

launched a poverty-area, neighborhood centers pilot program, acting under respective current legislation for each of the agencies and the authority of an Executive order of the President. Drawing upon available funds, the demonstration project now underway in 14 cities, enables the cities to develop multipurpose neighborhood centers to serve people in low-income neighborhoods responsively.

The stated objectives of the program are to :

Develop better methods of linking existing and new programs into a comprehensive and integrated neighborhood system for delivery of health, social manpower, educational, recreational, legal, and other community services to families and individuals;

Initiate a cooperative intergovernmental effort to pool the resources and knowledge of city, State, and Federal agencies in assisting neighborhoods; and

Develop procedures for combining the efforts of four Federal operating agencies in assisting neighborhoods.

Each of the 14 cities has already received funds or planning authority from the four agencies to proceed with establishment of their centers.

There are, however, problems in S. 2981 which must be noted. First, general units of local government are faced with the constant growth of special districts. Special districts are frequently neither representative of nor responsive to local constituencies or elected officials. Moreover, without authority or coordination being exercised over these districts, they often act independently of and even to the detriment of, public policies of general units of local government. Nothing in this legislation should encourage this situation. Thus, we would oppose any interpretation of S. 2981 which would permit special districts to package programs to the disadvantage of a general unit of local government. This flow of S. 2981, I might note, is contrary to a provision of S. 698 which encourages favoring of general units of local government. At the very least, special districts should be permitted to be a party to an application only with the consent of appropriate units of general government.

Secondly, the most important factor in the successful achievement of the bill's objectives is availability of funds for packaged programs. Under present arrangements, cities are often frustrated by a lack of funds for some of the individual programs. If approval of a city's package application under the terms of S. 2981 were delayed or rejected because funds from any one component of the joint program were not available, it would also be discouraged from utilizing this mechanism, therefore negating the value of the bill. This problem might be practically overcome through proper establishment of a separate joint management fund referred to in the act or, even better, a type of urban development fund separate although from any single combination of programs from which funds could be drawn, by the city, upon certification of its application by appropriate agencies. NLC has developed a proposal for such a fund which we will discuss.

Executive responsibility and coordination: In the case of both the grant consolidation provisions of S. 698 and in the Joint Funding Simplification Act, we strongly endorse the responsibility and authority given to the President. The coordination and administration of grant programs is wholly a responsibility of the Executive. Congress