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

[In thousands of dollars]

Federal Government: [1]	
Purchases of goods and services:	
Wages and salaries	2,096
Other	409
Grants to State and local governments [2]	75,748
Transfer payments to nonprofit organizations	209,276
Loans to nonprofit organizations	414
Total Federal expenditures	287,943
Non-Federal expenditures financed by: Individuals and nonprofit organizations [3]	94,435
Total expenditures for program	382,378

[1] Federal Government expenditures refer to obligations except for Hill-Burton hospital construction
[2] Includes planning grants.
[3] Includes institutions of higher learning.

HOSPITAL AND MEDICAL FACILITIES CONSTRUCTION

(HILL-BURTON PROGRAM)

PART I. DESCRIPTION OF THE PROGRAM

1. Objectives

To assist the States in providing adequate hospital and medical facilities through a program of construction or modernization grants or loans; to improve the utilization of health facilities and their services through programs of research and areawide planning.

2. Operation

At the Federal level, the program is administered by the Division of Hospital and Medical Facilities in the Bureau of State Services (Community Health), Public Health Service. To maintain direct contact with State authorities, the Division maintains a staff in each of the nine regional offices of the Department of Health, Education, and Welfare. These regional staffs work with the responsible State authorities in developing and maintaining plans, programs, and budgets for the Hill-Burton grant-in-aid program for health facility construction. To participate in the program, each State is required by the Hill-Burton Act to designate a single State agency for the administration of the program.

The construction of health facilities provided for under the Hill-Burton Act involves a planning phase as well as the actual construction phase. States conduct surveys to determine their needs for health facilities and develop statewide construction plans. Individual projects are entitled to Federal financial assistance provided they conform with the State plan and have the approval of the State agency administering the program and of the Public Health Service. Federal participation ranges from one-third to two-thirds of the total costs of construction and equipping health facilities.

Effective methods of utilizing and coordinating health facility service and resources are developed through an areawide planning program, through a program of research conducted by universities, hospitals, and States and their political subdivisions, and through a program of intramural research.