

Department of Health, Education, and Welfare

1. Hill-Burton hospital and health facilities.
2. Health research facilities.
3. Community mental health facilities and centers.
4. Vocational rehabilitation facilities.
5. Regional medical libraries.
6. Solid waste disposal.
7. Narcotic treatment centers.

Department of Agriculture

1. "Greenspan" program.
2. Rural water and waste disposal facilities and planning.
3. Watershed protection and flood prevention.
4. Soil and water conservation loans.
5. Rural renewal and resource conservation and development.

Department of Commerce

Public works and economic development facilities.

Department of Defense

Beach erosion control and flood prevention.

Appalachian Regional Commission

1. Health facilities construction.
2. Sewage treatment works.
3. Appalachian development highway system.
4. Mining area restoration.

[Circular No. A-85]

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., June 28, 1967.

o: The heads of executive departments and establishments.

subject: Consultation with heads of State and local governments in development of Federal rules, regulations, standards, procedures, and guidelines.

1. *Purpose.*—In accordance with the Memorandum of the President dated November 11, 1966, on "Advice and Consultation with State and Local Officials" (copy attached), the purpose of this Circular is to afford chief executives of State and local governments a reasonable opportunity to comment on significant proposed Federal rules, regulations, standards, procedures, and guidelines (hereafter called regulation) applicable to Federal assistance programs. As an alternative to direct consultations, the Circular provides for assistance by the Advisory Commission on Intergovernmental Relations (ACIR) in arranging to obtain State and local advice and comment on such matters, in cooperation with State and local general government associations.

2. *Background.*—Federal agencies administering programs of assistance to State and local governments normally issue regulations under which the programs are administered. These regulations affect the conduct of State and local affairs, including management and organization, planning, program adjustments, and fiscal and administrative systems. Federal requirements may not be consistent among Federal agencies nor permit needed flexibility for State and local governments. To meet the President's objective of making certain that vital Federal assistance programs are made workable at the point of impact, heads of State and local governments should be afforded an opportunity to comment on Federal regulations prior to their issuance.

3. *Policies.*—Agencies will be guided, to the fullest practical extent consistent with Federal laws, by the following policies in developing regulations for administering programs of assistance to State and local governments.

a. The central coordinating role of heads of State and local governments, including their role of initiating and developing State and local programs, will be supported and strengthened.

b. Federal regulations should not encumber the heads of State and local governments in providing effective organizational and administrative arrangements and in developing planning, budgetary, and fiscal procedures responsive to needs.