

tion, and Welfare study group which is exploring alternative proposals for the consolidation of HEW grants in a manner similar to the example set by the Comprehensive Health Planning Act of 1966. A proposal for consolidation of aids to students in institutions of higher learning has been developed and put before the Congress (H.R. 15067, Title 4). In addition, limited authority is being sought to permit recipient institutions to transfer funds between Economic Opportunity Grants and the proposed consolidated student aid programs as needed. Authority will also be sought for consolidation of vocational education grant programs by abolishing past practices of earmarking vocational education funds into heavily structured separate program channels. This improvement has been a key change requested by the States in 1967.

A proposal developed by HEW for consolidation of numerous State plans required by the several grant programs for education has been discussed with the State education agencies. Questions and problems raised by the State agencies are being evaluated by a survey group on which Bureau staff are participating.

PROBLEMS CAUSED BY DELAYS IN FUNDING GRANT PROGRAMS

A Bureau of the Budget team has studied the difficulties States experience because Federal funds for grant-in-aid programs are delayed by late congressional authorizations and appropriations. A report to the Director was made indicating the costs the States incur because of these delays, existing funding techniques for Federal grants, and recommendations for action to ease the problem. The study also covered the feasibility from the Federal point of view of the "pre-financing" of Federal grants by State and local governments. A pre-financing proposal, advanced by Governor Rockefeller of New York in 1967, envisages State financing of the Federal share of grant project costs prior to Federal grant approval, with the expectation that the Federal Government would make reimbursement at a later date. The Clean Water Restoration Act of 1966 now makes provision for a limited program of eligibility for later Federal funding of previously constructed sewage works.

Bureau staff also participated in a special study of the special problems caused by delayed funding of Federal grants for education programs which was carried out jointly with the Department of Health, Education, and Welfare. Bureau field visits to the States were coordinated with HEW data collection needs, and a joint HEW-Bureau team visited New York State and Colorado. The HEW survey report and recommendations were submitted to Secretary Gardner in September as "A Model Authorization and Funding System for Elementary and Secondary Education." The major proposals involved alleviating problems caused by delayed appropriations by (1) requesting Congress to appropriate funds one year in advance, and (2) seeking longer-term authorizations. The Elementary and Secondary Education Amendments of 1967 did adopt one-year advance funding and two-year authorization of the program.

The President is seeking one-year "advance funding" for college student aid programs in H.R. 15067, the Higher Education Amendments for 1968.

SHORTENING PROCESSING TIME

The President, in May 1967, instructed the Secretaries of Housing and Urban Development; Labor; and Health, Education, and Welfare, and the Director of the Office of Economic Opportunity to review their procedures for the development and processing of grant-in-aid applications and to recommend steps for reducing the time involved by 50 percent. An interagency task force under HUD's direction was created to implement that instruction, and made a progress report dated June 30, 1967. A report on "Reducing Federal Grant-in-Aid Processing Time" was forwarded to the President in late September. It reported that decisions already implemented or in the planning stage of implementation will achieve the following estimated reductions in Federal processing time in each multi-purpose area: Model Cities—50 percent; Neighborhood Centers—50 percent; Manpower—47 percent; Water and Sewers—57 percent. The President subsequently instructed those agencies to implement their proposals by December 31, 1967, and further instructed those agencies and others to cut processing time similarly on other critical programs. The President requested reports on these efforts by March 31, 1968. These reports, covering the analyses of 16 Federal agencies, reflect a net reduction of over 50 percent in the processing time of 66 grant-in-aid programs or major program components. Including the initial report of the Joint Administrative Task Force, 108 programs or major components, comprising the great