

Health Services, Division of Nursing, Office of Education, Office of General Counsel, and the participating schools.

8. *Laws and regulations*

Title VIII, Public Health Service Act as amended (title 42, United States Code, ch. 6A).

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

9. *Economic effects*

The benefits of the program are twofold: Students who, for financial reasons find it difficult or impossible to continue their education are enabled to do so and the Nation will be provided with a much needed increase in the number of professional nurses.

10. *Economic classification of program expenditures.* (See table 2.)

Program: Nursing student loan program.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Public Health Service—Bureau of State Services (Community Health).

TABLE 2.—*Economic classification of expenditures for fiscal year 1965*

[In thousands of dollars]

Federal Government: ¹	
Grants to State and local governments	1, 018
Transfer payments to nonprofit organizations	2, 061
Loans	10
Total Federal expenditures	3, 089
Non-Federal expenditures financed by individuals and nonprofit organizations	340
Total expenditures for program	3, 429

¹ Expenditures here refer to obligations.

FORMULA GRANT PROGRAMS

Assistance to State and local governments is an important part of many programs of the Public Health Service, particularly in the broad fields of community health. Frequently the Federal assistance takes the form of cash grants, but various other types of aid also are extensively used, such as technical assistance, consultations, investigations of special problems, field demonstration, and personnel training.

In the formula grants, the aid usually is given to State departments of public health and partly transmitted by them to local public health agencies. Annual Federal allotments establish the amounts available for each State for particular purposes. Application for Federal payments of formula grants must be supported by formal State plans. Federal approval of the State plan and State or local government compliance with other requirements of Federal law and regulations are prerequisites to Federal payment of allotted amounts. Each formula grant is subject to matching from State or local government sources. The matching requirements of each program are outlined for the following programs:

- Cancer control.
- Chronic illness and aged.
- Dental health.