

State budget officials have been meeting on common problems for more than seven years now.

PLANNING-PROGRAMING-BUDGETING SYSTEM

Application of PPBS to improve the analytic base for public decisions by the Federal Government has stimulated similar activity in States and localities. In support of these activities, the Ford Foundation has granted the George Washington University State and Local Finances Project funds to conduct a pilot program of the feasibility of PPBS in five States, five counties, and five cities. The Bureau of the Budget has also contracted with the Project for a study of actions the Federal Government might take to facilitate an intergovernmental PPB System related to grant-in-aid programs.

Additionally, the Bureau has contracted with the Management Analysis Center, Inc., of Cambridge, Massachusetts, for the development of ten cases on various aspects of planning-programing-budgeting activities in the Federal Government. The cases will be constructed primarily for use in Government training courses, but also will be made available to colleges and universities for instructional purposes. It is expected that the cases will be particularly useful in training students for State and local government posts where a knowledge of the PPB System will be increasingly important.

FEDERAL AID INDICATORS

Special Analysis K of the Budget for 1969, which is the Bureau's indicator of "Federal Aid to State and Local Governments", presents the following relevant trends in Federal aid:

Total Federal grants to State and local governments in fiscal year 1969 are estimated to increase by \$1.9 billion over 1968 estimates to \$20.3 billion.

Total aids for metropolitan areas in FY 1969 will rise to an estimated \$12 billion, compared with an estimate of \$8.9 billion just two years earlier, up by roughly \$3 billion.

The largest Federal aid programs continue to be public assistance (\$5.8 billion including Medicaid) and highways (\$4.3 billion) of the total aid payments.

The fastest growing aid programs have been Office of Economic Opportunity grants (\$1.4 billion estimated for 1969), Elementary and Secondary Education (\$1.4 billion estimated), and Medicaid (\$2.1 billion estimated).

Administrative expenses as a percentage of Federal aid expenditures, including indirect costs, have remained consistently less than 2% over the past decade.

[Circular No. A-80]

EXECUTIVE OFFICE OF THE PRESIDENT,

BUREAU OF THE BUDGET,

Washington, D.C., January 31, 1967.

To the heads of executive departments and establishments.

Subject: Coordination of development planning for programs based on multi-jurisdictional areas.

1. Purpose

Efficient accomplishment of many Federal program missions depends in large measure on the quality, comprehensiveness, and degree of coordination of physical, economic, and human resources planning efforts. The multiplicity of unrelated planning jurisdictions and activities now existing under various Federal programs inhibits their most effective operation. To help correct this situation, President Johnson, on September 2, 1966, addressed a memorandum to certain agencies which may assist comprehensive or functional planning covering multi-jurisdictional areas or require such planning as a condition to development assistance in such areas. Specifically, the President called for procedures which would encourage—

State and local planning agencies to work together in using common or consistent planning bases (i.e., statistical and economic estimates), and in sharing planning facilities and resources, and utilization of common boundaries for planning and development districts or regions assisted by the Federal Government and consistency of such districts with established State planning and development districts and regions.