

AGENCY REPORTS ON S. 698

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS,
Washington, D.C. April 6, 1967.

HON. EDMUND S. MUSKIE,
Chairman, Subcommittee on Intergovernmental Relations, Committee on Government Operations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your letter of February 28 requesting the Advisory Commission's views on S. 698, the "Intergovernmental Cooperation Act of 1967." The basic purpose of this legislation, as stated in its preamble, is to "achieve the fullest cooperation and coordination of activities among the levels of government in order to improve the operation of our federal system in an increasingly complex society."

The proposed measure contains a number of the most significant recommendations for Federal action advanced by this Commission over the past seven years. Equally significant, it represents a distillation of the thinking and experience of a great many departments and agencies of the Federal Government, of State and local officials throughout the country, and of various national organizations of public interest groups on how some of the more severe impediments to effective intergovernmental collaboration and administration can be removed.

These proposals include: more uniform administration of Federal grants to State governments; strengthening the hand of the governor in the administration of Federal grants going to State agencies; and Congressional review of new grant programs at a fairly early stage in their development. At the local level, they include favoring cities and counties over special districts as applicants for Federal grants; strengthening local and metropolitan planning; and providing more information and greater authority to local governments with respect to Federal land development decisions. Finally, the legislation would help to achieve greater equity and consistency in the treatment of the mounting number of families and businesses displaced by Federal and federally aided programs.

The Commission strongly supports this legislation. Titles V and VIII implement key recommendations advanced in the Commission reports, *Periodic Congressional Reassessment of Federal Grants-in-Aid to State and Local Governments* (June 1961) and *Relocation: Unequal Treatment of People and Businesses Displaced by Governments* (January 1965). Title IV implements recommendations advanced in the ACIR reports, *Impact of Federal Urban Development Programs on Local Government Organization and Planning* (January 1964) and *The Problem of Special Districts in American Government*. All told, some 12 separate ACIR recommendations are incorporated in S. 698.

S. 698 contains two new titles relating to grant consolidation plans and to land acquisition practices which the Commission has not had an opportunity to consider. Permit me, then, to explain in more detail the purposes of the titles that the Commission has considered and endorsed and to document the extent to which these provisions either represent current practice in certain grant programs or seek to correct significant deficiencies in present intergovernmental administration.

Title I of S. 698 is limited to standardized definitions covering the remaining titles and functions. In effect, it combines and makes uniform the definitions used in S. 1681 (89th Congress) and S. 561 (89th Congress).

Title II provides for more uniform administration of Federal grants to the States. Federal grants-in-aid now total over 175 general programs and are covered by more than 400 separate authorizations. Despite the increase in the number and size of direct Federal-local grants in recent years, approximately \$10.8 billion out of a total of \$14.6 billion for fiscal 1967 were accounted for by Federal grants going to the States.

This title effects a number of basic changes in the procedural aspects of Federal-State grant-in-aid administration. It provides that, when requested, the governor will be informed by Federal departments and agencies of the purposes and amounts of actual grants being received in the State. This procedural innovation would permit the governor to prepare a more suitable budget by giving him fuller information on the State's financial resources and needs and would enable him to more effectively coordinate his executive departments and agencies. Further, it would facilitate State legislative assessment of the impact of Federal programs on the State's budgetary and administrative processes. The title would make more uniform the handling of grant funds by elimi-