

THE NEW ENGLAND COUNCIL,
Boston, Mass., June 20, 1968.

HON. EDMUND S. MUSKIE,
*Chairman, Subcommittee on Intergovernmental Relations,
Committee on Government Operations, U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: This statement is submitted on behalf of the New England Council to support S. 698, the proposed Intergovernmental Cooperation Act of 1968.

The New England Council was established in 1925 at the request of the six New England Governors. It is a broadly representative group, interested in the sound economic development of the region. As a consequence, it is particularly interested in proposed legislation which may strengthen and improve the economy of the New England region. Through its interstate relations program, the Council maintains close liaison with some 25 regional conference groups of New England state officials.

It has been three years since the Senate passed legislation similar in objective to S. 698. Unfortunately, this legislation was not enacted into law. Nevertheless, as a result of the attention focused on the subject of intergovernmental relations at that time, much useful work and further development of the subject has occurred. There is unquestionably an increased awareness of the need to identify ways to improve and strengthen Federal-State relations. We think that this point has been made with great force in the testimony presented on the pending legislation. By way of further emphasizing the need for the proposed bill, however, we would make the following background points.

We are presently in an era of fiscal federalism. The Federal government is responsible for administering at present over 220 grant-in-aid programs involving over 400 separate appropriation accounts. By comparison, in 1930 Federal grants amounted to approximately \$0.1 billion to support ten programs with Federal aid for highways accounting for approximately 68 percent of the grants. Under existing programs which provide for a total Federal commitment of over \$18 billion, the Federal government has imposed a variety of diverse requirements on State and local governments, including different matching requirements; different procedures to process grant applications; overlapping plans to qualify for Federal aid involving, among other things, the development of 80 State comprehensive plans, 701 comprehensive plans, community development district plans and overall economic development plans; administration of project grants by different kinds of Federal authorities and officials at different levels of the Federal government; varying percentages of Federal support for different programs administered by the same agency and varying percentages of Federal support for similar programs administered by different agencies; the need to relate to a number of special units of government and non-government corporations and other units especially created to deal with categorical grant programs; a multiplicity of advisory councils whose membership is not consistent, whose function in many respects is duplicatory and whose authority varies widely, and competing services such as the agricultural extension service and the urban extension service whose respective jurisdiction is not clear.

Out of this maze or thicket, as it has been characterized by the President, have emerged two significant things: the expert in-grantmanship and an unevenness of grant programs which is less widely known and understood. For example, one State in New England actually received less than its "share" of grants because of the inability to marshal the skills and effort to concentrate on grant proposals. Also, one eastern State has received 70 percent of the funds under the poverty program with only 30 percent of the population. At the same time, a study of the school lunch programs has revealed that the children who benefit are not necessarily those most in need in every instance. A consolidation and simplification of Federal grant programs, such as envisioned by the pending bill, should significantly improve the present situation.

Congress itself provided a precedent for the consolidation of grant-in-aid programs with the enactment of the Comprehensive Health Planning and Public Health Service Amendments of 1966 which make possible a "block grant" approach in certain health programs. A series of bills have been introduced in this Congress aiming at the same objective: the Federal Grant-In-Aid Review Act of 1967 by Senator Scott; the Temporary National Commission in Intergovernmental Fiscal Needs and Resources proposed by Senator Kennedy in 1967; the Joint Funding Simplification Act of 1968 by Senator McClellan, as well as title VI of the proposed Intergovernmental Cooperation Act.