

A COMMISSION REPORT

PERIODIC
CONGRESSIONAL REASSESSMENT
OF
FEDERAL GRANTS-IN-AID
TO
STATE AND LOCAL
GOVERNMENTS

ADVISORY COMMISSION ON
INTERGOVERNMENTAL RELATIONS

JUNE, 1961

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**ADVISORY COMMISSION ON
INTERGOVERNMENTAL RELATIONS**

June, 1961

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ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS
Washington 25, D. C.

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PREFACE

The Advisory Commission on Intergovernmental Relations was established by Public Law 380, enacted by the first session of the 86th Congress and approved by the President September 24, 1959. Sec. 2 of the act sets forth the following declaration of purpose and specific responsibilities for the Commission.

"Sec. 2. Because the complexity of modern life intensifies the need in a federal form of government for the fullest cooperation and coordination of activities between the levels of government, and because population growth and scientific developments portend an increasingly complex society in future years, it is essential that an appropriate agency be established to give continuing attention to intergovernmental problems.

"It is intended that the Commission, in the performance of its duties, will--

" (1) bring together representatives of the Federal, State, and local governments for the consideration of common problems;

" (2) provide a forum for discussing the administration and coordination of Federal grant and other programs requiring intergovernmental cooperation;

" (3) give critical attention to the conditions and controls involved in the administration of Federal grant programs;

" (4) make available technical assistance to the executive and legislative branches of the Federal Government in the review of proposed legislation to determine its overall effect on the Federal system;

" (5) encourage discussion and study at an early stage of emerging public problems that are likely to require intergovernmental cooperation;

" (6) recommend, within the framework of the Constitution the most desirable allocation of governmental functions, responsibilities, and revenues among the several levels of government; and

" (7) recommend methods of coordinating and simplifying tax laws and administrative practices to achieve a more orderly and less competitive fiscal relationship between the levels of government and to reduce the burden of compliance for taxpayers."

Pursuant to its statutory responsibilities, the Commission from time to time singles out for study and recommendation particular problems, the amelioration of which in the Commission's view would enhance cooperation among the different levels of government and thereby improve the effectiveness of the federal system of government as established by the Constitution.

One problem so identified by the Commission relates to the difficulty encountered in terminating financial grants-in-aid from the National Government to the States and their political subdivisions, once the basic purpose of the grant has been essentially achieved, and comparable difficulties in redirecting the grant in order to reflect changed conditions. In the following report the Commission has endeavored to state what it believes to be the essential facts and policy considerations bearing upon this problem and respectfully submits the conclusions and recommendations set forth herein to the Executive and Legislative Branches of the National Government, and to the States, counties, municipalities, and other local units of government.

Pursuant to its statute, the Commission will be concerned with the general subject of grants-in-aid on a continuing basis and further reports on various aspects of Federal grant programs will be issued from time to time.

This report was adopted at a meeting of the Commission held on June 15, 1961.

Frank Bane
Chairman

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I. INTRODUCTION

A Scope of Report

This report is confined to a consideration of the following question: What legislative provisions should be adopted with respect to grants-in-aid from the National Government to the States and localities which would facilitate either the termination of such grants once they have served their purpose, or the redirection or other modification of such grants in order to reflect changed circumstances arising subsequent to their initial enactment?

This report does not encompass general questions as to the overall role of grants-in-aid in our federal system of government, the efficacy of grants-in-aid as devices for intergovernmental cooperation, nor does it treat upon questions of the continuance, discontinuance or modification of specific grant-in-aid programs, nor upon the question of administrative controls associated with grants-in-aid. These and related questions may be dealt with as appropriate in later reports of the Advisory Commission on Intergovernmental Relations.

B. Previous Studies

This report draws in liberal measure upon findings of previous studies and evaluations of the nature and impact of grant-in-aid programs. Prominent among these earlier studies were the activities of the Commission on Intergovernmental Relations (commonly referred to as the "Kestnbaum Commission"), 1/ the Subcommittee on Intergovernmental Relations of the House Committee on Government Operations,2/ and the Joint Federal-State Action Committee. 3/ Studies of the First and Second "Hoover Commissions" have also provided useful information.

C. Definitions

As used herein, a "Federal grant-in-aid" is a payment of funds by the National Government to a State or local government for a specified purpose, frequently on a matching or other cost-sharing basis,

1/ Commission on Intergovernmental Relations, A Report to the President for Transmittal to the Congress, Government Printing Office, June, 1955.

2/ House Committee on Government Operations, Thirtieth Report: Federal-State-Local Relations, Federal Grants-In-Aid. (85th Congress, 2d Session--House Report No. 2533), Government Printing Office, August 8, 1958.

3/ Joint Federal-State Action Committee, Final Report to the President of the United States and to the Chairman of the Governors' Conference, Government Printing Office, February, 1960.

and in accordance with prescribed standards and requirements. 4/ This definition corresponds generally with the classifications used by the Treasury Department and the Bureau of the Budget.

Excluded, and treated only incidentally in this report are the following, although some of these might fall within the definition of "Federal grant-in-aid" as set forth above:

- (1) Financial assistance from the National Government to State and local units in the form of shared revenues, loans and repayable advances (e.g., payments from receipts under Mineral Leasing Act, urban renewal planning advances);
- (2) Federal payments made directly to individuals (e.g., veterans' compensation payments);
- (3) Payments for the discharge of Federal responsibilities where State or local units of government act as agents of the National Government on a reimbursable basis (e.g., for the administration of unemployment compensation for Federal employees and veterans);
- (4) Cost of programs in which technical assistance or cooperation is provided to States or local units of government rather than financial aid (e.g., exchange of tax audit information);
- (5) Federal payments to the District of Columbia for assorted purposes in connection with seat of government activities and special payments to United States territories and possessions;
- (6) Grants or contracts which are awarded directly and on similar terms to all qualifying applicants whether public or private (e.g., research and training grants administered by the National Science Foundation, National Institutes of Health, Atomic Energy Commission, National Aeronautics and Space Administration, and Department of Defense);
- (7) "Grants in kind" such as donations of Federal surplus property or commodities to State and local governments.

4/ Some grant programs included in this definition permit aid to private, nonprofit agencies and institutions, such as grants for the construction of hospitals. In the administration of the hospital construction program, however, the State agency assumes responsibility for the development and supervision of a State-wide plan which includes private as well as public participants.

**II. HISTORY AND CURRENT TRENDS OF
FEDERAL GRANTS-IN-AID**

The beginnings of Federal aid can be traced back beyond the Constitution to the Ordinance of 1785, by which the Congress of the Confederation dedicated a section of every township in the Federal domain for the maintenance of public schools. A form of money grant appeared in 1836 when the cash surplus in the United States Treasury was apportioned as "deposits" to be held by the States but without expectation of repayment. With the passage of the Morrill Act of 1862, to assist the States in establishing and maintaining land-grant colleges, the grant took on new characteristics. The objectives of the grant were carefully spelled out, conditions were placed on the use of the revenue derived from the sale of granted lands, and annual reports were required. An annual grant was introduced in 1879 to provide educational materials for the blind, and in 1887 the first annual money grant was authorized to help the States establish agricultural experiment stations.

The Weeks Law of 1911 authorized cooperation between the National Government and the States with respect to forest fire protection and the Smith-Lever Act of 1914 provided assistance from the National Government to the States for cooperative agricultural extension work to be carried out by the land-grant colleges with support from the United States Department of Agriculture. These early statutes contained apportionment formulas, various provisions for matching national funds with State funds and a requirement for advance approval of State plans by the National Government.

Grants for vocational education were authorized in 1917, and this program has long stood as a major example of the use of the grant as a "stimulating" device. The original purpose of the grant was to stimulate the States, through their political subdivisions, to provide vocational training in certain skills deemed to be in short supply because of the demands placed upon the industrial and agricultural economy by World War I. As discussed later in this report, this program has also stood as a major example of the difficulties encountered in terminating or redirecting grant programs, once they have served their original purpose.

The "depression decade" of the nineteen thirties witnessed the inauguration of a dozen or so new grant programs, all of which, with the exception of fish and wildlife restoration and management grants initiated in 1937, were directed toward social welfare, health, unemployment, or agricultural relief. Many of these grants, particularly those authorized by the Social Security Act of 1935, provided for extensive administrative supervision by the National Government, including the requirement that State and local personnel participating in federally aided programs of health, welfare and employment security be selected and administered under a merit system of personnel administration.

Since the termination of World War II another large group of

grants has come into being. In some of these recent grants a new ingredient has been added--the equalization factor. In general, this factor is introduced through the provision of a sliding scale of matching requirements whereby the ratio by which the States match Federal dollars is related inversely to the per capita income of the State. For example, for grants under the hospital construction program certain States must put up two dollars for every Federal dollar received, whereas other States only have to put up one State dollar for every two Federal dollars received. In addition, under the hospital construction program, State per capita income also constitutes a factor in the formula under which Federal funds are allotted to the States. Per capita income is considered a relevant factor both with respect to need and fiscal capacity.

A brief description of each of the existing grant-in-aid programs is contained in Appendix A. 5/ Appendix B contains tabulations of all grants-in-aid over the period 1902-1962.

Table 1 lists, in order of establishment, the major categories of grant-in-aid programs now in effect. Not included are a few miscellaneous grants which are provided to a single State, such as "transitional grants" to Alaska and drainage of anthracite mines in Pennsylvania.

Although Table 1 shows 45 grants now in effect, this count may be expanded or contracted, depending upon the extent to which particular categories are shown separately. For example, Federal grants-in-aid for "Public Assistance" provide funds for four major categories of public assistance--old age assistance, aid to dependent children, aid to the blind, and aid to the permanently and totally disabled. It will be seen from the table that of the 45 grant-in-aid programs 10 were established prior to 1930, 14 during the period 1931-45, with all but one of these being initiated during the "depression decade," and 21 since the end of World War II. As also shown in the table, the estimated current magnitude of Federal grants-in-aid from budget and trust accounts approximates \$7.3 billion. Of this amount, \$3.2 billion may be ascribed to the pre-1930 grants, \$3.0 billion to the "depression era" grants and \$1.1 billion to those established since World War II.

In terms of principal functions, highway construction and public assistance account for over 70 percent of total grants-in-aid for the current fiscal year. Highway construction grants, now at the level of about \$3 billion, were originally established in 1911. Public

5/ These descriptions have been taken from House Committee on Government Operations, Federal-State-Local Relations, op. cit., pp. 9-19.

TABLE 1.--Federal Grants-In-Aid to State and Local Governments, 1960-62

Program	Year Estab- lished	Federal Department or Agency Currently Administering Program	Amount of Grant (In Thousands)		
			FY 1960	FY 1961 (Est.)	FY 1962 (Est.)
A. Established Prior to 1930					
1. Distribution of educational materials for the blind	1879	American Printing House for the Blind ^{1/}	\$ 400	\$ 400	\$ 400
2. Agricultural research	1887	Department of Agriculture	31,085	32,060	34,018
3. Aid to State soldiers' homes	1888	Veterans' Administration	6,128	7,536	7,574
4. Resident instruction in land grant colleges	1890	Department of Health, Education and Welfare	5,052	7,277	10,744
5. Assistance to State marine schools	1911	Department of Commerce	524	550	550
6. State and private forestry cooperation	1911	Department of Agriculture	11,477	11,496	12,290
7. Agricultural extension services	1914	Department of Agriculture	61,303	65,000	67,390
8. Highway construction	1916	Department of Commerce	2,941,653	2,873,539	2,994,986
9. Vocational education	1917	Department of Health, Education and Welfare	39,140	40,257	40,442
10. Vocational rehabilitation	1920	Department of Health, Education and Welfare	48,607	55,176	59,270
Sub-total, established prior to 1930			\$3,145,369	\$3,093,291	\$3,227,664

^{1/} Operated by American Printing House for the Blind, a private, nonprofit corporation accountable to the Department of Health, Education, and Welfare for its use of Federal funds.

TABLE 1.--Federal Grants-In-Aid to State and Local Governments, 1960-62, Continued

Program	Year Estab- lished	Federal Department or Agency Currently Administering Program	Amount of Grant (In Thousands)		
			FY 1960	FY 1961 (Est.)	FY 1962 (Est.)
B. Established During Period 1931-45					
1. Donation of surplus agricultural commodities	1933	Department of Agriculture	\$ 148,994	\$ 162,901	\$ 168,829
2. School lunches	1933 ^{2/}	Department of Agriculture	152,310	155,000	155,000
3. Employment security administration	1933	Department of Labor	317,156	361,208	345,366
4. Child welfare services	1935	DHEW	12,902	13,666	14,666
5. Maternal and child health services ^{3/}	1935	DHEW	17,442	18,167	19,167
6. Crippled childrens' services	1935	DHEW	15,873	20,000	20,000
7. Old age assistance	1935	DHEW	1,112,600	1,163,700	1,213,300
8. Aid to dependent children	1935	DHEW	612,000	633,900	651,600
9. Aid to the blind	1935	DHEW	45,300	45,300	45,400
Public assistance administration ^{4/}	1935	DHEW	133,600	149,000	163,000
10. General health services	1935	DHEW	14,985	17,000	17,820
11. Fish and wildlife restoration and management	1937	Department of the Interior	21,928	19,400	20,200
12. Public housing	1937	Housing & Home Finance Agency	127,373	148,200	172,800
13. Venereal disease control	1938 ^{5/}	DHEW	2,372	2,400	2,400
14. Tuberculosis control	1944	DHEW	3,993	4,000	4,000
Sub-total, established during 1931-45			\$2,738,828	\$2,913,842	\$3,013,548

^{2/} Originated in 1933 as part of emergency relief program. Established as a continuing program of cash grants (supplemented by commodity donations) in 1946.

^{3/} Grants for this purpose were initiated by the Sheppard-Towner Act of 1921, but discontinued in 1929.

^{4/} Although not constituting a separate grant-in-aid functional program, funds for public assistance administration are shown separately because of their magnitude and because of difficulty of accurately attributing these funds to the respective categorical functions.

^{5/} Grants for this purpose were initiated in 1918 but discontinued after a few years.

TABLE 1.--Federal Grants-In-Aid to State and Local Governments, 1960-62, Concluded

Program	Year Estab- lished	Federal Department or Agency Currently Admin- istering Program	FY 1960	FY 1961 (Est)	FY 1962 (Est)
C. Established During Period 1946 to Date					
1. Agricultural Marketing Services	1946	Department of Agriculture	\$ 1,195	\$ 1,195	\$ 1,195
2. Airport construction	1946	Federal Aviation Agency	57,113	83,305	82,153
3. Hospital construction (excluding portion to private non-profit institutions)	1946	Department of Health, Education, and Welfare	63,167	68,000	73,400
4. Mental health	1946	DHEW	4,905	6,000	6,000
5. Major disaster relief	1947	Civil & Defense Mobilization	1,473	3,800	3,800
6. Cancer control	1948	DHEW	2,203	3,500	3,500
7. Heart disease control	1948	DHEW	2,905	3,500	3,500
8. Slum clearance and urban renewal	1949	Housing & Home Finance Agency	101,705	152,253	199,721
9. Civil defense contributions	1950	Office of Civil & Defense Mobilization	4,923	7,370	20,500
10. Aid to the permanently and totally disabled	1950	DHEW	152,700	160,600	170,000
11. School construction in federally affected areas	1950	DHEW	70,553	63,350	57,382
12. School operation and maintenance in federally affected areas	1950	DHEW	166,661	181,000	93,500
13. Flood prevention and watershed protection	1954	Department of Agriculture	32,691	36,781	51,200
14. Special milk program	1954	Department of Agriculture	65,100	72,400	78,200
15. Urban planning	1954	Housing and Home Finance Agency	2,554	3,500	6,000
16. Waste treatment facilities	1956	DHEW	40,295	40,600	43,000
17. Environmental health activities	1956	DHEW	2,659	3,000	3,000
18. Library services	1956	DHEW	7,037	7,986	8,416
19. Defense educational activities	1958	DHEW	68,507	78,314	88,083
20. Education of the mentally retarded	1958	DHEW	71	450	500
21. Medical assistance for the aged	1960	DHEW	---	25,000	60,000
Sub-total, established 1946 to date			\$ 848,417	\$ 1,001,904	\$ 1,053,050
Grand Total			\$ 6,732,614	\$ 7,009,037	\$ 7,294,262

Source: U. S. Bureau of the Budget, Special Analysis of Federal Aid to State and Local Governments in the 1962 Budget, Government Printing Office, January, 1961.

TABLE 2.--Federal Grants-in-Aid to State and Local Governments, by Year and Major Categories
(Thousands of Dollars)

YEAR	Veterans' Services & Benefits	Health Welfare & Labor	Education & General Research	Agriculture & Agricultural Resources	Other Natural Resources	Commerce, Housing, Transportation, Communication	TOTAL <u>1/</u>
1902	\$ 1,005	- - -	\$ 1,210	\$ 786	- - -	- - -	\$ 3,001
1912	1,152	- - -	2,510	1,593	- - -	- - -	5,255
1920	1,095	\$ 1,759	4,637	5,912	- - -	\$ 20,483	33,886
1925	706	1,509	8,473	7,300	\$ 346	95,412	113,746
1929	560	1,482	9,426	11,003	1,133	85,999	109,603
1930	575	746	10,010	11,875	1,318	79,839	104,363
1931	453	21,199	10,617	12,990	1,623	138,128	185,010
1932	786	59,908	11,158	12,990	1,664	132,006	218,512
1933	758	63,133	10,349	12,966	1,523	104,237 <u>2/</u>	192,966
1934	522	1,817,427	9,623	12,710	1,516	444 <u>2/</u>	1,842,242
1935	499	2,243,671	12,622	12,694	1,511	326 <u>2/</u>	2,271,323
1936	568	2,248,197	13,055	21,656	1,473	27,565 <u>2/</u>	2,312,514
1937	610	2,546,757	13,800	21,954	1,539	79,168 <u>2/</u>	2,663,828
1938	674	1,972,366	24,213	32,942	1,528	143,103	2,174,826
1939	720	2,622,480	24,678	92,370	2,474	161,277	2,903,999
1940	1,368	2,066,362	24,444	143,113	6,392	153,519	2,395,198
1941	1,432	1,771,307	25,213	110,129	4,120	170,647	2,082,848
1942	1,375	1,506,514	25,521	77,519	4,518	204,127	1,819,574

1/ Data in this table are drawn from tabulations made in prior years by the Labor and Welfare Division, Bureau of the Budget and for more recent years from special analyses dealing with grants-in-aid and accompanying the President's Budget. Figures shown do not tally precisely with other figures used in the text of the report for the reason that Budget Bureau classifications encompass a few additional items not falling within the definition of grant-in-aid used in this report. These differences in no way affect the orders of magnitude or trends of Federal grants-in-aid as defined herein.

2/ Federal aid highway program financed for these years out of emergency relief funds.

TABLE 2.--Federal Grants-In-Aid to State and Local Governments, Continued
(Thousands of Dollars)

YEAR	Veterans Service & Benefits	Health Welfare & Labor	Education & General Research	Agriculture & Agricultural Resources	Other Natural Resources	Commerce, Hous- ing, Transporta- tion, Communication	TOTAL <u>1/</u>
1943	\$ 1,176	\$ 902,582	\$ 26,056	\$ 47,690	\$ 9,005	\$ 299,847	\$ 1,286,356
1944	1,181	616,151	25,479	66,319	7,359	286,670	1,003,159
1945	1,194	570,176	24,956	81,862	7,473	218,201	903,862
1946	20,238	567,873	25,308	92,427	8,274	180,505	894,625
1947	59,182	902,093	32,170	65,116	9,754	601,881	1,670,196
1948	84,977	1,024,488	37,154	70,940	11,473	387,461	1,616,493
1949	31,587	1,231,538	36,921	86,631	13,997	442,225	1,842,899
1950	15,277	1,562,252	38,614	106,276	16,957	475,006	2,214,382
1951	8,998	1,637,185	48,814	98,344	17,740	433,970	2,245,051
1952	6,656	1,661,957	122,234	83,865	19,755	481,699	2,376,166
1953	6,326	1,811,136	230,958	97,337	22,771	594,384	2,762,912
1954	6,863	1,890,389	203,210	213,173	24,938	630,299	2,968,872
1955	7,686	1,854,170	239,303	247,730	25,932	723,634	3,098,455
1956	8,091	2,109,270	208,672	389,277	26,606	873,715	3,615,631
1957	8,217	2,178,892	204,570	381,786	26,577	1,016,359	3,816,401
1958	8,326	2,523,430	165,881 <u>3/</u>	278,195	31,330	1,723,940	4,731,102
1959	8,316	2,777,160	296,747 <u>3/</u>	322,470	34,481	2,877,781	6,316,955
1960	7,880	2,923,591	363,558 <u>3/</u>	275,268	35,335	3,241,641	6,847,273
1961 (Est.)	9,096	3,105,400	384,525 <u>3/</u>	297,937	33,108	3,273,917	7,103,983
1962 (Est.)	9,024	3,243,596	306,417 <u>3/</u>	322,632	33,742	3,481,610	7,397,021

3/ Includes \$5-7 million for services to Indians embracing both education and welfare functions.

assistance grants currently amounting to \$2.1 billion, are for the most part attributable to the depression period, although one new category-- Aid to the Permanently and Totally Disabled--was added in 1950 and another--Medical Care for the Aged--was added in 1960.

Thus it is seen that present Federal grants-in-aid expenditures cannot be ascribed to any particular period in our history or to any one set of circumstances. One major conclusion can be drawn from the data in Table 1, however--the use of Federal grants-in-aid has been increasing both in variety and magnitude since the initiation of the device in 1862, and especially since the end of World War II. 6/ This trend, in terms of major functional areas, is shown in Table 2.

Table 3 shows the relationship between Federal grants-in-aid on the one hand and State and local revenues on the other.

Table 3
Federal Grant-in-Aid Expenditures in Relation to State-Local Revenue

<u>Year</u>	<u>Amount (Millions)</u>	<u>As A Per Cent of State- Local Revenue</u>	<u>As A Per Cent of Non-De- fense Federal Expenditures <u>1/</u></u>
1952	\$ 2,393	10	11.2
1953	2,781	10	11.6
1954	2,986	10	14.3
1955	3,126	10	13.1
1956	3,642	10	14.1
1957	3,943	10	14.5
1958	4,831	12	16.5
1959	6,355	14	17.1

1/ Includes all expenditures except those classified by the Bureau of the Budget as for "Major National Security," which total an estimated \$45.6 billion in the FY 1961 budget or 54 per cent of the total Federal budget.

Source: Bureau of the Budget, January, 1960

6/ In its 1955 report the "Kestnbaum Commission" summarized the culmination of the historical development of the grant-in-aid device as follows:

"As a result of many developments, the grant has become a fully matured device of cooperative government. Its elements are well established: the objectives are defined; apportionment and matching formulas are laid down; conditions, minimum standards, and sanctions are prescribed; and provisions are made for administrative supervision. The maturing of the grant as a means of stimulating and shaping particular programs, as distinct from a subsidy device, is reflected not only in increasing legislative attention to conditions, standards, sanctions, and methods of supervision, but also in the evolution of National administrative machinery and procedures. The conditions attached to grants have not remained mere verbal expressions of National intent; National agencies have generally had funds and staff to make them effective."

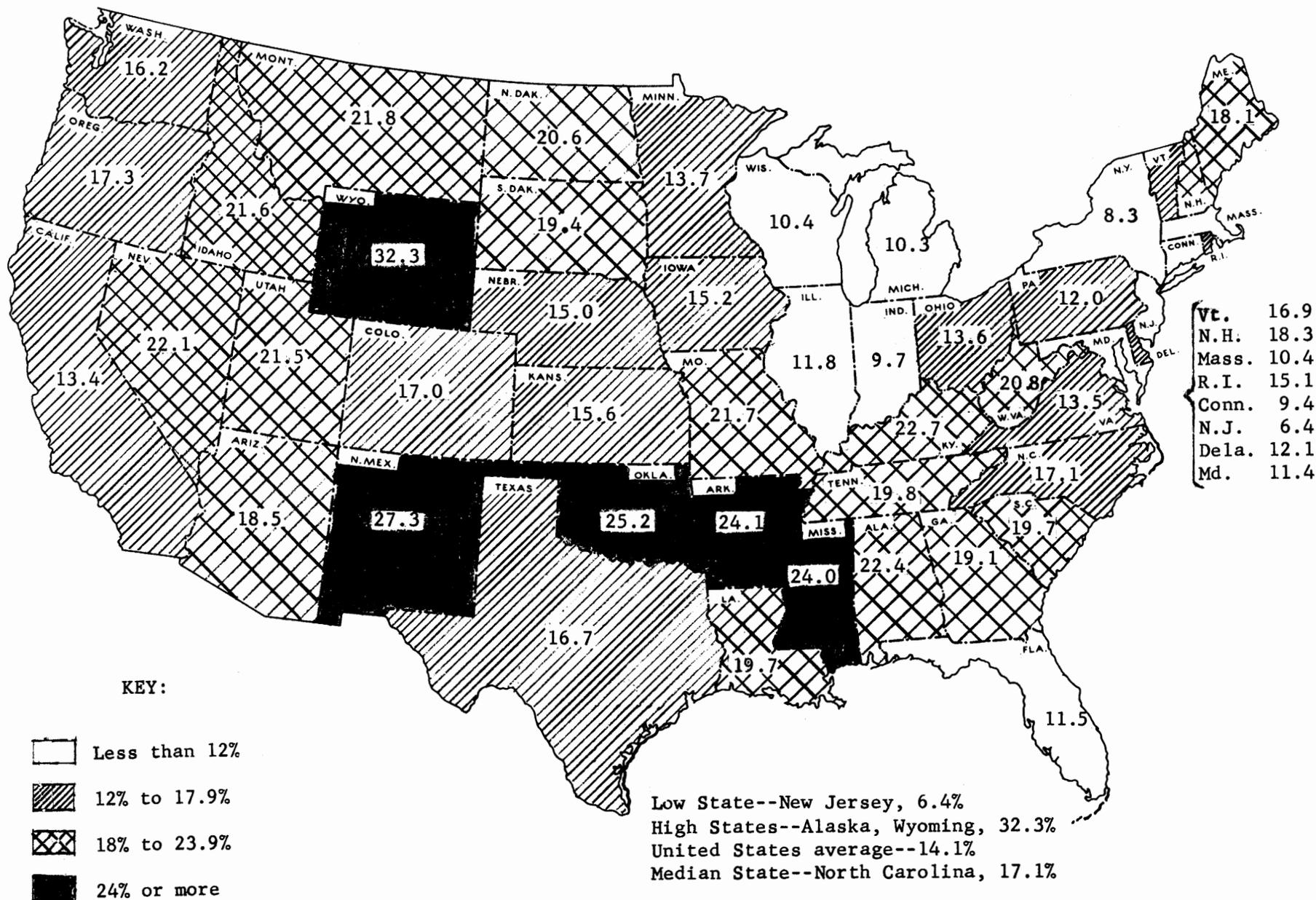
As shown in Table 3, Federal grants-in-aid constitute an increasingly significant segment of State and local revenue. Although shown as 14 percent for the fiscal year 1959, the proportion in some States runs much higher. 7/

While grants-in-aid currently represent slightly less than 10 percent of the total Federal budget of \$80.9 billion estimated for FY 1962, it must be remembered that about one-half of the Federal budget is accounted for by expenditures of the Department of Defense, so that grants-in-aid comprise a much larger percentage of the "domestic" budget, as indicated in Table 3.

7/ Federal aid, including grants-in-aid and shared revenues, comprised the following percentages of total State and local general revenues in the indicated States in 1959: Alaska, 32.3; Wyoming, 32.3; New Mexico, 27.3; Oklahoma, 25.2; Arkansas, 24.1; and Mississippi, 24.0. On the other hand, the percentage was 6.4 in New Jersey, 8.3 in New York, and 9.4 in Connecticut.

Source: Bureau of the Census, Governmental Finances in 1959.

FIG. 1.--FEDERAL PAYMENTS TO STATE AND LOCAL GOVERNMENTS
AS A PERCENT OF ALL STATE AND LOCAL GENERAL REVENUE, 1959



**III. THE PROBLEM OF TERMINATING OR
REDIRECTING GRANTS-IN-AID**

On frequent occasions it is alleged that "once a Federal grant begins, it never ends." From a factual standpoint this allegation is almost but not quite correct. "Never" should be amended to "hardly ever." Table 4 lists those grants-in-aid from the National Government to the States which have been terminated.

This list is not impressive. With the exception of "general relief," none of the grants listed were in support of any continuing function of State or local government. On the other hand, there have been many efforts in the Congress over the years to terminate or redirect particular grant programs. During the 1950's, at one time or another, recommendations were made either by the President or by special committees established to study particular programs, to cease, taper off, or otherwise modify a dozen or more major grant programs, including those for vocational education, resident instruction at land-grant colleges, school lunches, and school construction and operation in federally affected areas. In none of these instances did the Congress decide to discontinue the program in question. 8/

At this point it is well to recognize that grants-in-aid exist because of an original determination by the Congress in each instance of the presence of a national problem requiring the attention of the National Government as well as State or local governments. Some of these problems are of a continuing nature and in many of these cases the Congress has concluded that National Government support should also be continuing in character. Currently, for example, some problems, such as air pollution, are growing, while other such as tuberculosis and the need for vocational training in agriculture are diminishing.

8/ The Advisory Commission on Intergovernmental Relations is charged by its statute with giving attention to the "coordination of Federal grant and other programs requiring intergovernmental cooperation" and to "the conditions and controls involved in the administration of Federal grant programs." By its concentrated attention in this report to Federal grants-in-aid, the Commission does not wish to convey the impression that grants-in-aid constitute the sole or principal area of Federal expenditures which would benefit from systematic re-examination and re-evaluation.

Table 4. -- Former Federal Grants-in-Aid to State and Local Governments Subsequently Terminated 1/

<u>Program</u>	<u>Administering Agency</u>	<u>Fiscal Year Established</u>	<u>Last Payment Made</u>	<u>Amount of Grant in Highest Year</u>
A. <u>Emergency Relief Programs</u>				
1. Emergency Expenditures for Highways	Fed. Works Agency	1931	1940	\$ 275,667,000
2. Emergency Work Relief	Civil Works Admin.	1934	1938	805,123,000
3. Emergency Expenditures of Public Bodies	Public Works Admin.	1934	1944	327,808,000
4. Emergency Relief	Fed. Emergency Relief	1934	1940	1,814,477,000
5. Emergency Relief	Work Projects Admin.	1936	1944	1,929,276,000
6. Flood Relief-Restoration of Roads and Bridges	Fed. Works Agency	1939	1943	338,000
B. <u>War Programs</u>				
1. Supply and Distribution of Farm Labor	Dept. of Agriculture	1943	1948	9,861,383
2. Maternal & Infant Day Care	Fed. Security Agency	1944	1948	45,012,000
3. Emergency War Flight Strips	Fed. Works Agency	1943	1948	4,613,000
4. Education and Training of Defense Workers	Fed. Security Agency	1941	1945	131,241,000
5. Defense Community Facilities	Dept. of Health, Education, and Welfare and Housing & Home Finance Agency	1953	1957	8,578,659
C. <u>Other</u>				
1. Veterans' Re-use Housing	Housing & Home Finance Agency	1946	1953	357,167,000
2. New England Hurricane Damage <u>2/</u>	Dept. of Agriculture	1939	1941	850,000
3. Poliomyelitis Vaccination	Department of Health, Education, and Welfare	1955	1957	30,056,174

1/ Does not include the following: (a) Shared revenues, loans and repayable advances; (b) programs discontinued but later renewed such as grants for maternal and child health established in 1925, discontinued in 1930 and resumed in 1936; and (c) programs disappearing through merger into other programs such as amalgamation of various small forestry grants into a larger program of forestry cooperation and management.

2/ This and other types of assistance later authorized on a permanent basis in 1952 under grants for disaster relief.

Source: Derived from tables contained in Appendix C.

As stated earlier, the Commission is not here passing judgment upon the general philosophical question of whether grants-in-aid constitute a desirable or undesirable influence upon the effective operation of the Federal system of government under the Constitution; neither does this report discuss the merits of continuing, discontinuing or modifying any particular existing grant. As a practical matter, Federal grants-in-aid have become an important and established feature of our Federal system of government. The Commission believes therefore, that particular aspects of the grant-in-aid system need careful examination to strengthen its good points and to minimize any disruptive or undermining effects. Consequently, as stated at the outset, the Commission is here concerned with whether or not an equitable and practical mechanism can be developed which would facilitate the termination of future Federal grants, once they have served their purpose or alternatively, the redirection or other modification of such grants in order that Federal funds are expended with optimum impact upon the need or problem to which the particular grant is addressed. This is not to imply that Federal grant-in-aid programs go unreviewed under current legislative and administrative processes. The respective Executive agencies give close attention to the operation of the programs for which they are held responsible, and requests for grant funds are subject to the usual appropriation processes in the Congress. Furthermore, the legislative Committees exercise oversight jurisdiction with respect to the grants made under particular statutes.

The Commission notes two general obstacles to terminating or re-directing the grants, once they have served their purpose. In the first place, with the initiation of a new grant, vested interests--both governmental and private--in its continuation come into being. Subject matter staffs are created or expanded at National, State and local levels of government for the purpose of administering the grant program. Aside from any instincts of organizational self-preservation which may exist, these staffs, if they are competent and conscientious, acquire a sense of mission with respect to their particular program. Being responsible for a specific program or function they are not especially concerned with general problems of intergovernmental fiscal relations across-the-board. Consequently, their recommendations for change in the grant program are typically in the direction of expansion rather than contraction.

Furthermore, once a particular grant continues for a few years it becomes an integral part of State and local budgets and constitutes one of the assumed sources of revenue in the process of budgetary planning. With States and localities being always hard-pressed with respect to revenue sources, State and local officials naturally are averse to seeing a particular grant reduced or eliminated with the consequent necessity of diverting State or local funds to continue the function at the existing level. Also, those parts of the private sector of the economy which benefit from the grant program, such as professional organizations, suppliers of material, or the providers of services which are purchased with grant funds, are all interested in continuing the program. Attempts to reduce the amount of Federal contribution are

resisted strongly, presumably on the premise that it is easier to defend an existing Federal appropriation than to obtain increased amounts from State or local funds.

Secondly, efforts to redirect grant programs toward newer and more urgent problems within a given program area usually result in an additive rather than a substitutive appropriation. This is illustrated by the history of Federal grants for vocational education. Some of the subject matter areas which the original act was designed to stimulate in the national interest have long ceased to have any commanding priority in terms of national manpower shortages. On the other hand, the vocational training of practical nurses and of electronic, chemical and other technicians has been federally stimulated, not by substituting the new for the old, but through retaining the old and adding the new. The rather perennial problem of redirecting the vocational education grants has been most recently raised by President Kennedy in his message to the Congress dealing with education. He stated:

"The National Vocational Education Acts, first enacted by the Congress in 1917 and subsequently amended, have provided a program of training for industry, agriculture, and other occupational areas. The basic purpose of our vocational education effort is sound and sufficiently broad to provide a basis for meeting future needs. However, the technological changes which have occurred in all occupations call for a review and re-evaluation of these acts, with a view toward their modernization. To that end, I am requesting the Secretary of Health, Education, and Welfare to convene an advisory body drawn from the educational profession, labor-industry, and agriculture as well as the lay public, together with representation from the Departments of Agriculture and Labor, to be charged with the responsibility of reviewing and evaluating the current National Vocational Education Acts, and making recommendations for improving and redirecting the program."

IV. RECOMMENDATIONS

The Commission believes that legislative and administrative action should be taken to facilitate either the termination of grants once they have served their purpose or appropriate modification or redirection to reflect changed circumstances arising subsequent to their initial enactment. This is not to imply that all grants-in-aid have gone unreviewed. For example, grants in some fields have been subjected to rather intensive scrutiny by the Executive and Legislative branches from time to time and have undergone consolidations and up-datings. In general, however, the review and redirection of grants has proceeded on a sporadic and uncoordinated basis and there has not been continued, systematic attention to the problem either from the Congressional or Executive side.

Set forth below are specific recommendations by which the Commission believes these objectives can be substantially achieved. The first of these recommendations is directed toward Federal grants-in-aid which may be established in the future. This limitation is not based on any specific finding that all existing grants are ideally geared adequately to current circumstances. However, as emphasized above, once a grant has been in existence for a long period of time it is extremely difficult to "taper it off" or to effect major changes in its orientation. The Commission believes that the most fruitful and practical area of legislative effort is to establish a pattern for systematic review and assessment of such grant programs as may be established in the future, whereby some of the difficulties cited previously might be avoided, or reduced to a considerable extent.

It is recommended that the Congress enact a general statute along the lines set forth below which, in the absence of special provisions to the contrary in the specific instance, would be binding upon future grant-in-aid enactments. 9/

9/ Senator Cutler did not concur in this recommendation. She states: "The provisions of the draft bill are unduly restrictive in that hesitation and uncertainty on the part of State and local governments would be induced by the requirement that grants-in-aid be reviewed and perhaps not re-enacted at the end of five years. Under this threat of discontinuance some State and local governments might be discouraged from participating in highly desirable Federal-State-local programs involving grants-in-aid."

DRAFT BILL

To provide for periodic Congressional review of Federal grants-in-aid to State and local units of government.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Sec. 1. It is the purpose and intent of this Act to establish a uniform policy and procedure whereby programs for grant-in-aid assistance from the Federal Government to the States or to their political subdivisions which may be enacted hereafter by the Congress shall be made the subject of sufficient subsequent review by the Congress and the President as to ensure that grant programs are re-vised and redirected as necessary to meet new conditions arising subsequent to their original enactment and that grant programs are terminated when they have substantially achieved their purpose.

Sec. 2. Unless otherwise provided by the Congress in the specific instance, any statute hereafter enacted by the Congress which provides for a grant-in-aid from the Federal Government to States or to political subdivisions thereof shall be subject to the provisions of this Act; provided however, that this Act shall not apply to authorizations for shared revenues, or loans and repayable advances, nor shall it apply to any grant-in-aid statute now in effect, except that where a new category of grant assistance is incorporated into an existing statute, the provisions of this Act shall apply with respect to the new category incorporated.

Sec. 3. (a) Whenever an Act of Congress enacted after the effective date of this Act provides for grants of funds from the United States to a State or a political subdivision thereof, the authorization for such grant shall expire on June 30th of the fifth calendar year which begins after the effective date of such Act unless an earlier date is otherwise specifically provided by law. Where such Act is extended beyond the date on which it would otherwise expire (whether by its terms or by reason of this Act) such extension shall expire on June 30th of the fifth calendar year which begins after the effective date of the Act making the extension unless an earlier expiration date is specifically provided.

(b) On or before June 30th of the calendar year preceding the year in which such program will expire by reason of subsection (a), the committees of the House and of the Senate to which legislation extending such program would be referred shall, separately or jointly conduct studies of such program with a view to ascertaining, among other matters of concern to the committees, the following:

- (1) The extent to which the purposes for which the grants-in-aid are authorized have been met.

- (2) The extent to which the States or political subdivisions thereof are able to carry on such programs without further financial assistance from the United States.
- (3) Whether or not any changes in purpose or direction of the original program should be made.

Each such committee shall report the results of its investigation and study to its respective House not later than March 1 of the calendar year in which the program is due to expire pursuant to subsection (a).

The Commission believes that the only realistic approach to the problems discussed in this report is through their consideration by the Congress from a general policy standpoint and the enactment of general legislation to provide the policy and machinery whereby future Federal grants-in-aid to State and local governments may be adequately reviewed subsequent to their enactment. In effect, the foregoing recommendation establishes an optimum period of five years as the length of time required on the one hand to gain sufficient experience upon which to base a judgment as to the continuance or discontinuance of a grant and on the other hand as a maximum period beyond which no grant should continue without reappraisal, and re-enactment if such is in order. The Commission believes that the provisions of such a general statute should be waived only in those instances where the short-term nature of the problem or other special reasons dictate an authorization of less than five years. Finally, the Commission believes that the appropriate legislative committees of the Congress in each instance should unequivocally address themselves to the question of whether or not a particular grant has served its purpose and whether it should be allowed to terminate or should be re-enacted.

The Commission also recommends that existing grant-in-aid programs be assessed periodically by executive agencies and by the Congress in terms of (a) accomplishment of objectives set forth in the authorizing legislation (b) an estimate of the extent of the program needs still unmet and (c) where appropriate, a description and evaluation of alternative plans or methods for achieving the objectives set forth in the enabling statute.

Although of the belief that the most practicable method for realistic appraisal, termination, or redirection of grants-in-aid which have served their original purpose is through the enactment of general legislation applicable to future new grant programs as outlined earlier, the Commission does not wish to imply that existing grants are not in similar need of attention and review.

The Commission believes that each department or agency should examine and report periodically to the President and the Congress as to

operation and accomplishments of each grant-in-aid under its respective jurisdiction. As a minimum such reports should include a fiscal analysis of program operations, a description of the progress of the program in achieving the objectives set forth in the governing legislation and an indication of the extent of needs still unmet. Additionally, where it is found that the original purposes and provisions of the grant are no longer germane, or where such provisions are being rendered obsolete by changing circumstances, the report should contain recommendations for statutory changes designed to terminate or redirect the program.

APPENDIXES

APPENDIX A

Existing Programs of Federal Grants-in-Aid to State and Local Governments^{1/}

Aid to State Soldiers' Homes

An act of 1888, as amended, authorizes payment to the States of \$700 a year, or one-half of the per capita cost of maintenance if this amount is less than \$700, for each veteran cared for in a State soldiers' home who is eligible for hospital treatment or domiciliary care by the Veterans' Administration.

Agricultural Extension Work

The Smith-Lever Act of 1914 authorized the establishment of cooperative agricultural extension work, and supplementary acts have provided additional appropriations and broadened the original benefits. Cooperative extension work is intended to provide instruction and practical demonstration in agriculture, home economics and related subjects to persons not attending or resident in the land-grant colleges. The program is administered by the United States Department of Agriculture's Federal Extension Service and conducted by the State extension services (affiliated with the land-grant colleges). Funds are used largely for the employment of county extension agents who work with rural families, marketing concerns, and others. Grants are allotted annually to the States, principally on the basis of farm and rural population and to a limited extent on the basis of special problems and needs. Federal payments must be matched by funds from within the State.

Agricultural Marketing Services

Under the Agricultural Marketing Act of 1946, grants are made to the States for facilitating projects to improve the marketing and distribution of agricultural products. These grants, which must be matched by equal amounts of State money, are allotted on an individual project basis rather than by formula. Complete discretion rests with

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For the most part these descriptions have been taken from the Report of the House Committee on Government Operations entitled "Federal-State-Local Relations," August, 1958.

the Secretary of Agriculture in determining which projects proposed by the States are to receive Federal assistance.

Agricultural Research

A number of Federal statutes, beginning with the Hatch Act of 1887, authorize Federal grants for the purpose of aiding scientific investigation and experiment with respect to the principles and applications of agricultural science, and for disseminating the results of such researches. Agricultural science has been broadly defined to include economic and sociological research for the improvement of rural life. Federal grants are made to the State agricultural experiment stations, all but two of which are under the governing boards of the land-grant colleges and universities. Federal funds are allotted partly in equal amounts to each State, partly in relation to rural and farm population, and partly for participation in cooperative regional research. Certain portions of the grant must be matched by State funds. Currently the States are contributing on the average about \$3 for each \$1 of Federal grants received. The program is administered by the Department of Agriculture.

Airport Construction

The program of Federal aid to airports was initiated by the Federal Airport Act of 1946 to establish, in conformity with the national airport plan, a nationwide system of public airports adequate to meet the present and future needs of civil aviation. The national airport plan is an annually revised statement of required airport development and construction projects. Only projects sponsored by public agencies and included in the plan are eligible for Federal grants. The Federal appropriation is apportioned among the States 75 percent on the basis of population and land area and the remaining 25 percent at the discretion of the Civil Aeronautics Administrator. The program is administered by the Federal Aviation Agency.

Assistance to State Marine Schools

Annual grants are made to New York, Massachusetts, Maine, and California to assist these States in maintaining academies for training officers to serve in the American merchant marine. In addition to administering financial aid, the Maritime Administration in the Department of Commerce is authorized to furnish and repair suitable training vessels and to pay certain maintenance allowances and fees for students.

Child Welfare Services

This program, established by the Social Security Act of 1935, is intended to assist the State public welfare agencies in establishing, extending and strengthening, especially in predominantly rural areas, public

welfare service for the protection and care of homeless, dependent and neglected children, and children in danger of becoming delinquent. The program also provides services for the return of runaway children. Each State receives a uniform grant plus a share of the remaining appropriation determined on the basis of the State's rural population under 18 years. Although Federal grants under this program are not required to be matched, the Federal funds are intended to cover only a part of the total cost of child welfare services in the States. The program is administered by the Children's Bureau in the Department of Health, Education, and Welfare.

Civil Defense Contributions

The Federal Civil Defense Act of 1950, as amended, authorizes financial contributions to the States for civil-defense purposes on the basis of programs and projects approved by the Federal Civil Defense Administrator. Objectives of the Federal contributions program are to assist the States and their political subdivisions in acquiring essential civil-defense materials and equipment and to assist them in the training of civil-defense workers. Contributions have been made for equipment and training in the fields of warning, communications, engineering, evacuation, fire control, health, police services, public information and education, and rescue and welfare service. Federal contributions are made to the States on the basis of individual project applications and must be matched on a 50-50 basis.

Crippled Children's Services

This program, established by the Social Security Act of 1935, is intended to assist the States to extend and improve (especially in rural areas and areas suffering from severe economic distress) services for locating crippled children and for providing medical, surgical, corrective and other services and care, as well as facilities for diagnosis, hospitalization and aftercare, for children who are crippled or who are suffering from conditions which lead to crippling. The definition of a crippling condition is determined by each State; within that definition the State agency indicates the types of conditions it accepts for care. The Federal appropriation is equally divided into two funds. Fund A is apportioned by equal grants to each State, and the remainder prorated according to the number of children under 21 years of age. Twenty-five percent of fund B is reserved for special projects, while the remainder is apportioned according to the financial need of each State for assistance in carrying out its approved plan. Fund A grants must be matched dollar for dollar. The program is administered by the Children's Bureau in the Department of Health, Education, and Welfare.

Defense Educational Activities

The National Defense Education Act of 1958 authorized a number of programs of Federal financial assistance to education--both at the elementary and secondary level and for higher education--designed to meet

critical national needs, especially in the areas of science, technology and foreign languages. The Act also added certain technician classifications to the coverage of the vocational education grant program, elsewhere described.

The Act authorizes grants to States for (a) the purchase of equipment and improvement of State supervision to strengthen elementary and secondary school instruction in science, mathematics and foreign languages; (b) the initiation and conduct of programs to strengthen guidance, counseling and testing in secondary schools and (c) the improvement of statistical services of State educational agencies. In addition to grants-in-aid to States, direct loans to college students and private schools, fellowships for graduate students and grants and contracts with private institutions of higher education are also authorized. For certain of the programs under the Act, allotments to the States take into account factors of school age, population and per capita income, and currently, States must match on a 50-50 basis.

Distribution of Educational Materials for the Blind

Federal support for the manufacture and distribution of books and teaching materials for the education of the blind was instituted in 1879. Until 1956 these materials were available only to students enrolled in special public school classes for the blind; under the recent amendment all blind children attending public schools are eligible to receive these aids. The American Printing House for the Blind, a private nonprofit corporation, operates the program under the supervision of the Department of Health, Education, and Welfare. Funds are credited to public schools for the blind and to State departments of education in proportion to the number of blind students registered in the public schools; books and materials are shipped by the Printing House in the amount of the funds credited. Matching of Federal funds is not required.

Donation of Surplus Agricultural Commodities

Beginning with the various agricultural assistance and emergency relief acts in 1933, the program for donation of Government-owned surplus foods to eligible outlets has been primarily a byproduct of programs to stabilize agricultural prices by price-support and surplus-removal operations. Under this program the Department of Agriculture provides State agencies with surplus foods for distribution to the nonprofit school lunch program and to needy persons in charitable institutions and family units. Distribution of Government-acquired surplus foods to schools, charitable institutions, and needy families is carried out under agreements with State agencies which act as distributing agents for the Department of Agriculture. The Federal Government assumes the cost of any necessary processing and of transporting commodities to central receiving points within the States. State agencies then arrange for all phases of intrastate distribution.

Employment Service and Unemployment Compensation Administration

The employment security system is comprised of the separate but related activities of unemployment compensation and employment services. Federal grants to the States for the support of public employment offices were introduced by the Wagner-Peyser Act of 1933. Under the Social Security Act of 1935, the States were encouraged by the enactment of a tax credit plan to establish unemployment compensation programs conforming to certain broad Federal standards. A Federal unemployment tax of 3 percent was levied, with certain exceptions, on the payrolls of employers of 8 or more persons (now 4 or more), and a credit of up to 90 percent of this tax was allowed employers covered by State laws meeting the requirements of the Federal act. Each State pays benefits to eligible unemployed workers from a special State trust fund in which payroll taxes contributed by employers (and also by employees in two States) are deposited. The cost of operating each State's employment security agency, which administers both the unemployment compensation and employment service functions, is paid entirely by the grant financed from the Federal Government's three-tenths of 1 percent share of the payroll tax. The program is administered by the Bureau of Employment Security in the Department of Labor.

Fish and Wildlife Restoration and Management

The Federal Aid in Wildlife Restoration (Pittman-Robertson) Act of 1937 and the Federal Aid in Fish Restoration (Dingell-Johnson) Act of 1950 form the basis for grant programs administered jointly by the Fish and Wildlife Service of the Department of the Interior. States frequently submit single projects in which the costs are prorated between these companion programs. In the fish restoration program, Federal grants are provided to the State fish and game departments for carrying out sportfish restoration and management. The types of approvable activities are research into problems of fish management and culture, restoration and improvement of habitat, acquisition of lands and waters, and the maintenance of completed projects. Funds for the program are derived from a 10 percent excise tax on sport-fishing equipment and are allotted to the States on the basis of both area and the number of licensed fishermen. The wildlife restoration program includes, among approved activities, the restoration and improvement of lands and waters for wildlife habitat, acquisition of lands to be used for Federal resting or breeding grounds, research into the problems of wildlife management, and the maintenance of completed projects. Funds for carrying out the program, derived from an 11 percent excise tax on firearms and ammunition, are allotted in relation to the land area and the number of paid hunting license holders in each State. The Federal share of project costs is limited to 75 percent in both of these programs.

Flood Prevention and Watershed Protection

Under the Watershed Protection and Flood Prevention Act of 1954, the Federal Government cooperates with "local organizations" (States and

their political subdivisions such as soil-conservation districts, flood-control districts, counties and municipalities) for the purpose of making full use of water resources, preventing erosion, and reducing damages from floodwater and sediment in small watersheds. The program is intended to be an integral part of the total soil and water conservation program of the Nation and to round out the flood-control program by applying water-control measures on upstream watershed lands where the water first falls. The Federal Government shares the cost of installing works of improvement in accordance with a work plan developed for each watershed project. The amount of the Federal share of improvement costs varies with the purposes of each project and the nature of the benefits. The Soil Conservation Service of the Department of Agriculture administers the program.

Highway Construction

Commencing with the Federal-Aid Road Act of 1916, the Federal Government has assisted the States in the construction of highways. Funds are provided for projects on designated Federal-aid highway systems: The primary system, the secondary system, extensions of the primary and secondary systems within urban areas, and the National System of Interstate and Defense Highways. Funds authorized by the Congress are apportioned to the States, on a matching basis, in accordance with formulas involving the factors of area, population, and road mileage. However, commencing with the fiscal year 1960 funds for the National System of Interstate and Defense Highways will be apportioned among the States in the ratio which the estimated cost of completing such System in each State bears to the sum of the estimated cost of completing the System in all of the States. For primary, secondary and urban funds, the regular matching ratio is 50 percent Federal funds to 50 percent State funds, with increased Federal participation in States having large areas in public lands and nontaxable Indian lands; for the additional funds authorized for the fiscal year 1959 the Federal share is increased to two-thirds of project costs. The matching ratio for the Interstate System is 90 percent Federal funds to 10 percent State funds, with a larger share applicable to the public-lands States and to States which agree to control outdoor advertising in areas adjacent to the Interstate System. The program is administered by the Bureau of Public Roads in the Department of Commerce.

Hospital and Medical Facilities Survey and Construction

Grants for hospital survey and construction purposes were first authorized by the Hospital Survey and Construction Act of 1946. The Hill-Burton Act provided Federal funds for the construction of public-health centers and four types of public and other nonprofit hospitals: General, tubercular, mental and chronic disease. The Medical Facilities Survey and Construction Act of 1954 expanded the scope of the program to include four additional categories of medical facilities: Diagnostic or treatment centers, hospitals for the chronically ill and impaired, rehabilitation facilities, and nursing homes. Survey and planning grants

are allotted to the States on a population basis, while funds for construction are allotted by a formula which takes into account both population and State per capita income. The amount of matching funds required is also related to a State's per capita income. The program is administered by the Public Health Service, Department of Health, Education, and Welfare.

Library Services for Rural Areas

This program, authorized by the Library Services Act of 1956, is intended to stimulate the States to extend public library services to rural areas without such services or with inadequate services. Federal grants must be matched by State or local government funds in amounts varying with a State's fiscal ability. Each State is required to submit a plan of operation for approval by the Commissioner of Education, Department of Health, Education and Welfare.

Major Disaster Relief

Under the first Federal major disaster relief law enacted in 1947, surplus property was granted or loaned to stricken areas. With the depletion of available surplus property, it became increasingly necessary for the President to allocate money for disaster relief from emergency funds. The enactment of Public Law 875 in 1950 authorized a specific fund for making contributions to State and local governments to alleviate suffering from major disasters and to effect temporary repair or replacement of essential public facilities. In addition to monetary assistance, surplus commodities, property, and services may also be donated. Public Law 875 does not define a major disaster or establish criteria for the distribution of assistance. The law requires only that State and local governments shall spend a reasonable amount of their own funds for disaster relief purposes. Before assistance can be provided, however, the governor must certify the need for Federal aid, and the President must declare the disaster to be of sufficient magnitude to warrant Federal help. The administration of disaster relief was transferred to the Federal Civil Defense Administration by Executive Order 10427 in 1953.

Maternal and Child Health Services

The purpose of this program, established by the Social Security Act of 1935, is to enable each State to extend and improve services for promoting the health of mothers and children, especially in rural areas and areas suffering from severe economic distress. While the program is primarily one of preventive health services, medical care is also a feature in some of the States. The Federal appropriation is equally divided into two funds. Fund A is apportioned partly by an equal grant to each State and partly in proportion to the number of live births. After reserving an amount for special projects, fund B is apportioned according to the need of each State for financial assistance in carrying out its approved plan. Fund A grants must be matched dollar for dollar. The program is administered by the Children's Bureau in the Department of Health, Education, and Welfare.

Public Assistance

Under the Social Security Act of 1935, as amended, the Federal Government shares with the States the cost of furnishing financial assistance to needy persons who are aged, blind, or permanently and totally disabled, or in need of medical care, and to dependent children who are deprived of parental support or care by reason of the death, continued absence from the home, or physical or mental incapacity of a parent. Public assistance is intended to supplement the needy person's resources to enable him to secure the necessities of life. The programs are administered by the States under State laws. Each State establishes its own eligibility requirements and its own standards of need and amount of payment subject to certain Federal conditions. The Federal grant is open end, with the amount of the Federal share depending upon each State's expenditures under an approved operating plan. The program is administered by the Bureau of Public Assistance in the Department of Health, Education, and Welfare.

Public Health Services

Continuing Federal grants for public health activities were inaugurated under the Social Security Act of 1935. Grants for the control of venereal disease were initiated earlier by the Chamberlain-Kahn Act of 1918 but were discontinued after a few years. The Public Health Service Act of 1944, consolidating and expanding previous public health legislation, is now the basic public health statute. Grants are made to assist the States and their political subdivisions to maintain adequate programs for general health and in five specific categories: Cancer control, heart-disease control, mental health, tuberculosis control, and venereal-disease control. Funds are allotted to the States for each category except venereal disease on the basis of formulas which take into account population, the extent of the particular health problem, and State per capita income. Funds for venereal disease control are granted on a project basis at the discretion of the Surgeon General and do not require matching. Grants for all categories must be matched by expenditure of one dollar from State or local sources for every Federal dollar. The program is administered by the Public Health Service, Department of Health, Education, and Welfare.

Public Housing, Low-Rent

The United States Housing Act of 1937, as amended, is the statutory basis for the low-rent public housing program. Under the program, local housing authorities initiate, plan, build, own and operate low-rent public housing projects under authorizing State statutes and with Federal financial aid in the form of loans and annual contributions. The annual contribution, legally limited (under contracts entered into pursuant to 1949 amendments) to a period of

40 years, constitutes the Federal subsidy which, up to a fixed maximum, makes up the difference between the cost of operating a project and the rents which the low-income tenants can afford to pay. The purpose of the program is to provide a minimum of decent, safe, and sanitary housing for families who cannot afford to rent such housing provided by private enterprise. The Public Housing Administration in the Housing and Home Finance Agency approves projects on the basis of the local need for low-rent housing.

Resident Instruction in Land-Grant Colleges

The first Morrill Act in 1862 made grants of public lands to the States, the proceeds of which were used to endow colleges of agriculture and the mechanic arts. Under the terms of the second Morrill Act of 1890, and supplemental acts, the Federal Government appropriates funds annually to be used for purposes of resident instruction and facilities for instruction in the 68 land-grant colleges and universities. The Federal grant is allotted partly in equal amounts to each State and partly on the basis of population; State matching is not required. The program is administered by the Office of Education, Department of Health, Education, and Welfare.

School Construction in Federally Affected Areas

In 1950 Congress enacted Public Law 815 to provide financial assistance for emergency school construction in areas where Federal activities had overburdened local school facilities and where local taxable resources were reduced because of Federal ownership of real property. At the same time, Congress enacted Public Law 874 to provide assistance for the operation and maintenance of schools in such areas. Originally enacted as a temporary measure, the construction program has been extended several times and modified somewhat in formula and content. Funds are distributed to eligible school districts, upon application, by a formula under which the Federal share of State average per pupil construction costs is determined by the number of federally connected pupils whose parents either live or are employed on Federal property, or both, or have come into the community to accept employment in Federal activities carried on directly or through a contractor. Federal funds may be used only for the construction of "minimum" school facilities; local funds make up any difference between the total cost of a project and the allowable Federal share. The program is administered by the Office of Education, Department of Health, Education, and Welfare.

School Operation and Maintenance in Federally Affected Areas

Public Law 874 was enacted in 1950 to provide for payments to school districts for current operating expenses in areas where Federal activities have imposed a financial burden due to substantial increases in enrollments resulting from Federal activities and a reduction in taxable resources because of Federal ownership of real property. At

the same time, Congress enacted Public Law 815 to provide aid for school construction in such areas. Funds are distributed to eligible school districts, upon application, in relation to the number of school children whose attendance results from a Federal activity and the particular category (related to the degree of burden associated with the parent's residence and/or employment on a Federal property) in which pupils are counted. To be eligible for payments, a school district must have certain percentages of its total attendance identified with a Federal property or activity. Special payments are authorized for districts which have lost a substantial portion of their tax base because of Federal property acquisition since 1939, and for districts experiencing a sudden and substantial attendance increase and an unusual financial burden due to Federal defense contract activities. The program is administered by the Office of Education, Department of Health, Education, and Welfare.

School Lunch

Under the National School Lunch Act of 1946, cash grants and commodity donations are made for nonprofit lunches served in public and private schools of high school grade or under. The purposes outlined in the act are to safeguard the health of the Nation's children and to encourage the consumption of agricultural products. School lunch programs also provide an outlet for food commodities acquired by the Department of Agriculture under market stabilization purchase programs. Federal funds, subject to matching, are allotted to the States by a statutory formula which takes into account the number of a State's school-age children and its fiscal capacity as measured by per capita income. The program is operated according to the terms of an agreement between the State educational agency, which administers the program within the State, and the Department of Agriculture. The Department of Agriculture makes cash payments directly to nonprofit private schools in the 28 States and 2 Territories in which legal barriers prevent a State from doing so.

Special Milk

Established by the Agricultural Act of 1954, the program is intended both to expand the market for fluid milk and to increase its consumption by children in nonprofit schools of high school grade and under and in nonprofit institutions devoted to the care and training of children. The amount of funds reserved for each State is based upon previous participation plus an allowance for program expansion. The program is administered by agencies of the various States operating under an agreement with the Department of Agriculture, except where legal or other barriers make it necessary for the Department to directly administer the program.

Slum Clearance and Urban Renewal

The Housing Act of 1949 (title I), as amended, is the basis for the slum clearance and urban redevelopment activities of the Federal Government. The 1949 act was broadened by the Housing Act of 1954 which authorized Federal assistance to local communities not only in the clearance and redevelopment of slum areas as originally provided, but also to help them in preventing the spread of slums and urban blight through the rehabilitation and conservation of blighted and deteriorating areas. Federal financial assistance is provided in the form of survey and planning advances, loans, and capital grants. The capital grants may finance up to two-thirds of the net project cost, or deficit, of each project. Localities are required to match these funds with at least one-third of the net costs, either in cash or in the form of land donations, public facilities such as school buildings or other public improvements which are of direct benefit to the project. The Housing Act of 1957 established an alternative method of computing the capital grant on the basis of three-fourths of the net project cost when survey and planning and administrative expenses are not included in project cost. In addition, special demonstration grants are authorized to aid localities in developing, testing, and reporting on improved techniques for preventing and eliminating slums and urban blight. Federal financial assistance may be made available only to an authorized local public agency; such agencies generally derive their authority from specific State enabling acts or from amendments to State housing legislation. The program is administered by the Urban Renewal Administration in the Housing and Home Finance Agency.

State and Private Forestry Cooperation

Federal cooperation in the suppression of forest fires began under the Weeks Act of 1911 and was strengthened and broadened to include assistance in tree planting and forestry education under the Clarke-McNary Act of 1924. Cooperation in forest management on farm woodlands began under the Norris-Doxey Farm Forestry Act of 1937, and this activity was broadened to include all private woodlands under the Cooperative Forest Management Act of 1950. The Department of Agriculture, through the Forest Service, provides assistance to the States for forest fire protection and for encouraging reforestation and good management of woodlands. Funds are allotted to the States principally by formula, but in part by a uniform grant and on a project basis. Federal grants must be matched dollar for dollar.

Urban Planning

The Housing and Home Finance Administrator is authorized under the Housing Act of 1954, as amended, to make grants to State planning agencies for planning assistance to municipalities of less than 25,000

population. The Administrator may also make grants to authorized State, metropolitan, or regional agencies for planning work in metropolitan and regional areas, and to municipalities and counties of at least 25,000 population which have suffered substantial damage as a result of a major disaster. Official planning agencies may also receive grants to plan for areas facing rapid urbanization as a result of Federal installations. In addition, grants may be made to State planning agencies to plan for localities affected by major disasters or by Federal installations. A grant may not exceed 50 percent of the estimated planning costs.

Vocational Education

Grants for vocational education began under the Smith-Hughes Act of 1917 to help communities provide vocational training of less than college grade in certain occupational fields. The program now provides grants to States for training in agriculture, distributive occupations, home economics, trades and industry, practical nursing, fishery trades and in highly-skilled technical occupations essential for the national defense. Federal grants, which must be matched dollar for dollar, are allotted to the States by population formulas which differ with respect to the various training categories. The program is administered by the Office of Education, Department of Health, Education, and Welfare.

Vocational Rehabilitation

Grants to assist the States to prepare disabled persons for gainful employment were initiated in 1920, but the program was substantially broadened by later legislative acts. Originally devoted to training, counseling, placement, and the provision of artificial appliances, the program was expanded in 1943 to include physical restoration services. The Vocational Rehabilitation Amendments of 1954 authorized further increases in the amount of Federal aid and, in addition, provided grants for encouraging the extension and improvement of services and for special projects. The act requires the States gradually to assume a larger portion of the total cost so that the States' share, which was approximately 34 percent in 1954, will be 40 percent by 1962. Funds for the support of rehabilitation services are allotted by a formula which takes into account State population and per capita income. The amount of matching funds required of each State is determined by its per capita income level in relation to other States. The program is administered by the Office of Vocational Rehabilitation, Department of Health, Education, and Welfare.

Waste Treatment Facilities

Under the Federal Water Pollution Control Act of 1956, the Surgeon General of the Public Health Service is authorized to make grants to any State, interstate, municipal or intermunicipal agency for the construction of necessary treatment works to prevent the

discharge of untreated or inadequately treated sewage or other waste into any waters. Such grants must be approved by the State pollution control agency and the Surgeon General. No grant is to exceed 30 percent of the estimated reasonable cost thereof as determined by the Surgeon General, or in an amount exceeding \$250,000, whichever is the smaller, and at least 50 percent of the funds are to be used for projects serving municipalities of 125,000 population or under. Funds are allotted to the States on the basis of population and per capita income.

Water Pollution Control

Grants to State and interstate agencies to assist them in meeting the costs of establishing and maintaining adequate measures for the prevention and control of water pollution were authorized by the Federal Water Pollution Control Act of 1956. Federal grants had previously been authorized from 1950 through 1952 for studies and investigation of water pollution caused by industrial wastes. Funds are allotted to the States on the basis of population, the extent of the water pollution problem, and financial need. Matching requirements are related to each State's per capita income level. The program is administered by the Public Health Service, Department of Health, Education, and Welfare.

APPENDIX B
EXPENDITURES FOR FEDERAL GRANTS-IN-AID TO STATE AND LOCAL GOVERNMENTS: Part I -- Selected Fiscal Years 1902 through 1932
(In thousands of dollars 1/)

Function, agency, and program <u>2/</u>	1902	1912	1920	1925	1929	1930	1931	1932
<u>Veterans' services and benefits</u>								
Veterans' Administration:								
Federal aid to State homes <u>a/</u>	\$1,005	\$1,152	\$1,095	\$706	\$560	\$575	\$453	\$786
<u>Social welfare, health, and security</u>								
Federal Security Agency:								
Payments to States, Vocational rehabilitation Act, as amended.....	---	---	---	600 ^{b/}	681	736	903	996
Promotion of welfare and hygiene of maternity and infancy.....	---	---	---	884 ^{b/}	801	10	---	---
Control of venereal diseases <u>a/</u>	---	---	1,759	25	---	---	---	---
Federal Works Agency:								
Highway funds, advances to States emergency expenditures.....	---	---	---	---	---	---	20,296	58,912
Total, Social welfare, health and security.....	---	---	1,759	1,509	1,482	746	21,199	59,908
<u>Education and general research</u>								
Federal Security Agency:								
Promotion of vocational education.....	---	---	2,107	5,873 ^{b/}	6,801	7,385	7,992	8,533
Colleges for agriculture and the mechanic arts.....	1,200	2,500	2,500	2,550	2,550	2,550	2,550	2,550
To promote education of the blind.....	10	10	30	50	75	75	75	75
Total, Education and general research..	1,210	2,510	4,637	8,473	9,426	10,010	10,617	11,158

NOTE: For explanatory comment, see the Budget for 1960, Special Analysis G, (Reprints of pages 982-988 from the Budget). Grant-in-aid data are not available on a consistent functional classification basis for all of the years 1902 to date. The data here presented are from U. S. Bureau of the Budget sources: The years 1902-1948, from unpublished documents; the years 1949-1962, from the "Special Analysis of Federal Grants-in-Aid to State and Local Governments", contained in the Budget documents for the corresponding years. The data for 1958 and subsequent years accord with those published on a State-by-State basis in the Annual Report of the Secretary of the Treasury.

1/ Detail may not add to totals because of rounding.

2/ Where a program was transferred between agencies during the period covered, only the latter agency is shown.

a/ Obligations b/ Estimated

EXPENDITURES FOR FEDERAL GRANTS-IN-AID TO STATE AND LOCAL GOVERNMENTS: Part I -- Selected Fiscal Years 1902 through 1932 (Continued)
(In thousands of dollars 1/)

Function, agency, and program <u>2/</u>	1902	1912	1920	1925	1929	1930	1931	1932
<u>Agriculture and agricultural resources</u>								
Department of Agriculture:								
Payments to States, Hawaii, Alaska, and Puerto Rico for cooperative agricultural extension work.....	---	---	\$4,472	\$5,860	\$7,163	\$7,540	\$8,650	\$8,633
Payments to States, Hawaii, Alaska, and Puerto Rico, agricultural experiment stations.....	\$786	\$1,593	1,440	1,440	3,840	4,335	4,340	4,357
Total, Agriculture and agricultural resources.....	786	1,593	5,912	7,300	11,003	11,875	12,990	12,990
<u>Natural resources not primarily agricultural</u>								
Department of Agriculture:								
Forest-fire cooperation <u>a/</u>	---	---	---	346	1,067	1,237	1,532	1,573
Farm and other private forestry cooperation <u>a/</u>	---	---	---	---	66	81	91	91
Total, Natural resources not primarily agricultural.....	---	---	---	346	1,133	1,318	1,623	1,664
<u>Transportation and communication</u>								
U. S. Maritime Commission:								
State marine schools.....	---	---	177	75	75	75	125	100
Federal Works Agency:								
Federal-aid highway system.....	---	---	20,306	95,337	84,007	77,891	135,593	129,805
Flood relief, restoration of roads and bridges.....	---	---	---	---	1,917	1,873	2,410	2,101
Total, transportation and communication	---	---	20,483	95,412	85,999	79,839	138,128	132,006
<u>General government</u>								
District of Columbia-Federal contribution <u>3/</u> ..	4,082	6,006	9,559	10,044	9,118	9,202	9,653	9,691
Total, Grants-in-aid.....	7,083	11,261	43,445	123,790	118,721	113,565	195,163	228,803

3/ Source: Fiscal Relations between the U. S. and the District of Columbia, GPO., 1937.

EXPENDITURES FOR FEDERAL GRANTS-IN-AID TO STATE AND LOCAL GOVERNMENTS: Part II -- Fiscal Year 1933 through 1940
(In thousands of dollars^{1/})

Function, agency, and program ^{2/}	1933	1934	1935	1936	1937	1938	1939	1940
<u>Veterans' services and benefits</u>								
Veterans' Administration:								
Federal aid to State homes ^{a/}	\$758	\$522	\$499	\$568	\$610	\$674	\$720	\$1,368
<u>Social welfare, health, and security</u>								
<u>Federal Security Agency:</u>								
Payments to States, Vocational Rehabilitation Act, as amended.....	1,006	867	1,042	1,436	1,592	1,669	1,799	2,125
Grants to States for public assistance--old-age assistance, aid to dependent children, and aid to the blind.....	---	---	---	28,424	143,934	216,073	246,898	279,181
Child welfare services.....	---	---	---	225	969	1,356	1,521	1,487
Civil Works Administration:								
Emergency expenditures.....	---	805,123	11,327	676	297	222	---	---
Public Works Administration:								
Public bodies, emergency expenditures...	---	78,596	137,707	247,697	277,690	177,132	327,808	285,676
Federal Emergency Relief Administration:								
Emergency expenditures.....	---	707,352	1,814,477	495,592	8,390	4,369	1,660	541
Federal Works Agency:								
Highways, advances to States, emergency expenditures.....	62,127	55,669	2,136	63	---	---	---	---
Highways, emergency expenditures.....	---	169,187	275,667	203,113	267,685	88,042	33,856	13,565
Flood relief, for restoration of roads and bridges.....	---	---	---	---	---	4/	210	338
Works Progress Administration:								
Emergency relief.....	---	---	---	1,263,661 ^{a/}	1,821,904 ^{a/}	1,422,229	1,929,276	1,400,000 ^{b/}
Control of venereal diseases ^{a/}	---	---	---	---	---	---	2,361	4,188
Assistance to States, general ^{a/}	---	---	---	2,386	7,819	8,892	7,985	9,501
Maternal and child health services.....	---	---	---	1,239	3,002	3,729	3,739	4,767
Services for crippled children.....	---	---	---	698	1,991	2,748	3,029	3,291
Total, Social welfare, health, and security.....	63,133	1,816,794	2,242,356	2,245,210	2,535,273	1,926,461	2,560,142	2,004,660

^{4/} Prior to 1939 and beginning in 1943, classified under Transportation and Communication--Federal Works Agency.

EXPENDITURES FOR FEDERAL GRANTS-IN-AID TO STATE AND LOCAL GOVERNMENTS: Part II -- Fiscal Years 1933 through 1940, Continued
(In thousands of dollars 1/)

Function, agency, and program <u>2/</u>	1933	1934	1935	1936	1937	1938	1939	1940
<u>Education and general research</u>								
Federal Security Agency:								
Promotion of vocational education.....	\$7,724	\$6,998	\$9,997	\$9,450	\$9,695	\$19,568	\$19,533	\$19,299
Colleges for agriculture and the mechanic arts.....	2,550	2,550	2,550	3,530	4,030	4,530	5,030	5,030
To promote education of the blind.....	75	75	75	75	75	115	115	115
Total, Education and general research.....	10,349	9,623	12,622	13,055	13,800	24,213	24,678	24,444
<u>Agriculture and agricultural resources</u>								
Department of Agriculture:								
Payments to States, Hawaii, Alaska, and Puerto Rico for cooperative agricultural extension work.....	8,607	8,352	8,580	16,664	16,343	17,252	17,822	18,448
Payments to States, Hawaii, Alaska, and Puerto Rico, agricultural experiment stations.....	4,359	4,358	4,384	4,992	5,611	6,229	6,538	6,848
Exportation and domestic consumption of agricultural commodities:								
School lunches <u>a/</u>)	---	---	---	---	---)))
Purchase of commodities for distri- )	---	---	---	---	---	)9,461	)68,010	)117,817
bution through authorized agencies <u>a/</u>)	---	---	---	---	---)))
Total, Agriculture and agricultural resources.....	12,966	12,710	12,964	21,656	21,954	32,942	92,370	143,113

EXPENDITURES FOR FEDERAL GRANTS-IN-AID TO STATE AND LOCAL GOVERNMENTS: Part II -- Fiscal Years 1933 through 1940, Continued
(In thousands of dollars 1/)

Function, agency, and program <u>2/</u>	1933	1934	1935	1936	1937	1938	1939	1940
<u>Natural resources not primarily agricultural</u>								
Department of Agriculture:								
Forest-fire cooperation <u>a/</u>	\$1,450	\$1,465	\$1,457	\$1,419	\$1,472	\$1,461	\$1,790	\$2,083
Farm and other private forestry cooperation <u>a/</u>	73	51	54	54	67	67	93	129
New England hurricane damage.....	---	---	---	---	---	---	469	3,603
Department of Interior:								
Federal aid in wildlife restoration....	---	---	---	---	---	---	122	577
Total, Natural resources not primarily agricultural.....	1,523	1,516	1,511	1,473	1,539	1,528	2,474	6,392
<u>Transportation and communication</u>								
U. S. Maritime Commission:								
State marine schools.....	189	102	182	150	210	149	247	140
Federal Works Agency:								
Federal-aid highway system.....	103,608	---	---	27,192	78,852	134,728	123,619	105,502
Federal-aid secondary or feeder roads..	---	---	---	---	---	3,199	16,434	18,355
Elimination of grade-crossings.....	---	---	---	---	---	4,865	20,977	29,522
Flood relief, for restoration of roads and bridges.....	440	342	144	223	106	162	<u>5/</u>	---
Total, Transportation and communication.....	104,237	444	326	27,565	79,168	143,103	161,277	153,519

5/ In 1939 through 1942 classified under Social Welfare, Health and Security--Federal Works Agency.

EXPENDITURES FOR FEDERAL GRANTS-IN-AID TO STATE AND LOCAL GOVERNMENTS: Part II -- Fiscal Years 1933 through 1940, Continued
(In thousands of dollars 1/)

Function, agency, and program <u>2/</u>	: 1933	: 1934	: 1935	: 1936	: 1937	: 1938	: 1939	: 1940
<u>Labor</u>								
Department of Labor:								
Grants to States for public								
employment offices.....	---	<u>a/\$633</u>	\$1,315	<u>a/\$2,049</u>	<u>a/\$2,325</u>	\$3,703	\$3,526	\$3,367
Federal Security Agency:								
Unemployment compensation								
administration.....	---	---	---	938	9,159	42,202	58,812	58,335
Total, Labor.....	---	633	1,315	2,987	11,484	45,905	62,338	61,702
<u>General government</u>								
District of Columbia -- Federal								
contribution <u>3/</u>	7,967	837	5,827	5,852	5,000	5,000	5,000	6,000
Total, Grants-in-Aid.....	200,933	1,848,079	2,277,420	2,318,366	2,668,828	2,179,826	2,908,999	2,401,198

EXPENDITURES FOR FEDERAL GRANTS-IN-AID TO STATE AND LOCAL GOVERNMENTS: Part III -- Fiscal Years 1941 through 1948
(In thousands of dollars 1/)

Function, agency, and program <u>2/</u>	1941	1942	1943	1944	1945	1946	1947	1948
<u>National defense</u>								
Executive Office of the President --								
War Shipping Administration:								
State marine schools (war) <u>6/</u>	\$165	\$122	\$257	\$175	\$186	---	---	---
<u>Veterans' services and benefits</u>								
Veterans' Administration:								
Federal aid to State homes <u>a/</u>	1,432	1,375	1,176	1,181	1,194	\$1,354	\$1,572	\$1,765
Grants to States for supervision of establishments engaged in on-the-job training program <u>a/</u>	---	---	---	---	---	---	2,895	5,854
Grants to States for administration of unemployment and self-employment benefits <u>a/</u>	---	---	---	---	---	18,884	28,587	24,178
Federal Works Agency:								
Veterans' educational facilities.....	---	---	---	---	---	---	26,128	53,179
Total, Veterans' services and benefits.....	1,432	1,375	1,176	1,181	1,194	20,238	59,182	84,977
<u>Social welfare, health, and security</u>								
Federal Security Agency:								
Payments to States, Vocational Rehabilitation Act, as amended.....	2,217	2,675	2,803	4,629	7,155	10,764	12,387	21,842
Grants to States for public assistance -- old-age assistance, aid to dependent children, and aid to the blind.....	329,845	376,415	395,449	429,457	401,400	421,196	644,045	731,989
Child welfare services.....	1,532	1,573	1,583	1,423	1,363	1,278	<u>7/</u> 2,010	3,422

6/ Prior to 1941 and beginning in 1946 classified under Transportation and Communication -- U. S. Maritime Commission, and subsequently under Commerce and Housing -- Department of Commerce.

7/ Includes \$213,000 expended by Labor Department.

EXPENDITURES FOR FEDERAL GRANTS-IN-AID TO STATE AND LOCAL GOVERNMENTS: Part III -- Fiscal Years 1941 through 1948, Continued
(In thousands of dollars 1/)

Function, agency, and program 2/	1941	1942	1943	1944	1945	1946	1947	1948
Social welfare, health, and security, Cont.								
Federal Security Agency:								
Control of venereal diseases a/.....	\$5,514	\$7,645	\$9,325	\$9,703	\$9,482	\$12,268	\$12,866	\$15,192
Control of tuberculosis a/.....	---	---	---	---	1,370	5,179	6,873	6,703
Assistance to States, general a/.....	10,722	11,473	10,573	10,840	10,913	10,964	11,717	11,173
Payments to States for surveys and programs for hospital construction.....	---	---	---	---	---	---	358	656
Grants for hospital construction.....	---	---	---	---	---	---	---	392
Mental health activities a/.....	---	---	---	---	---	---	---	1,653
Grants, National Cancer Institute.....	---	---	---	---	---	---	---	2,825
Emergency maternity and infant care (war).	---	---	---	29,946	45,012	36,071	9/12,933	2,068
Maternal and child health services.....	5,471	5,927	5,708	5,948	5,486	6,056	9/10,672	10,584
Services for crippled children.....	3,928	3,997	3,048	3,787	3,839	4,151	10/ 7,430	7,423
Department of Agriculture:	---	---	---	---	---	11/	76,100	12/68,313
National school lunch program.....	---	---	---	---	---	---	---	---
Public Works Administration:	---	---	---	---	---	---	---	---
Public bodies, emergency expenditures.....	116,786	36,102	21,159	4,319	---	---	---	---
Works Progress Administration:	---	---	---	---	---	---	---	---
Emergency relief.....	1,161,540	874,043	264,800	5,457	---	---	---	---
Federal Works Agency:	---	---	---	---	---	---	---	---
Liquidation of PWA.....	---	---	---	---	4,619	4,220	2,484	7,599
Highways, emergency expenditures.....	7,010	3,490	1,677	1,710	401	13/	---	---
Flood relief, for restoration of roads and bridges.....	242	54	4/	---	---	---	---	---
Total, Social welfare, health and security.....	1,644,807	1,323,394	716,925	507,219	491,040	512,147	799,075	891,834

8/ Includes \$1,980,000 expended by Labor Department.

9/ Includes \$16,000 expended by Labor Department.

10/ Includes \$17,000 expended by Labor Department.

11/ Prior to 1947, classified under Agriculture and Agricultural Resources, Department of Agriculture.

12/ Omits \$19,341,000 included under Purchase of Commodities for distribution through authorized agencies.

13/ Beginning in 1946, classified under Transportation and Communication--Federal Works Agency.

EXPENDITURES FOR FEDERAL GRANTS-IN-AID TO STATE AND LOCAL GOVERNMENTS: Part III -- Fiscal Years 1941 through 1948, Continued
(In thousands of dollars 1/)

Function, agency, and program <u>2/</u>	: 1941	: 1942	: 1943	: 1944	: 1945	: 1946	: 1947	: 1948
<u>Housing and community facilities</u>								
Housing and Home Finance Agency:								
Annual contributions.....	\$4,747	\$9,926	\$9,883	\$10,130	\$9,534	\$ 7,136	\$ 5,667	\$ 3,336
Veterans' re-use housing.....	---	---	---	---	---	29,253	357,167	42,471
Federal Works Agency:								
Community facilities, defense public works.....	---	34,096	108,529	124,190	119,413	54,620	9,727	1,003
Public works advance planning -- repayable advances.....	---	---	---	---	---	13,628	21,116	7,101
Total, Housing and community facilities.....	4,747	44,022	118,412	134,320	128,947	104,637	393,677	53,911
<u>Education and general research</u>								
Federal Security Agency:								
Promotion of vocational education....	20,068	20,376	20,911	20,334	19,811	20,153	20,493	26,538
Food conservation.....	---	---	---	---	---	---	1,111	---
Colleges for agriculture and the mechanic arts.....	5,030	5,030	5,030	5,030	5,030	5,030	5,030	5,030
To promote education of the blind....	115	115	115	115	115	125	125	125
Federal Works Agency:								
Maintenance and operation of schools.	---	---	---	---	---	---	5,411	5,461
Total, Education and general research.....	25,213	25,521	26,056	25,479	24,956	25,308	32,170	37,154
<u>Agriculture and agricultural resources</u>								
Department of Agriculture:								
Payments to States, Hawaii, Alaska, and Puerto Rico for cooperative agricul- tural extension work.....	18,477	18,847	18,784	18,754	18,715	23,148	26,584	26,364
Research and marketing Act of 1946 <u>a/</u>	---	---	---	---	---	---	---	2,421
Payments to States, Hawaii, Alaska and Puerto Rico, agricultural experiment stations.....	6,861	6,925	6,922	6,946	6,972	7,195	7,190	7,151

EXPENDITURES FOR FEDERAL GRANTS-IN-AID TO STATE AND LOCAL GOVERNMENTS: Part III -- Fiscal Years 1941 through 1948, Continued
(In thousands of dollars 1/)

Function, agency, and program <u>2/</u>	1941	1942	1943	1944	1945	1946	1947	1948
<u>Agriculture and agricultural resources, Cont.</u>								
Department of Agriculture:								
Exportation and domestic consumption of agricultural commodities:								
School lunches..... )	)		\$15,340	\$34,400	\$47,844	\$55,938	<u>14/</u>	
Purchase of commodities for distribution through authorized agencies <u>a/</u>)	\$84,791	) 51,747	6,644	6,219	8,331	6,146	31,342	<u>15/35,004</u>
Total, Agriculture and agricultural resources.....	110,129	77,519	47,690	66,319	81,862	92,427	65,116	70,940
<u>Natural resources not primarily agricultural</u>								
Department of Agriculture:								
Forest-fire cooperation <u>a/</u>	1,972	2,176	3,666	5,911	5,946	6,974	7,873	8,791
Farm and other private forestry cooperation <u>a/</u>	109	110	121	143	112	104	107	218
New England hurricane damage.....	850							
Forest-fire control (emergency).....	---	520	3,345	---	---	---	---	---
Department of Interior:								
Federal aid in wildlife restoration....	1,189	1,712	1,873	1,305	1,415	1,196	1,774	2,464
Total, Natural resources not primarily agricultural.....	4,120	4,518	9,005	7,359	7,473	8,274	9,754	11,473
<u>Transportation and communication</u>								
U. S. Maritime Commission:								
State marine schools <u>16/</u>	---	---	---	---	---	232	202	296
Federal Works Agency:								
Federal-aid highway system.....	118,616	107,116	66,014	36,129	25,242	29,302	37,725	23,339

14/ Beginning in 1947, classified under Social Welfare, Health and Security.

15/ Revised.

16/ In 1941 through 1945 classified under National Defense -- War Shipping Administration.

EXPENDITURES FOR FEDERAL GRANTS-IN-AID TO STATE AND LOCAL GOVERNMENTS: Part III -- Fiscal Years 1941 through 1948, Continued
(In thousands of dollars 1/)

Function, agency, and program 2/	1941	1942	1943	1944	1945	1946	1947	1948
Transportation and communication, Cont.								
Federal Works Agency:								
Federal-aid secondary or feeder roads.....	\$17,359	\$16,049	\$6,613	\$4,421	\$3,547	\$5,204	\$8,184	\$5,559
Elimination of grade-crossings.....	29,925	26,041	13,425	6,457	4,522	5,324	6,266	9,863
Federal-aid postwar highways.....	---	---	---	---	---	4,619	131,051	275,685
Public lands highways.....	---	812	a/ 70	168	62	30	19	239
Strategic highway network (war).....	---	---	---	13,528	9,787	8,347	9,368	3,113
Access roads (war).....	---	10,076	90,685	88,111	44,830	18,169	13,232	7,704
Surveys and plans (war).....	---	---	---	173	605	1,074	968	756
Highways, emergency expenditures.....	---	---	---	---	17/	3,180	1,069	831
Flood relief, for restoration of roads and bridges 5/.....	---	---	15	---	---	---	---	51
Flight strips (war).....	---	11	4,613	3,363	659	387	120	112
Department of Commerce:								
Federal-aid airport program.....	---	---	---	---	---	---	---	6,000
Total, Transportation and communication.....	165,900	160,105	181,435	152,350	89,254	75,868	208,204	333,550
Labor								
Department of Labor: Grants to States for public employment offices.....								
	3,188	1,600	---	---	---	---	42,536	65,893
Federal Security Agency:								
Unemployment compensation administration	63,011	70,257	54,416	36,201	34,419	55,726	59,682	67,155
Education and training, defense workers(war)	60,301	111,263	131,241	72,731	44,717	---	---	---
Total, Labor.....	126,500	183,120	185,657	108,932	79,136	55,726	102,218	133,048
General Government								
District of Columbia: Federal contribution	6,000	6,000	6,000	6,000	6,000	6,000	8,000	12,000
Total, Grants-in-aid.....	2,089,013	1,825,696	1,292,613	1,009,334	910,048	900,625	1,678,196	1,628,887

17/ Prior to 1946 classified under Social Welfare, Health and Security.

EXPENDITURES FOR FEDERAL GRANTS-IN-AID TO STATE AND LOCAL GOVERNMENTS: Part IV -- Fiscal Years 1949-1954
(In thousands of dollars 1/)

Function, agency, and program <u>2/</u>	1949	1950	1951	1952	1953	1954
<u>Veterans' services and benefits</u>						
Veterans' Administration:						
Aid to State homes.....	\$3,145	\$3,355	\$3,529	\$3,646	\$3,726	<u>20/</u> \$3,745
State supervision of schools and training establishments.....	4,875	3,801	3,010	2,410	2,000	<u>20/</u> 2,328
Administration of unemployment and self-employment benefits.....	21,019	7,468	2,432	600	600	---
General Services Administration:						
Veterans' educational facilities	2,548	653	27	<u>18/</u>		
State supervision of schools and training establishments.....	---	---	---	---	---	790
Total, Veterans' services and benefits.....	31,587	15,277	8,998	6,656	6,326	6,863
<u>Social security, health, labor and welfare</u>						
Federal Security Agency <u>18/</u> , <u>19/</u> Department of Health, Education and Welfare:						
Public Assistance.....	920,814	1,123,418	1,185,764	1,177,688	1,329,933	1,437,516
Vocational rehabilitation.....	14,823	24,937	16,141	21,508	22,246	22,977
Child welfare services <u>21/</u>	2,197	320	---	---	---	---
Hospital construction.....	10,096	55,658	106,766	124,079	108,909	89,918
Portion to private non-profit institutions	---	---	---	---	---	(40,463)

18/ Less than \$500.

19/ The Federal Security Agency became the Department of Health, Education and Welfare. on April 11, 1953.

20/ Part of a larger appropriation account.

21/ Merged into general category of "Maternal and child welfare."

EXPENDITURES FOR FEDERAL GRANTS-IN-AID TO STATE AND LOCAL GOVERNMENTS: Part IV -- Fiscal Years 1949-1954, Continued
(In thousands of dollars 1/)

Function, agency, and program <u>2/</u>	: 1949	: 1950	: 1951	: 1952	: 1953	: 1954
<u>Social security, health, labor and welfare, Cont.</u>						
Federal Security Agency <u>18/</u> , <u>19/</u> , Department of Health, Education and Welfare:						
Surveys and programs for hospital construction.....	\$195	\$110	\$108	\$63	\$87	\$10
Assistance to States, general public health...	11,213	14,081	13,540	13,500	13,000	<u>20/</u> 10,129
Control of venereal disease.....	14,618	13,367	10,667	9,331	6,062	<u>20/</u> 2,165
Control of tuberculosis.....	6,786	6,781	6,350	5,800	5,300	<u>20/</u> 4,273
Mental health activities.....	2,925	3,294	3,074	2,913	3,060	<u>20/</u> 2,307
National Heart Institute.....	---	1,770	1,359	1,258	1,446	<u>20/</u> 1,054
National Cancer Institute.....	3,329	3,246	3,034	3,128	3,009	<u>20/</u> 3,320
Maternal and child health services <u>21/</u>	1,229	139	---	---	---	---
Emergency maternity and infant care (national defense).....	<u>a/</u> 47	---	---	---	---	---
Services for crippled children <u>21/</u>	220	102	---	---	---	---
Maternal and child welfare.....	19,424	22,216	28,058	31,032	31,503	29,380
Disease and sanitation control, Alaska.....	782	757	694	630	510	<u>20/</u> 564
Water pollution control.....	---	995	956	929	20	<u>a/</u> 69
Defense community facilities.....	---	---	---	---	1,079	---
Department of Agriculture:						
National school lunch program (and special milk program - 1959).....	74,902	83,066	82,761	83,570	82,802	83,497
General Services Administration:						
Liquidation of public works.....	7,718	378	<u>18/</u>	---	---	---
Hospital facilities in District of Columbia (private non-profit).....	---	---	---	---	---	<u>20/</u> 507
Interstate Commission on the Potomac River Basin..	---	---	---	---	---	5

EXPENDITURES FOR FEDERAL GRANTS-IN-AID TO STATE AND LOCAL GOVERNMENTS: Part IV -- Fiscal Years 1949-1954, Continued

(In thousands of dollars 1/)

Function, agency, and program <u>2/</u>	: 1949	: 1950	: 1951	: 1952	: 1953	: 1954
<u>Social security, health, labor, and welfare</u>						
<u>Cont.</u>						
Education and general research -- Dept of Health, Education and Welfare:						
Assistance for school construction and operation in federally affected areas:						
Maintenance and operation of schools, community facilities.....	5,644	7,099	---	---	---	---
School construction.....	---	---	3,234	55,808	134,365	105,267
Maintenance and operation of schools.	---	---	13,773	35,504	65,956	67,396
Vocational education.....	26,122	26,360	26,652	25,777	25,432	25,321
Colleges for agriculture and the mechanic arts.....	5,030	5,030	5,030	5,030	5,030	5,051
Education for the blind.....	125	125	125	115	175	175
Department of Labor:						
Unemployment compensation and employment service administration.....	140,314	207,617	177,913	186,528	202,170	202,836
Total, Social security, health, labor and welfare.....	1,268,459	1,600,866	1,685,999	1,784,191	2,042,094	2,093,599
<u>Commerce and housing</u>						
Funds appropriated to the President:						
disaster relief.....	---	---	---	16,257	11,887	2,528
Housing and Home Finance Agency:						
Low-rent housing program--annual contributions	3,383	7,121	6,720	12,544	25,881	<u>20/44,473</u>
Veterans' re-use housing.....	4,649	2,533	644	583	511	---
Slum clearance and urban redevelopment, capital grants.....	---	---	---	---	7,818	<u>20/11,583</u>
Defense community facilities and services.	---	---	---	---	2,434	8,578

EXPENDITURES FOR FEDERAL GRANTS-IN-AID TO STATE AND LOCAL GOVERNMENTS: Part IV -- Fiscal Years 1949-1954, Continued
(In thousands of dollars 1/)

Function, agency, and program <u>2/</u>	1949	1950	1951	1952	1953	1954
<u>Commerce and housing, continued</u>						
General Services Administration:						
Defense public works, community facilities..	\$552	\$265	\$117	\$7	\$9	\$3
Department of Health, Education and Welfare:						
Defense community facilities and services...	---	---	---	---	---	<u>22/</u> 4,139
Department of Interior:						
Virgin Islands public works.....	---	---	---	1,625	1,412	1,544
Alaska public works.....	---	---	---	2,247	3,638	<u>20/</u> 3,678
Federal Civil Defense Administration:						
Federal contributions.....	---	---	---	514	12,891	13,696
Department of Commerce:						
Federal aid airport program.....	30,406	33,433	30,388	32,808	26,853	<u>20/</u> 17,481
State marine schools.....	493	158	162	155	163	<u>20/</u> 150
Federal aid highways.....	---	---	---	---	---	519,659
Postwar Federal aid highways.....	367,506	406,190	383,400	405,504	497,382	---
Federal aid highways (trust fund).....	---	---	---	---	---	---
Prior Federal aid highway laws.....	33,191	23,277	10,970	8,064	2,503	---
War and emergency damage-roads --						
Territory of Hawaii.....	2,045	2,029	1,569	1,291	1,002	810
Other Federal highway programs.....	---	---	---	---	---	1,977
Total, Commerce and housing.....	442,225	475,006	433,970	481,699	594,384	630,299

22/ Part of the estimated expenditures shown may be for loans to local governments and for direct Federal construction of local facilities.

EXPENDITURES FOR FEDERAL GRANTS-IN-AID TO STATE AND LOCAL GOVERNMENTS: Part IV -- Fiscal Years 1949-54, Continued
(In thousands of dollars 1/)

Function, agency, and program <u>2/</u>	1949	1950	1951	1952	1953	1954
<u>Agriculture and agricultural resources -</u>						
<u>Department of Agriculture</u>						
Commodity Credit Corporation and removal of surplus agricultural commodities: contributions to school lunch program and to other public agencies	---	---	---	---	---	\$161,618
Removal of surplus agricultural commodities..	\$45,850	\$50,000	\$12,915	\$33,172	\$52,000	---
Commodity Credit Corporation: Donation of commodities.....	---	11,547	40,245	5,326	---	---
Cooperative agricultural extension work.....	30,181	31,145	31,366	31,743	31,716	31,771
Agricultural experiment stations.....	7,354	12,244	12,382	12,424	12,371	13,426
Agricultural Marketing Act: Cooperative projects in marketing.....	3,246	1,340	1,436	1,200	1,250	---
Watershed protection.....	---	---	---	---	---	972
Flood prevention.....	---	---	---	---	---	5,386
Total, Agriculture and agricultural resources.....	86,631	106,276	98,344	83,865	97,337	213,173
<u>Natural resources</u>						
Department of Agriculture:						
State and private forestry cooperation.....	9,177	9,466	9,745	10,037	10,230	9,799
Department of Interior:						
Wild life restoration.....	4,820	7,491	7,995	9,518	11,463	<u>20/12,847</u>
Fish restoration and management.....	---	---	---	200	1,078	<u>20/ 2,292</u>
Total, Natural resources.....	13,997	16,957	17,740	19,755	22,771	24,938

EXPENDITURES FOR FEDERAL GRANTS-IN-AID TO STATE AND LOCAL GOVERNMENTS: Part IV -- Fiscal Years 1949-54, Concluded
(In thousands of dollars 1/)

Function, agency, and program <u>2/</u>	1949	1950	1951	1952	1953	1954
<u>General government</u>						
Department of Interior:						
Grants to American Samoa, Guam and the trust territories.....	---	---	---	\$5,391	\$7,161	\$6,300
District of Columbia:						
Federal contribution.....	\$12,000	\$12,000	\$10,800	11,400	11,000	12,000
Total, General government.....	12,000	12,000	10,800	16,791	18,161	18,300
Total, Grants-in-aid.....	1,854,899	2,226,382	2,255,851	2,392,957	2,781,073	2,987,172

EXPENDITURES FOR FEDERAL GRANTS-IN-AID TO STATE AND LOCAL GOVERNMENTS: Part V--Fiscal Years 1955 through 1962
(In thousands of dollars 1/)

Function, agency, and program 2/	1955	1956	1957	1958	1959	1960	1961 (Est.)	1962 (Est.)
<u>Veterans' services and benefits</u>								
Veterans' Administration:								
Aid to State homes.....	20/\$5,229	\$5,532	20/\$5,680	20/\$5,971	20/\$6,244	20/\$6,128	20/\$7,536	20/\$7,574
State supervision of schools & training establishments.....	20/ 2,457	2,559	20/ 2,537	20/ 2,355	20/ 2,072	20/ 1,752	20/ 1,560	20/ 1,450
Total, Veterans' services and benefits.....	7,686	8,091	8,217	8,326	8,316	7,880	9,096	9,024
<u>Social security, health, labor, and welfare</u>								
Federal Security Agency 18/, 19/, Department of Health, Education, & Welfare:								
Public assistance.....	1,426,599	1,455,274	1,556,422	1,794,687	1,966,394	2,058,896	2,158,901	2,285,800
Vocational rehabilitation.....	25,983	20/ 34,996	20/ 34,228	20/ 40,789	45,373	48,607	55,176	59,270
Hospital construction.....	20/72,991	20/ 55,535	20/ 71,503	20/105,292	20/135,159	20/143,578	20/154,000	20/167,100
Portion to private nonprofit institutions.....	(40,145)	(29,895)	(39,327)	(57,905)	(74,337)	(80,411)	(86,000)	(93,700)
Research on utilization of hospital facilities.....	---	---	1,094	---	---	---	---	---
Surveys and programs for hospital construction.....	146	284	394	124	---	---	---	---
Assistance to States, general public health.....	20/9,724	20/ 13,332	20/12,509	20/14,931	20/14,924	20/14,985	20/17,000	20/17,820
Control of venereal disease.....	20/ 697	20/ 1,199	20/ 1,223	20/ 1,676	20/ 2,390	20/ 2,371	20/ 2,400	20/ 2,400
Control of tuberculosis.....	20/4,490	20/ 4,488	20/ 4,485	20/ 4,489	20/ 3,995	20/ 3,993	20/ 4,000	20/ 4,000
Mental health activities.....	20/2,317	20/ 2,980	20/ 3,949	20/ 3,944	20/ 3,986	20/ 4,905	20/ 6,000	20/ 6,000
National Heart Institute.....	20/1,067	20/ 1,088	20/ 1,987	20/ 2,044	20/ 2,075	20/ 2,905	20/ 3,500	20/ 3,500
National Cancer Institute.....	20/2,230	20/ 2,210	20/ 2,235	20/ 2,214	20/ 2,171	20/ 2,203	20/ 3,500	20/ 3,500

EXPENDITURES FOR FEDERAL GRANTS-IN-AID TO STATE AND LOCAL GOVERNMENTS: Part V--Fiscal Years 1955 through 1962, Continued
(In thousands of dollars 1/)

Function, agency, and program 2/	1955	1956	1957	1958	1959	1960	1961 (Est.)	1962 (Est.)
<u>Social security, health, labor, and welfare</u>								
Federal Security Agency 18/, 19/, Dept. Health, Education, and Welfare:								
Maternal and child welfare.....	\$29,256	\$33,622	\$38,251	\$40,723	\$43,498	\$47,433	\$51,261	\$53,506
Disease & sanitation control, Alaska..	20/ 613	20/ 638	20/ 638	---	---	---	---	---
Water pollution control.....	a/ 1	---	20/1,683	20/ 2,528	20/ 2,591	20/ 2,659	20/ 3,000	20/ 3,000
Grants and special studies, Alaska...	---	---	---	20/ 1,638	20/ 1,638	---	---	---
Hospital and medical care, Hawaii....	---	---	---	20/ 1,241	20/ 1,046	20/ 1,065	20/ 1,100	20/ 1,100
Construction grants for waste treatment facilities.....	---	---	843	16,884	36,429	40,295	40,600	43,000
Grants for construction of health research facilities.....	---	---	20/ 75	20/ 28	20/ 896	20/ 504	20/ 520	20/ 500
Poliomyelitis vaccination program....	---	22,645	30,056	309	- 474	-1,287	---	---
Department of Agriculture:								
National school lunch program (& special milk program-1959).....	20/83,068	20/81,617	20/97,790	20/164,820	20/216,328	20/231,868	20/242,634	20/247,534
General Services Administration:								
Hospital facilities in District of Columbia (private nonprofit).....	20/ 1,433	20/ 381	20/ 17	20/ 936	20/ 1,480	20/ 1,455	20/ 600	20/ 200
Interstate Commission on the Potomac River Basin.....	5	5	---	---	---	---	---	---
Education and general research-Dept. of Health, Education, and Welfare:								
Assistance for school construction and operation in federally affected areas:								
School construction.....	20/121,058	20/89,271	20/67,068	20/ 4,397	20/ 66,097	20/ 70,553	20/ 63,350	20/ 57,382
Maintenance & operation of schools...	20/ 81,859	20/80,927	20/93,194	20/104,143	20/132,073	20/166,661	20/181,000	20/ 93,500
Vocational education.....	30,522	33,199	37,582	39,192	38,353	39,140	40,257	40,442
Colleges for agriculture and the mechanic arts.....	5,051	5,051	5,051	5,052	5,052	5,052	7,277	10,744
Education of the mentally retarded....	---	---	---	---	---	71	450	500

EXPENDITURES FOR FEDERAL GRANTS-IN-AID TO STATE AND LOCAL GOVERNMENTS: Part V -- Fiscal Years 1955 through 1962, Continued

(In thousands of dollars 1/)

Function, agency, and program 2/	1955	1956	1957	1958	1959	1960	1961 (Est.)	1962 (Est.)
<u>Social security, health, labor, and welfare, cont.</u>								
Education and general research-Dept. of Health, Education, and Welfare, Cont.								
Defense education activities.....	---	---	---	---	\$43,958	\$68,507	\$78,314	\$88,083
Education for the blind.....	\$ 205	\$ 224	\$ 230	\$ 328	400	400	400	400
Grants for library facilities.....	---	---	1,440	4,892	5,362	7,037	7,986	8,416
White House Conference on Education...20/	608	---	---	---	---	---	---	---
White House Conference on the Aging...	---	---	---	---	---	759	41	---
Department of Labor:								
Unemployment compensation and employment service administration.....	193,552	231,169	248,315	20/290,680	20/297,261	20/317,156	20/361,208	20/345,366
Treasury Department:								
Credit to State accounts in unemployment trust fund.....	---	167,807	20/ 71,195	20/ 33,453	---	---	---	---
National Science Foundation:								
Grants for research equipment.....	---	---	20/ 5	20/ 540	---	---	---	---
Department of Interior-Bureau of Indian Affairs:								
Education and welfare services.....	---	---	---	7,337	20/ 5,452	20/ 5,378	20/ 5,450	20/ 6,950
Total, Social security, health, labor and welfare.....	2,093,473	2,317,942	2,383,462	2,689,311	3,073,907	3,287,149	3,489,925	3,550,013
<u>Commerce and housing</u>								
Funds appropriated to the President:								
Disaster relief.....	8,939	15,421	10,166	20/11,897	20/ 4,139	20/ 1,473	20/ 3,800	20/ 3,800
Small Business Administration:								
Grants for research.....	---	---	---	---	---	2,028	800	900
Housing and Home Finance Agency:								
Low rent housing program-annual contributions.....	20/66,592	20/81,730	20/86,687	20/94,579	20/110,849	20/127,373	20/148,200	20/172,800
Slum clearance and urban renewal, capital grants.....	20/ 33,516	20/13,581	20/29,621	20/35,232	20/ 75,537	20/101,705	20/152,253	20/199,721
Defense community facilities and services.....	20/ 2,436	20/ 551	20/ 653	20/ 1,266	20/ 157	20/ 93	---	---

EXPENDITURES FOR FEDERAL GRANTS-IN-AID TO STATE AND LOCAL GOVERNMENTS: Part V -- Fiscal Years 1955 through 1962, Continued
(In thousands of dollars 1/)

Function, agency, and program 2/	1955	1956	1957	1958	1959	1960	1961 (Est.)	1962 (Est.)
Commerce and Housing, cont.								
Housing and Home Finance Agency:								
Urban planning grants.....	---	\$ 274	\$ 650	\$ 1,953	\$ 1,834	\$ 2,554	\$ 3,500	\$ 6,000
General Services Administration:								
Defense public works, community facilities.....	\$ 91	5	---	---	---	---	---	---
Department of Health, Education and Welfare:								
Defense community facilities and services.....	1,430	---	271	13	25	---	---	---
Department of Interior:								
Virgin Islands public works.....	1,640	703	53	14	43	12	---	---
Alaska public works.....	20/ 4,398	20/ 6,110	20/ 3,876	20/ 3,461	20/ 2,952	20/ 2,164	20/ 600	20/ 200
Federal Civil Defense Administration:								
Federal contributions.....	10,470	9,561	8,647	---	---	---	---	---
Office of Civil and Defense Mobilization:								
Federal contributions.....	---	---	---	8,324	8,955	4,923	7,370	20,500
Research and development	---	---	---	20/ 5,443	20/ 2,483	20/ 26	---	---
Federal Aviation Agency:								
Federal-aid airport program.....	---	---	---	20/ 42,870	20/ 56,578	20/ 57,113	20/ 83,305	20/ 82,153
Department of Commerce:								
Federal-aid airport program.....	20/ 8,227	20/ 16,688	20/ 20,629	---	---	---	---	---
State marine schools.....	20/ 149	20/ 153	20/ 292	20/ 368	20/ 332	20/ 524	20/ 550	20/ 550
Federal-aid highways.....	583,678	728,099	---	---	---	---	---	---
Federal-aid highways (trust fund)...	---	---	952,556	1,493,218	2,588,796	2,912,999	2,839,963	2,959,000
Federal-aid highways-liquidation of contract authorization.....	---	---	---	---	4,784	-250	---	---
Elimination of grade crossings.....	---	---	---	130	---	---	---	---
Public lands highways.....	---	---	---	20/ 2,755	20/ 2,990	20/ 1,871	3,897	4,431
Forest highways.....	---	---	---	20/ 22,217	20/ 26,813	20/ 26,935	29,581	31,555
Highway surveys and plans.....	---	---	---	---	82	98	---	---
Reimbursement to D.C. highway fund..	---	---	---	200	---	---	---	---

EXPENDITURES FOR FEDERAL GRANTS-IN-AID TO STATE AND LOCAL GOVERNMENTS: Part V -- Fiscal Years 1955 through 1962, Continued
(In thousands of dollars 1/)

Function, agency, and program 2/	1955	1956	1957	1958	1959	1960	1961 (Est.)	1962 (Est.)
<u>Commerce and Housing cont.</u>								
<u>Department of Commerce, cont.:</u>								
War and emergency damage - roads - territory of Hawaii.....	\$ 615	\$ 460	\$82	---	---	---	---	---
Other federal highway programs.....	1,453	20/ 379	20/ 2,176	---	---	---	---	---
Total, Commerce and Housing.....	723,634	873,715	1,016,359	1,723,940	2,877,781	3,241,641	3,273,917	3,481,610
<u>Agriculture and Agricultural Resources</u>								
<u>Department of Agriculture:</u>								
Commodity Credit Corporation and removal of surplus agricultural commodities: contributions to school lunch program and to other public agencies.....	177,704	304,889	271,377	173,575	206,703	148,994	162,901	168,829
Emergency feed and seed assistance....	---	---	17,426	---	---	---	---	---
Cooperative agricultural extension work	39,387	20/ 43,966	20/ 49,787	20/ 56,520	20/ 60,624	20/ 61,303	20/ 65,000	20/ 67,390
Agricultural experiment stations.....	19,371	24,588	20/ 28,829	20/ 30,158	20/ 31,071	20/ 31,085	20/ 32,060	20/ 34,018
Agricultural Marketing Act: Coop- erative projects in marketing.....	20/ 900	20/ 1,000	20/ 1,160	---	---	---	---	---
Watershed protection.....	5,040	6,200	5,561	20/ 7,573	20/ 11,931	20/ 18,522	20/ 22,929	20/ 34,700
Flood prevention.....	5,328	20/ 8,634	20/ 7,646	20/ 9,209	20/ 10,981	20/ 14,169	20/ 13,852	20/ 16,500
Payments to States, territories, and possessions, agricultural marketing service.....	---	---	---	1,160	1,160	1,195	1,195	1,195
Total, Agriculture and Agricul- tural resources.....	247,730	389,277	381,786	278,195	322,470	275,268	297,937	322,632
<u>National resources</u>								
<u>Department of Agriculture:</u>								
State and private forestry cooperation	9,508	10,694	10,831	---	---	---	---	---
Forest protection and utilization.....	---	---	---	20/ 11,824	---	---	---	---

EXPENDITURES FOR FEDERAL GRANTS-IN-AID TO STATE AND LOCAL GOVERNMENTS: Part V--Fiscal Years 1955 through 1962, Continued
(In thousands of dollars 1/)

Function, agency, and program 2/	1955	1956	1957	1958	1959	1960	1961 (Est.)	1962 (Est.)
Natural resources, cont.								
Department of Agriculture, cont.								
Assistance to States for tree planting.....	---	---	---	\$ 51	---	---	---	---
Forest protection & utilization, & assistance to States for tree planting.....	---	---	---	---	20/\$12,425	20/\$11,447	20/\$11,496	20/\$12,290
Department of Interior:								
Wild life restoration.....	\$12,796	---	---	---	---	---	---	---
Fish restoration & management....	3,521	---	---	---	---	---	---	---
Drainage of anthracite mines.....	---	---	\$ 7	415	1,532	1,232	1,365	500
Federal aid in fish restoration and management.....	---	---	---	20/ 5,224	20/ 4,644	20/ 4,318	20/ 4,500	20/ 5,000
Fish & wild life restoration.....	---	20/\$15,803	20/ 15,739	---	---	---	---	---
Federal aid in wild life restoration	---	---	---	20/ 13,330	20/ 15,203	20/ 17,610	20/ 14,900	20/ 15,200
Bureau of Reclamation:								
Disposal of Coulee Dam community and other grants.....	---	---	---	20/ 10	20/ 163	20/ 101	20/ 17	20/ 2
Grants for small reclamation projects	---	---	---	1	---	---	130	---
Bureau of Indian Affairs:								
Resources management.....	---	---	---	475	20/ 514	20/ 627	20/ 700	20/ 750
Department of Defense: Department of the Army: Corps of Engineers: United States section, Saint Lawrence River Joint Board of Engineers..	107	109	---	---	---	---	---	---
Total, Natural resources.....	25,932	26,606	26,577	31,330	34,481	35,335	33,108	33,742

EXPENDITURES FOR FEDERAL GRANTS-IN-AID TO STATE AND LOCAL GOVERNMENTS: Part V--Fiscal Years 1955 through 1962, Concluded
(In thousands of dollars 1/)

Function, agency, and program 2/	1955	1956	1957	1958	1959	1960	1961 (Est.)	1962 (Est.)
<u>General government</u>								
National Capital Planning Commission:								
Acquisitions of land.....	---	---	---	\$ 227	\$ 411	\$ 138	\$ 162	\$ 1,200
Department of Interior:								
Grants to American Samoa, Guam, and the trust territories.....	\$ 5,930	\$ 6,132	\$ 5,855	7,205	<u>20/</u> 5,962	<u>20/</u> 6,819	<u>20/</u> 7,582	<u>20/</u> 10,258
Care and custody of the Alaska Insane	---	---	228	71	---	---	---	---
Funds appropriated to the President:								
Transitional grants to Alaska.....	---	---	---	---	---	10,386	6,098	6,000
District of Columbia:								
Federal contributions.....	21,890	19,892	<u>20/</u> 20,000	20,000	<u>20/</u> 25,000	<u>20/</u> 25,000	<u>20/</u> 33,700	<u>20/</u> 36,000
 Total, General government....	 27,820	 26,024	 26,083	 27,503	 31,373	 42,343	 47,542	 53,458
 Total, Grants-in-aid.....	 3,126,275	 3,641,655	 3,942,484	 4,788,605	 6,348,328	 6,889,616	 7,151,525	 7,450,479

Source: (1) Supplement to Expenditures for Federal Grants-in-Aid and Shared Revenues, Bureau of the Budget, for years 1902, 1912, 1920, 1925, and 1929-1948 issued on May 2, 1949 (now out of print);
(2) The Budget, Special Analysis G, for years 1949-1962 inclusive.

