

Furthermore, consolidation would greatly facilitate State planning efforts. Some States have repeatedly sought to submit comprehensive plans that would interrelate the various programs within broad functional areas. The distortion effect in State budgetary decisions would also be reduced. At present, for example, the scattering of categorical programs tends to induce states and localities to concentrate their own financial resources in those programs which are matched by Federal funds and to leave their own nonaided programs underfunded.

Closely related to the grant consolidation concept, is the idea of joint funding of Federal grants-in-aid. At the 1967 annual meeting of the National Governors' Conference, a resolution was adopted by the conference supporting the Joint Funding Simplification Act now pending before the Congress.

A questionnaire concerning the Joint Funding Act has been sent out to the various Governors by the National Governor's Conference, and as soon as that information is compiled, we will be pleased to forward our findings to this subcommittee.

I might add that there has been some experimentation in this area. A significant example is the unified application procedure for assistance to fund a State urban affairs program being considered by the Department of Housing and Urban Development.

Presently, there are three programs that the Governor may use to strengthen State participation and executive capability in urban affairs. They are: (1) the local planning assistance program authorized by section 701 of the Housing Act of 1954; (2) the community development training and research program authorized by title VIII of the Housing Act of 1964; and (3) the urban information and technical assistance program authorized by title IX of the Demonstration Cities and Metropolitan Development Act of 1966.

The parallel and similar purposes of each of these Federal assistance programs lends weight to consideration of using a unified application procedure for program grant-in-aid funds. With this in mind, the Department of Housing and Urban Development early this year developed a guide outlining procedures for submission of a single grant application covering these three programs. The draft guide was sent to the Governors for their comment and review, and the Governors overwhelmingly endorsed this approach to Federal grants-in-aid, and in addition urged that this approach be extended to other Federal programs at a minimum on a department-by-department basis.

While such simplification is welcomed, it cannot be left to piecemeal procedural reorganizations within executive departments, and it would appear that the Intergovernmental Cooperation Act is a promising mechanism for facilitating such consolidation and simplification.

The Governors are aware of the many complex problems of relocation and land acquisition, and they recognize the need for uniformity of treatment of the many businesses and businessmen dislocated by Federal or federally assisted programs. The Governors are also aware of the amendment submitted this week regarding accounting and reporting procedures.

However, the Governors have not had an opportunity to consider this, and the conference will submit a supplementary statement on this at a later date.