by law. Sections 51.1(c), 51.1(i), and 51.2(e) of the Public Health Service regulations (42 CFR) define the basic factors used in the formula. Section 51.3(f) prescribes the range of percentage distribution for each factor. Section 51.9(c) prescribes that matching ratio.

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

9. Economic effects

Data available on formula grants do not readily provide information for specific response to this type of question. However, the level of support for the program by the expenditure of State and local funds clearly indicates increases in the employment of personnel and services to people. Federal appropriations have risen from $2.5 million in 1948 to only $3.5 million in fiscal 1966. During this period the State and local funds used to match the Federal funds increased from slightly less than $2 million to almost $20 million. In fiscal year 1964 when the combined Federal, State and local funds totaled slightly over $22 million for preventive and outpatient services, over $9.5 million was utilized for diagnostic clinics and casefinding, and over $5 million for local health services. Not included in these totals is an additional reported expenditure of State and local funds amounting to more than $9.5 million for hospitalization of cancer patients.

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

Program: Cancer control program—formula grants.
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 program expenditures for fiscal year 1965*

[In thousands of dollars]

Federal Government: [1] Grants to State or local governments	3,447
Total Federal expenditures	3,447
Non-Federal expenditures financed by: State or local governments	19,818
Total expenditures for program	23,265

[1] Expenditures here refer to obligations.

CHRONIC ILLNESS AND AGED

PART I. DESCRIPTION OF THE PROGRAM

1. Objectives

To assist States to increase the availability and improve the quality of health services for the chronically ill and aged.

2. Operation

The program operates with formula grant-in-aid funds which are allocated by the Public Health Service through its regional offices to the health departments of the 50 States, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands.

3. History

Formula grants for this program were authorized for fiscal year 1962 under new authority granted by the Community Health Services