Purpose

To stimulate State extension of library services and facilities to areas (rural and urban) lacking adequate services.

Amount of Statutory Authorization


Apportionment Formula

(1) Each State receives a basic annual allotment of $100,000 for services and $80,000 for construction.

(2) The remainder of Federal funds is allocated to the States on the basis of population.

Matching Provisions

Variable, Federal participation ranges from 33 percent to not more than 66 percent of the program cost (in the case of library services) and the project cost (in the case of construction). The Federal share is defined as 100 percent less the State percentage. The latter is that percentage which bears the same ratio to 50 percent as the per capita income of the State bears to the per capita income of the United States. As noted above, upper and lower limits are fixed for the Federal share at 66 and 33 percent.

* Amends the previously established program for "Development of Library Services in Rural Areas." See Advisory Commission Report The Role of Equalization in Federal Grants, p. 209.
EXTENSION AND EXPANSION OF HOSPITAL AND MEDICAL FACILITIES CONSTRUCTION PROGRAM*
(P.L. 88-443, August 18, 1964)

Administering Agency

Department of Health, Education, and Welfare

Purpose

To assist the States in financing the construction and modernization of public and other nonprofit hospitals, public health centers, long-term care facilities, diagnostic and treatment centers, and rehabilitation facilities; and to help finance the preparation of comprehensive regional, metropolitan area, or other local area plans for coordination of existing and planned health facilities. Local sponsors of hospitals and other medical facilities have the option of obtaining 40-year loans at low interest rates, in lieu of grants. Loan funds are paid from the State's grant allotment.

Amount of Statutory Authority


* Amends the previously established hospital and medical facilities construction (Hill-Burton) program. See Advisory Commission Report, The Role of Equalization in Federal Grants, p. 168.
Construction of long-term care facilities--$70 million annually, fiscal years 1965 through 1969.

Construction of diagnostic or treatment centers--$20 million annually, fiscal years 1965 through 1969.

Areawide planning (project) grants--$2.5 million for fiscal year 1965 and $5 million annually thereafter through fiscal year 1969.

Apportionment Formula

New construction--Funds are allotted to each State according to the ratio that the State's population, weighted by the square of its "allotment percentage," bears to the sum of the corresponding weighted populations for all the States.

A State's allotment percentage is defined as 100 percent less the State percentage. The latter is that percentage which bears the same ratio to 50 percent as the per capita income of the State bears to the per capita income of the United States. Upper and lower limits are fixed for the allotment percentage at 75 and 33-1/3 percent.

Minimum allotments are provided:

(a) for hospitals and public health centers, $200,000 per State;

(b) for long-term care facilities, $200,000;

(c) for diagnostic or treatment centers, $100,000; and

(d) for rehabilitation facilities, $50,000.
Modernization--Funds are allotted to each State on the basis of (1) population, (2) the extent of the need for modernization of hospital and medical facilities, and (3) financial need.

Areawide planning (project) grants--There is no initial allocation of grant funds to the States. Up to half of the costs of approved projects may be met from Federal funds.

Administration of State plan--Each State may use up to 2 percent of the construction funds allotted to it annually (but not more than $50,000 a year) to meet up to half the cost of administering its State plan.

Matching Provisions

Construction and Modernization--Variable; Federal participation ranges from one-third to not more than two-thirds of the total eligible project cost, based upon the allotment percentage (see "Apportionment Formula"). Variations may be developed, under the State plan, whereby Federal participation will differ for projects in different parts of the State on the basis of criteria related to the economic status of areas (but within the one-third to two-thirds range). For projects other than hospitals, the State plan may call alternatively for straight 50-50 sharing.

Areawide planning--See "Apportionment Formula."

Administration of State plan--See "Apportionment Formula."
EXPANSION AND IMPROVEMENT OF NURSE TRAINING
(P.L. 88-581, September 4, 1964)

Administering Agency
Department of Health, Education, and Welfare

I. Construction Grants

Purpose
To assist in the financing of the construction of new facilities or replacement or rehabilitation of existing facilities for collegiate schools of nursing and for associate degree or diploma schools of nursing.

Amount of Statutory Authorization

Apportionment Formula
There is no initial allocation of grant funds among the States. Up to 2/3 of the cost of approved new facilities and up to 50 percent of the cost of rehabilitation projects may be met from Federal funds, as determined by the Surgeon General.

Matching Provisions
See "Apportionment Formula."

II. Improvement of Nurse Training

Purpose
To enable schools of nursing to strengthen, improve, and expand programs to teach and train nurses.

Amount of Statutory Authorization
$2 million for fiscal year 1965, $3 million for fiscal year 1966, $4 million annually for fiscal years 1967 through 1969.
EXPANSION AND IMPROVEMENT OF NURSE TRAINING (Concl'd)

Apportionment Formula

There is no initial allocation of grant funds among the States. Grants are made to public and other nonprofit schools of nursing at the discretion of the Surgeon General.

Matching Provisions--None.

III. Grants to Diploma Schools of Nursing

Purpose

To help defray the cost to diploma schools for training the additional nursing students enrolling as a result of P.L. 88-581.

Amount of Statutory Authorization

$4 million for fiscal year 1965; $7 million for fiscal year 1966; $10 million annually for fiscal years 1967 through 1969.

Apportionment Formula

There is no initial allocation of grant funds among the States. Each diploma school of nursing is to receive for each fiscal year $250 times the sum of (1) the number of students enrolled in the school on a full-time basis who received a loan for that year of $100 or more under P.L. 88-581 and (2) the number by which the full-time enrollment in such school during the year exceeds the average enrollment in such school during the three fiscal years ending June 30, 1962, 1963, and 1964. However, no school may receive more than $100 per full-time student enrolled in any year.

Matching Provisions--None.
URBAN MASS TRANSPORTATION
(P.L. 88-365, July 9, 1964)

Administering Agency

Housing and Home Finance Agency

Purpose

To assist the States and local governments in financing the acquisition, construction, reconstruction, and improvement of facilities and equipment for use, by operation or lease or otherwise, in mass transportation service in urban areas, and in coordinating such service with highway and other transportation service in such areas.

Amount of Statutory Authorization


Apportionment Formula

There is no initial allocation of grant funds among the States. Up to 2/3 of the "net project cost" may be met from Federal funds. In addition, 100 percent of relocation payments, within specified limits ($200 per individual or family and $3,000 or actual moving expenses per business) will be paid from Federal funds. Project grants in any one State may not exceed 12½ percent of the aggregate amount authorized to be appropriated for that purpose.

Matching Provisions

See "Apportionment Formula."
TRAINING AND RESEARCH IN COMMUNITY DEVELOPMENT
(P.L. 88-560, Title VIII, September 2, 1964)

Administering Agency

Housing and Home Finance Agency

Purpose

To assist the States, in cooperation with colleges, universities, and urban centers, in developing and expanding training programs designed to provide technical and professional employees needed by State and local governments to carry out their responsibilities for community development, and to support State and local research in community development problems.

Amount of Statutory Authorization

$10 million, in aggregate, without fiscal year limitation.

Apportionment Formula

There is no initial allocation of Federal funds among the States, except that no State may be allotted more than 10 percent of the amount appropriated.

Matching Provisions

Federal, 50 percent; State, 50 percent.
COMMERCIAL FISHERIES RESEARCH AND DEVELOPMENT
(P.L. 88-309, May 20, 1964)

Administering Agency

Department of the Interior

Purpose

To assist the States in carrying out projects designed for the research and development of the commercial fisheries resources of the Nation.

Amount of Statutory Authorization

$5 million annually through fiscal year 1969 to be apportioned among the States on a formula basis. An additional $500 thousand for fiscal 1965 and $750 thousand annually for fiscal 1966 through 1968, available for distribution at the discretion of the Secretary of the Interior.

Apportionment Formula

Amount authorized for apportionment ($5 million annually) allocated in proportion that each State's average value of raw fish harvested by domestic commercial fisherman plus the average value of manufactured and processed fishery merchandise bears to the U.S. total. No State to receive less than 1/2 of 1 percent nor more than 6 percent of the funds allocated.

Matching Provisions

Federal, up to 75 percent of the estimated project cost; State, balance.
Administering Agency

Department of the Interior

Purpose

To stimulate, sponsor, provide for, and supplement programs for the conduct of research, investigations, experiments, and the training of scientists in the fields of water and resources affecting water in State land grant institutions of higher education.

Amount of Statutory Authorization

$4.8 million for fiscal 1965, $6.5 million for fiscal 1966, $8.1 million for fiscal 1967, $9.1 million for fiscal 1968, and $10.1 million for each fiscal year thereafter.

Apportionment Formula

(1) Equal amount to each State: $75,000 in fiscal 1965, $87,500 in fiscal 1966, and $100,000 in each fiscal year thereafter.

(2) An additional amount to be distributed each year, within the limits of the authorization, as matching grants for approved projects.

Matching Provisions

Amounts divided equally among the States (Item (1) above); no matching.

Additional amounts (Item (2) above): Federal, 50 percent; State, 50 percent.
OUTDOOR RECREATIONAL FACILITIES
(P.L. 88-578, September 3, 1964)

Administering Agency
Department of the Interior

Purpose
To assist States in planning, acquisition, and development of needed land and water areas and facilities.

Amount of Statutory Authorization
Sixty percent of the amounts appropriated annually from the land and water conservation fund is to be available for financial assistance to the States, except that this percentage may be adjusted by plus or minus 15 percentage points during the first five years of the program (beginning January 1, 1965). The land and water conservation fund, established by P.L. 88-578, is to receive the proceeds from entrance and user fees for certain Federal recreational facilities, proceeds from the sale of surplus Federal property, and proceeds from special excise tax on motorboat fuels.

Apportionment Formula
2/5 equally among the States;
3/5 on the basis of need, as determined by the Secretary of the Interior, taking into account population, the use of outdoor recreational facilities by nonresidents, and the availability of Federal resources and programs for outdoor recreation. No State may receive more than 7 percent of the total available for allocation.

Matching Provisions
Federal, 50 percent; State, 50 percent.
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