

# Federal Grants to State and Local Governments, 1971-72

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*Aid to State and local governments in the form of Federal grants totaled \$35.2 billion in fiscal year 1971-72, about 20 percent more than the preceding year's total and four and a half times the figure 10 years earlier. In this series, these grants, grouped by purpose, are reviewed annually with special concentration on grants directed to social welfare functions and their relation to other grants. To measure the extent to which grants are used as a redistributive income tool and a means of equalizing fiscal resources among the States, the grants on a State-by-State basis are related to population, total personal income within the States, and State and local revenues.*

*All but one of the grants groups contributed to the 1971-72 rise. Highway grants remained at their 1970-71 level but continued to represent a declining proportion of all grants. Total social welfare grants rose substantially, representing an increasing proportion of all grants.*

AID TO STATE and local governments in the form of Federal grants totaled \$35.2 billion in the fiscal year 1971-72, an increase of 20 percent over the Federal grants of 1970-71. Exactly 75 percent of the grants—\$26.4 billion—were for programs with a social welfare purpose. The \$19.0 billion of grants by the Department of Health, Education, and Welfare accounted for 54 percent of all grants and 71 percent of those for social welfare (table 1).

The Federal grant-in-aid as a fiscal device for achieving program objectives through government channels is almost as old as the Nation. The modern allocation-formula grant with matching requirements for the recipient State or local government, however, made its appearance only as recently as the World War I era with the Federal Aid Road Act of 1916 and the Smith-Hughes (vocational education) Act of 1917. A newer development—the project grant, in which the money is channeled directly to the assisted activity with or without matching re-

quirements, but often with a ceiling for the federally borne proportion of total cost—has been receiving increased emphasis since the mid-fifties. Nonetheless, allocation-formula grants continue to dominate Federal grants by their sheer magnitude, most notably for public assistance, which accounted for 37 percent of all 1972 grants.

Grants-in-aid are but one of several types of Federal fiscal aids to State and local governments, although quantitatively they are the most significant. Federal grants are also made to other types of recipients (individuals and institutions), but these grants are not included here.

The grants data in the accompanying tables are limited to grants for cooperative Federal-State or Federal-local programs administered at the State and/or local level, and to those programs in which the bulk of the funds is channeled through agencies of State and local governments. Emergency grants and the value of grants-in-kind, such as surplus foods distributed domestically or Braille materials for teaching the blind, are included when they conform to these criteria. Shared revenues<sup>1</sup> and payments in lieu of taxes are excluded, as are programs in which the States or localities act solely as agents of the Federal Government. Loans, of course, are excluded by definition.

In 1971-72, as in many preceding years, about 98 percent of all Federal aid to State and local governments took the form of grants as defined by these criteria. The proceeds of certain special funds, certain income from public lands, and shared revenues form the bulk of the remainder.

<sup>1</sup> Shared revenues—not to be confused with revenue-sharing, a newly legislated program that went into effect in fiscal year 1972-73—denote State participation in income derived from Federal land within given States. The income is usually from grazing rights, forest use, water rights or mine operation, and is often devoted to education in the affected States.

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The Federal Government operated more than 100 different grants programs in fiscal year 1971-72 to assist the States and localities in financing specific activities. For presentation here, these grants programs have been consolidated according to general purpose into nine groups (table 2) and, because of space limitations, further consolidated into seven groups (tables 1 and 3). As far as possible the classification is in conformity with the Social Security Administration statistical series on social welfare expenditures.<sup>2</sup> Special variations are described in the annual article on Federal grants.

### GRANTS IN FISCAL YEAR 1971-72

The \$35.2 billion in 1971-72 represented a Federal outlay of about five times the grants total 10 years ago. The 1971-72 grants were about 20 percent higher than the grants of 1970-71 and about half again the 1969-70 total grants.

All but one of the grants groups shared in the overall rise, although to varying degrees. Dollar increases ranged from 36 percent above the grants of 1970-71 for public assistance to less than 1/2 of 1 percent more for highway grants. Agriculture and natural resources grants, however, were 4 percent less than their 1970-71 counterparts following a year of tremendous increase due largely to the introduction that year of a new program of construction grants for environmental protection.

The overall rise consists of two distinct parts: An increase in amounts dispensed under ongoing Federal grants programs and the introduction of new grants programs. Seven new programs appeared in the series in 1971-72 affecting four grants groups. Grants for Indian health added \$1 million to the health group; child development grants raised the education grants \$202 million; and a massive program of public employment under the Emergency

Employment Act of 1971 added \$558 million to the economic opportunity and manpower group. The remaining four new programs, all classified with miscellaneous grants, included: U.S. Civil Service Commission grants for inter-governmental personnel assistance, \$2.6 million; Coast Guard boating safety assistance grants to States, \$2.3 million; Department of Transportation natural gas pipeline safety grants, \$362,459; and Corporation for Public Broadcasting (CPB) grants, \$35 million.

Inclusion of the CPB grants in the Treasury document marks a departure in that the CPB is not a Federal agency but a private nonprofit corporation incorporated under the laws of the District of Columbia.<sup>3</sup> Authority for its formation, operation, and functions are set forth in the Public Broadcasting Act of 1967 (P.L. 90-129, November 7, 1967), Part IV. All of the \$35 million the Corporation disbursed in grants in fiscal year 1971-72 was Federal money appropriated by Congress from general funds: \$5 million was for matching of funds that CPB received from private foundations, corporations, and citizens; and \$30 million had no matching requirement.

The CPB grants program itself was not new in 1972. According to CPB's 1972 *Annual Report* (page 7): "From an initial seed appropriation of \$5 million in 1969, Congress raised the level to \$15 million in 1970, \$23 million in 1971, \$35 million in 1972, and a proposed \$45 million in 1973." The *Report* lists grants and awards for the fiscal years 1969 through 1972, financed largely by annual Federal appropriations.<sup>4</sup>

It is becoming increasingly difficult from the Treasury source to trace the rise or fall (or complete cessation) of individual grants pro-

<sup>3</sup> Until now the only private nonprofit institution listed has been the American Printing House for the Blind in Louisville, Ky., which has received Federal aid since 1879 for education of blind children in public schools. As the grants are administered by the Department of Health, Education, and Welfare, and the product goes to public schools only, the program has been listed as an HEW education grant. It is one of the few grants in kind. Pupils receive Brailled materials.

<sup>4</sup> In 1970-71, \$23 million of CPB grants were listed by the Treasury source under the Department of Health, Education, and Welfare Office of Education. They were carried then, as now, in the miscellaneous grants group, but were added in with the HEW grants total. For 1971-72 they were still regarded as "miscellaneous" but were excluded from the HEW grants total.

<sup>2</sup> See Alfred M. Skolnik and Sophie R. Dales, "Social Welfare Expenditures, 1971-72," *Social Security Bulletin*, December 1972. Social welfare is defined as cash benefits, services, and administrative costs of all programs operating under public law that are of direct benefit to individuals and families.

TABLE 1.—Federal grants: Total to State and local governments, by purpose, fiscal years 1929–30 to 1971–72

[Amounts in millions]

Fiscal year	All grants <sup>1</sup>	Social welfare										Highways		All other	
		Total		Public assistance		Health		Education		Economic opportunity and manpower		Miscellaneous social welfare	Amount		Percent of all grants
		Amount	Percent of all grants	Amount	Percent of all grants	Amount	Percent of all grants	Amount	Percent of all grants	Amount	Percent of all grants				
1929–30	\$100	\$23	23.2			(?)		\$22	21.8			\$1	\$76	75.5	\$1
1930–31	180	25	13.9					24	13.1			1	154	85.2	2
1931–32	214	26	12.1					24	11.3			2	186	87.1	2
1932–33	190	25	13.2					23	12.3			2	163	86.0	2
1933–34	1,803	24	1.4					22	1.2			2	222	12.3	1,557
1934–35	2,197	28	1.3					26	1.2			3	275	12.5	1,893
1935–36	1,015	107	10.5	\$28	2.8	0.4		37	3.7			37	224	22.1	684
1936–37	818	230	28.1	144	17.6	13	1.6	38	4.6			36	341	41.6	247
1937–38	790	365	46.2	216	27.3	15	1.9	43	6.1			86	247	31.2	178
1938–39	1,031	446	43.2	247	24.0	15	1.4	50	4.8			134	192	18.6	393
1939–40	967	531	54.9	271	28.0	22	2.3	51	5.2			187	165	17.0	272
1940–41	915	624	68.2	330	36.0	26	2.8	113	12.3			156	171	18.7	120
1941–42	926	694	74.9	375	40.4	29	3.1	151	16.3			139	158	17.1	74
1942–43	991	691	69.7	396	39.9	30	3.1	171	17.2			94	174	17.6	126
1943–44	983	700	71.3	405	41.2	60	6.1	136	13.8			99	144	14.7	138
1944–45	917	700	76.3	410	44.7	79	8.6	103	11.3			108	87	9.5	130
1945–46	844	701	83.1	439	52.0	71	8.4	58	6.8			133	75	8.8	68
1946–47	1,549	1,302	84.1	614	39.6	63	4.1	65	4.2			560	199	12.8	48
1947–48	1,581	1,229	77.8	718	45.4	55	3.5	120	7.6			335	318	20.2	33
1948–49	1,840	1,366	74.2	923	50.4	67	3.6	76	4.2			295	410	22.3	64
1949–50	2,212	1,731	78.2	1,123	50.8	82	3.7	82	3.7			402	429	19.4	53
1950–51	2,253	1,802	80.0	1,186	52.6	174	7.7	93	4.1			350	400	17.8	50
1951–52	2,329	1,854	79.6	1,178	50.6	187	8.0	156	6.7			333	420	18.0	56
1952–53	2,759	2,162	78.4	1,330	48.2	173	6.3	259	9.4			400	517	18.8	80
1953–54	2,958	2,346	79.3	1,438	48.6	149	4.7	248	8.4			519	538	18.2	74
1954–55	3,096	2,403	77.6	1,427	46.1	110	3.8	296	9.6			561	597	19.3	97
1955–56	3,441	2,615	76.0	1,455	42.3	133	3.9	276	8.0			751	740	21.5	85
1956–57	3,936	2,848	72.4	1,556	39.6	162	4.1	280	7.1			848	955	24.3	133
1957–58	4,794	3,095	64.6	1,795	37.4	176	3.7	308	6.4			816	1,519	31.7	181
1958–59	6,316	3,450	54.6	1,966	31.1	211	3.3	376	6.0			897	2,614	41.4	251
1959–60	6,838	3,610	52.8	2,059	30.1	214	3.1	441	6.5			896	2,942	43.0	286
1960–61	6,921	3,950	57.1	2,167	31.3	240	3.5	460	6.6			1,083	2,623	37.9	349
1961–62	7,703	4,535	58.9	2,432	31.6	263	3.4	491	6.4			1,348	2,783	36.1	385
1962–63	8,324	4,825	58.0	2,730	32.8	292	3.5	558	6.7	\$334	4.0	912	3,023	36.3	477
1963–64	9,774	5,352	54.8	2,944	30.1	322	3.3	579	5.9	413	4.2	1,094	3,644	37.3	778
1964–65	10,630	5,669	53.3	3,059	28.8	346	3.3	702	6.6	527	5.0	1,033	4,018	37.8	944
1965–66	12,519	7,630	61.0	3,528	28.2	395	3.2	1,590	12.7	1,131	9.0	1,016	3,975	31.8	914
1966–67	14,820	9,845	66.4	4,175	28.2	436	2.9	2,370	16.0	1,610	10.9	1,254	4,022	27.1	953
1967–68	18,173	12,449	68.5	5,319	29.3	823	4.5	2,719	15.0	2,050	11.3	1,538	4,197	23.1	1,527
1968–69	19,771	13,802	69.8	6,280	31.8	866	4.4	2,696	13.5	2,087	10.5	1,904	4,182	21.0	1,807
1969–70	23,585	16,545	70.2	7,445	31.6	1,043	4.4	3,016	12.8	2,665	10.9	2,476	4,392	18.6	2,649
1970–71	29,221	21,067	72.1	9,640	33.0	914	3.1	3,540	12.1	2,989	10.2	3,985	4,659	15.9	3,495
1971–72	35,208	26,414	75.0	13,090	37.2	991	2.8	4,283	12.2	3,482	9.9	4,568	4,677	13.3	4,116

<sup>1</sup> On checks issued basis, or adjusted to that basis, for most programs. Includes small amounts of adjustments and undistributed sums, and grants under a few programs to American Samoa, Canal Zone, Guam, and the Trust Territory of the Pacific Islands. For the programs in each grants group, see under "Composition of Grouped Grant Categories," page 28.

<sup>2</sup> Promotion of welfare and hygiene of maternity and infancy, \$9,552. Source: *Annual Reports of the Secretary of the Treasury: Combined Statement of Receipts, Expenditures and Balances of the United States Government*, and agency reports. Beginning with 1969 data: Department of the Treasury, *Federal Aid to States, Fiscal Year . . .*

grams. For example, grants for colleges of agriculture and the mechanic arts are among the oldest Federal grants programs, instituted by the Second Morrill Act of July 1862, the same year as the first land grant college legislation. In 1969–70 and 1970–71, \$2.6 million a year was being granted. In 1971–72 the A & M college grants disappeared as a separately reported program, to be submerged in the grants for higher education activities.

Similarly, in the health field, grants for control of venereal disease and tuberculosis are no longer reported separately; they are presumably also buried in one of the more comprehen-

sive health categories of the Treasury report. The 1970–71 footnotes indicated that these two programs were in a "miscellaneous health" column. That column does not appear for 1971–72.

It is apparent that comparisons of year-to-year changes in the amount of grants can no longer be very meaningful below the arbitrary grants group level. Where individual programs continue to be reported separately, however, individual program changes will be noted insofar as they contribute substantially to the rise or fall of the group total.

Social welfare grants are subdivided into the

following groups: Public assistance, health, education, economic opportunity and manpower, and miscellaneous social welfare. Within this broad category—which rose 25 percent above the \$21 billion of 1970–71—the range extended from a 36-percent increase for the public assistance group to the 8-percent increase in health services and construction grants.

Grants for public assistance include the Federal share of cash payments under the categorical assistance programs, medical assistance payments, and grants for administration, social services, training, research, and demonstration projects. The \$13.1 billion total for public assistance in 1971–72 was 36 percent more than was granted in the preceding year and 76 percent higher than in the 1969–70 fiscal year. Also in 1971–72, public assistance climbed to 50 percent of the social welfare grants and 37 percent of all grants, after several years at the level of 45–46 percent of the former and 32–33 percent of the latter.

At \$991 million, grants in the area of health services and construction were 8 percent above the 1970–71 group total. A 43-percent reduction in health and hospital construction grants (to \$229 million in 1972) was more than compensated for in the group total by sizable increases in two programs: Grants for maternal and child health activities increased by 166 percent to \$312 million in 1972, and grants for mental health activities increased 63 percent to \$291 million. Several programs are no longer listed separately; they may have been consolidated with still-listed programs. The not-listed grants as last listed separately—for fiscal year 1970–71—were as follows: regional medical programs, \$46 million; chronic disease, \$1 million; and dental and nursing resources, dental health, and control programs for venereal disease and tuberculosis, less than \$1 million all told.

Since their start in 1965–66, grants under the Elementary and Secondary and the Higher Education Acts of 1965 have dominated the Federal education grants picture. These massive Federal aids to education and educational opportunity for children of the poor have constituted more than half of all education grants, with a peak in 1968–69 of 65 percent of the

education group. In 1970–71 the two programs (together \$2,106 million) accounted for 60 percent of education grants; the following year their joint \$2,098 million represented only 49 percent of a 21-percent larger education total.

The economic opportunity and manpower grants group—separated from the heterogeneous miscellaneous social welfare group as it reached the \$3 billion mark in 1970–71—experienced an overall increase of 16 percent in 1971–72. Among individually reported major programs that rose in 1971–72 were Neighborhood Youth Corps, up 73 percent to \$490 million; work incentive grants, up 32 percent to \$162 million; concentrated employment, up 27 percent to \$156 million; and—of smaller magnitude—the public service careers grants, which rose 242 percent to \$81 million. The Job Corps program, listed in 1970–71 at \$111 million, does not appear at all for 1971–72 although the 1973 *U.S. Budget Appendix* lists \$200 million for the Job Corps for 1971–72. Programs that declined in 1971–72 included “Jobs Optional,” a Manpower Administration program, down 69 percent from \$120 million to \$37 million; the HEW-administered work experience grants, down 43 percent to \$228 million; and manpower training activities, down 24 percent to \$143 million. While community action program grants were only 1 percent below their \$716 million of 1970–71, at their relative size that 1 percent represents more than \$7 million. The new grants program to provide the unemployed with jobs in the public sector at State and local government levels disbursed \$558 million in 1971–72.

At \$4.6 billion, grants for the miscellaneous group of social welfare programs were \$583 million (15 percent) higher than the 1970–71 group total. A \$326 million increase in food stamp grants (to \$1.9 billion) plus a \$273 million rise in grants for child nutrition (to \$987 million) more than accounted for the dollar increase. However, there are other pluses and minuses that enter the group computation: A rise of 19 percent in the 1971–72 vocational rehabilitation grants brought that program to \$577 million. A \$191 million increase in the annual contribution to public housing authorities raised that program 34 percent to \$749 million. The value of commodities distributed

TABLE 2.—Federal grants to State and local governments,

[Amounts in thousands]

States ranked by 1969-71 average per capita personal income	All grants <sup>1</sup>	Social welfare							
		Total		Public assistance		Health		Education	
		Amount	Percent of all grants	Amount	Percent of all grants	Amount	Percent of all grants	Amount	Percent of all grants
Total <sup>2</sup> .....	\$35,207,893	\$26,414,043	75.0	\$13,090,456	37.2	\$991,091	2.8	\$4,282,933	12.2
United States <sup>3</sup> .....	34,846,645	26,102,654	74.9	13,038,457	37.4	961,039	2.8	4,220,201	12.1
High-income group.....	19,412,524	14,973,549	77.1	8,451,735	43.5	511,322	2.6	1,986,842	10.2
District of Columbia.....	469,787	266,579	56.7	69,402	14.8	16,752	3.6	45,284	9.6
Connecticut.....	445,440	299,406	67.2	138,938	31.2	14,508	3.3	44,296	9.0
New York.....	4,397,618	3,765,265	85.6	2,583,073	58.7	108,986	2.5	381,194	8.7
Alaska.....	175,032	85,757	49.0	13,748	7.9	3,518	2.0	32,086	18.3
New Jersey.....	1,039,142	785,847	75.6	382,090	36.8	20,182	1.9	128,470	12.4
Nevada.....	93,337	51,145	54.8	15,286	16.4	2,382	2.6	11,188	12.0
Illinois.....	1,755,392	1,379,798	78.6	792,488	45.1	31,422	1.8	168,423	9.6
Hawaii.....	158,328	100,634	63.6	40,459	25.6	6,115	3.9	24,137	15.2
California.....	4,068,251	3,258,054	80.1	1,996,749	49.1	71,136	1.7	380,819	9.4
Delaware.....	94,600	64,832	68.5	34,856	36.8	2,794	3.0	11,198	11.8
Massachusetts.....	1,096,139	839,502	76.6	490,066	44.7	32,335	2.9	103,588	9.5
Maryland.....	545,097	417,350	76.6	181,402	33.3	28,871	5.3	77,353	14.2
Michigan.....	1,335,802	983,454	73.6	535,960	40.1	32,742	2.5	131,611	9.9
Washington.....	621,762	430,015	69.2	187,053	30.1	15,101	2.4	64,628	10.4
Ohio.....	1,204,375	878,362	72.9	328,736	27.3	45,505	3.8	162,009	13.5
Pennsylvania.....	1,615,830	1,169,438	72.4	578,573	35.8	67,643	4.2	172,935	10.7
Kansas.....	296,592	198,111	66.8	82,836	27.9	11,330	3.8	47,623	16.1
Middle-income group.....	7,783,798	5,482,966	70.4	2,356,579	30.3	245,942	3.2	1,102,305	14.2
Rhode Island.....	177,833	130,328	73.3	62,849	35.3	6,628	3.2	19,608	11.0
Indiana.....	541,756	366,233	67.6	146,251	27.0	16,037	3.0	72,886	13.5
Colorado.....	425,867	289,003	67.9	135,722	31.9	22,035	5.2	48,787	11.5
Minnesota.....	634,448	452,232	71.3	226,205	35.7	16,330	2.6	62,830	13.0
Nebraska.....	202,163	133,671	66.1	55,452	27.4	6,586	3.3	46,836	23.2
Oregon.....	383,588	231,329	60.3	95,020	24.8	11,320	3.0	38,996	10.2
Iowa.....	323,868	224,325	69.3	88,416	27.3	7,991	2.5	51,953	16.0
Missouri.....	711,817	487,355	68.5	207,577	29.2	27,502	3.9	82,004	11.5
Wisconsin.....	522,187	422,135	80.8	232,931	44.6	14,913	2.9	53,660	10.3
Florida.....	824,491	622,404	75.5	253,749	30.8	29,568	3.6	127,532	15.7
Wyoming.....	104,882	59,347	56.6	7,074	6.7	2,388	2.3	37,371	35.6
Virginia.....	621,623	433,533	69.7	164,453	26.5	16,859	2.7	117,539	18.9
Arizona.....	288,704	193,048	66.9	25,368	8.8	9,383	3.3	54,530	18.9
New Hampshire.....	94,009	58,459	62.2	22,970	24.4	2,694	2.9	18,518	14.4
Texas.....	1,644,180	1,206,418	73.4	567,901	34.7	49,165	3.0	222,232	13.5
Vermont.....	107,103	70,450	65.8	35,635	33.3	5,181	4.8	10,052	9.4
Montana.....	175,279	82,696	47.2	21,006	15.4	2,352	1.3	20,162	11.5
Low-income group.....	7,630,716	5,636,605	73.9	2,229,657	29.2	203,776	2.7	1,131,949	14.8
Georgia.....	835,906	659,892	78.9	322,901	38.6	17,778	2.1	117,545	14.1
Oklahoma.....	498,435	380,499	76.3	206,869	41.5	13,229	2.7	67,562	13.6
Idaho.....	132,025	76,322	57.8	28,313	21.4	4,609	3.5	17,065	12.9
Utah.....	215,305	126,761	58.9	48,460	22.5	9,896	4.6	25,374	11.8
North Carolina.....	734,078	569,178	77.5	211,575	28.8	27,570	3.8	140,064	19.1
Maine.....	190,102	136,833	72.0	68,077	35.8	5,413	2.8	20,783	10.9
North Dakota.....	124,355	80,814	65.0	30,563	24.6	2,545	2.0	18,809	15.1
South Dakota.....	130,519	85,087	65.2	26,780	20.5	2,003	1.5	23,840	18.3
New Mexico.....	280,091	187,511	66.9	53,610	19.1	6,456	2.3	40,633	14.5
Kentucky.....	592,873	444,679	75.0	176,782	29.8	17,169	2.9	74,399	12.5
Tennessee.....	685,868	493,263	71.9	184,596	26.9	20,572	3.0	101,402	14.8
Louisiana.....	724,081	567,995	78.7	235,884	32.6	18,685	2.6	87,617	12.1
West Virginia.....	440,709	245,163	54.9	80,227	18.0	8,758	2.0	43,621	9.8
South Carolina.....	405,364	331,064	81.7	77,127	19.0	13,260	3.3	81,018	20.0
Alabama.....	670,035	503,968	75.2	208,878	31.2	16,501	2.5	100,533	15.0
Arkansas.....	392,074	289,943	74.0	115,855	29.5	8,379	2.1	54,178	13.8
Mississippi.....	572,896	455,613	79.5	153,160	26.7	10,953	1.9	117,566	20.5
Outlying areas:									
Puerto Rico.....	319,792	279,519	87.4	48,920	15.3	24,305	7.6	52,362	16.4
Virgin Islands.....	18,815	14,377	76.4	1,003	5.3	4,643	24.1	2,290	12.2

<sup>1</sup> For programs in each grants group, see under "Composition of Grouped Grants Categories," page 26.

<sup>2</sup> Includes (not listed separately), small amounts undistributed, adjustments to checks-issued basis, and grants under a few programs to American

under the surplus removal program dropped 15 percent to \$300 million, and the Commodity Credit Corporation price support donations did not appear in the Treasury source at all, leaving no 1972 counterpart for its \$221 million 1971 program. Once more, as happened a few years ago, child welfare services are not separately reported: this time they are apparently

submerged with other welfare services in the States and localities provided from Social and Rehabilitation Service funds and are now indistinguishable from services to public assistance clients.

The relative importance of highway grants has been falling steadily for a decade—from a post-World War II peak of 43 percent of all

amount and percent of total grants, by purpose, fiscal year 1971-72

[Amounts in thousands]

Social welfare—continued		Miscellaneous social welfare	Highways		Urban affairs	Agriculture and natural resources	Miscellaneous	States ranked by 1969-71 average per capita personal income
Economic opportunity and manpower			Amount	Percent of all grants				
Amount	Percent of all grants							
\$3,482,006	9.9	\$4,567,558	\$4,677,384	13.3	\$2,274,683	\$737,293	\$1,104,490	Total.
3,410,019	9.8	4,472,937	4,671,352	13.4	2,255,761	731,909	1,084,968	United States.
1,042,368	10.0	2,081,279	2,106,231	10.8	1,457,709	397,887	477,153	High-income group.
86,498	18.4	48,642	33,567	7.1	143,220	7,194	19,226	District of Columbia.
55,753	12.5	46,911	63,557	14.3	65,095	8,722	8,661	Connecticut.
344,782	7.8	347,231	220,508	5.0	202,589	123,637	85,620	New York.
22,382	12.8	14,023	55,971	32.0	10,933	9,715	12,656	Alaska.
132,549	12.8	122,556	132,909	12.8	88,338	8,633	23,415	New Jersey.
14,802	15.9	7,486	35,957	38.5	765	3,295	2,175	Nevada.
154,309	8.8	233,158	241,261	13.7	75,223	27,531	31,579	Illinois.
12,621	8.0	17,301	32,146	20.3	19,656	3,334	2,558	Hawaii.
417,285	10.3	392,065	408,624	10.0	235,356	63,767	102,450	California.
7,828	8.3	8,155	17,161	18.1	5,104	3,756	3,748	Delaware.
126,118	11.5	87,374	78,806	7.2	133,927	18,594	25,311	Massachusetts.
44,485	8.2	85,240	56,345	10.3	39,110	11,518	20,773	Maryland.
131,569	9.8	151,571	193,981	14.5	103,273	30,748	24,346	Michigan.
80,032	12.9	83,200	115,320	18.5	42,870	16,034	17,523	Washington.
128,706	10.7	213,406	177,085	14.7	90,485	17,460	40,993	Ohio.
153,360	9.5	196,927	187,579	11.6	174,323	35,485	49,004	Pennsylvania.
29,289	9.9	27,033	55,454	18.7	27,442	8,471	7,115	Kansas.
749,793	9.6	1,028,350	1,436,318	18.5	436,196	183,485	244,831	Middle-income group.
19,804	11.1	22,440	18,964	10.7	16,894	7,525	4,122	Rhode Island.
53,004	9.8	78,055	107,031	19.8	35,336	19,083	14,073	Indiana.
39,247	9.2	43,211	95,573	22.4	23,061	8,389	9,842	Colorado.
54,710	8.6	72,358	102,042	16.1	46,336	17,328	16,511	Minnesota.
18,027	8.9	26,770	28,834	14.3	2,612	7,577	9,469	Nebraska.
44,032	11.5	41,961	106,837	27.9	25,560	8,740	11,122	Oregon.
29,098	9.0	46,867	60,238	18.6	18,958	13,660	6,686	Iowa.
76,123	10.7	94,150	130,722	18.4	57,655	22,999	13,085	Missouri.
62,375	11.9	58,249	54,682	10.5	16,033	13,315	16,021	Wisconsin.
69,702	8.5	139,853	131,832	16.0	33,914	11,734	24,607	Florida.
6,941	6.6	5,374	36,301	34.6	3,635	3,220	2,378	Wyoming.
47,183	7.6	87,490	119,641	19.2	34,064	14,939	19,446	Virginia.
51,263	17.8	52,504	71,894	24.9	9,264	4,167	10,391	Arizona.
9,508	10.1	9,768	24,149	25.7	5,108	3,218	3,074	New Hampshire.
139,794	8.5	225,326	246,683	15.0	96,019	28,970	68,090	Texas.
10,124	9.5	9,458	26,663	24.9	2,872	3,804	3,314	Vermont.
18,858	10.8	14,318	74,292	42.4	8,875	4,731	4,686	Montana.
708,153	9.3	1,363,070	128,802	14.8	352,443	150,531	362,337	Low-income group.
60,147	7.2	141,520	88,399	10.6	44,998	14,663	27,954	Georgia.
46,168	9.3	46,671	48,656	9.8	38,100	13,653	17,528	Oklahoma.
14,934	11.3	11,401	39,472	29.9	6,877	5,091	4,464	Idaho.
23,729	11.0	19,302	71,966	33.4	5,881	4,955	5,743	Utah.
64,128	8.7	126,841	74,563	10.2	46,198	15,065	20,074	North Carolina.
24,541	12.9	18,019	30,277	15.9	8,629	5,915	8,448	Maine.
15,266	12.3	13,632	32,175	25.9	3,014	3,151	5,201	North Dakota.
14,899	11.4	17,565	31,412	24.1	5,430	3,240	5,350	South Dakota.
38,796	13.9	48,014	59,926	21.4	17,279	4,645	10,730	New Mexico.
54,788	9.2	121,542	69,755	11.8	26,596	9,047	42,796	Kentucky.
55,270	8.1	131,422	103,700	15.1	39,412	14,884	34,610	Tennessee.
61,026	8.4	166,783	108,873	15.0	17,177	9,161	18,875	Louisiana.
36,889	8.3	75,669	122,678	27.5	9,658	5,520	63,689	West Virginia.
45,235	11.2	114,423	39,831	9.8	9,675	7,500	17,293	South Carolina.
55,597	8.3	122,479	104,863	15.7	29,649	9,678	21,856	Alabama.
38,806	9.9	72,785	45,431	24.9	30,980	9,673	16,048	Arkansas.
57,932	10.1	116,002	56,825	9.9	13,090	14,690	32,678	Mississippi.
64,931	20.3	89,000	6,032	1.9	14,804	2,878	16,559	Outlying areas.
3,149	16.7	3,392			1,048	2,231	1,159	Puerto Rico.
								Virgin Islands.

Samoa, the Canal Zone, Guam, and the Trust Territory of the Pacific Islands.  
 \* Includes small amounts undistributed and adjustments to checks-issued

basis.  
 Source: Department of the Treasury, *Federal Aid to States, Fiscal Year 1972*.

1959-60 grants to 13 percent of the 1971-72 total. Offsetting this drop has been the rise of the broad category of social welfare grants which has been more than holding its own with an irregular climb from 53 percent of the 1959-60 grants (their post-World War II low) to 75 percent in 1971-72. The remaining 12 percent was taken up by the three "all other"

groups of urban affairs, agriculture and natural resources, and miscellaneous grants.

At \$4.7 billion, grants in the highways category remained at their 1970-71 level. Construction grants from the highway trust fund form 98 percent of the group total; they increased only \$260,000 in 1971-72. Forest and public land highway construction grants of \$34 mil-

TABLE 3.—1971-72 Federal grants in relation to personal income, to State and local general revenues and direct general revenues, and to population, by State<sup>1</sup>

States ranked by 1969-71 average per capita personal income	Total grants as percent of—			Per capita grants							
	Personal income 1971	Total State-local general revenues 1970-71	State-local direct general revenues 1970-71	Total	Public assistance	Health	Education	Economic opportunity and manpower	Miscellaneous social welfare	Highways	All other
Total.....				\$168.40	\$62.61	\$4.74	\$20.48	\$16.65	\$21.85	\$22.37	\$19.69
United States.....	4.1	24.3	29.6	168.95	63.21	4.66	20.46	16.53	21.69	22.65	19.75
High-income group.....	3.8	22.5	27.1	176.13	76.68	4.64	18.03	17.62	18.88	19.11	21.16
District of Columbia.....	10.6	53.8	61.6	633.99	93.66	22.61	61.11	116.73	65.64	45.30	228.94
Connecticut.....	2.9	20.0	23.4	144.58	45.09	4.71	14.38	18.10	14.90	20.63	26.77
New York.....	4.8	25.1	29.1	239.12	140.45	5.93	20.73	18.75	18.88	11.99	22.39
Alaska.....	11.5	35.8	53.1	559.21	43.92	11.24	102.51	71.51	44.80	178.82	106.40
New Jersey.....	3.0	20.5	24.1	142.35	52.34	2.76	17.60	18.16	16.79	18.21	16.49
Nevada.....	3.8	19.7	23.6	184.10	30.15	4.70	22.07	29.20	14.77	70.82	12.30
Illinois.....	3.3	21.7	26.0	156.79	70.78	2.81	15.04	13.78	20.82	21.55	12.00
Hawaii.....	4.3	20.8	26.1	200.67	51.28	7.75	30.59	16.00	21.93	40.74	32.38
California.....	4.3	21.9	27.2	201.17	98.74	3.52	18.83	20.63	19.39	20.21	19.86
Delaware.....	3.6	21.5	24.8	169.53	62.47	5.01	20.07	14.03	14.62	30.75	22.58
Massachusetts.....	4.2	25.3	30.4	190.37	85.11	5.62	17.99	21.90	15.17	13.69	30.88
Maryland.....	3.0	18.4	21.8	136.27	45.35	3.22	19.34	11.12	21.31	14.09	17.85
Michigan.....	3.4	20.2	23.9	148.47	59.57	7.64	14.63	14.62	16.65	21.56	17.60
Washington.....	4.4	23.0	27.8	180.27	54.23	4.38	18.74	23.20	24.12	33.44	22.16
Ohio.....	2.7	20.1	23.4	111.74	30.50	4.22	15.03	11.94	19.80	16.43	13.82
Pennsylvania.....	3.3	21.4	25.9	136.02	48.71	5.69	14.66	12.91	16.68	15.79	21.79
Kansas.....	3.1	20.3	24.5	131.35	36.69	5.02	21.09	12.97	11.97	24.56	19.06
Middle-income group.....	3.8	22.1	26.8	140.30	42.48	4.43	19.87	13.52	18.54	25.80	15.58
Rhode Island.....	4.5	27.5	34.2	185.24	65.47	5.86	20.42	20.63	23.38	19.75	29.73
Indiana.....	2.6	17.2	19.9	102.72	27.73	3.04	13.82	10.05	14.80	20.29	12.99
Colorado.....	4.5	25.5	31.9	186.54	59.45	9.65	21.37	17.19	18.93	41.86	18.09
Minnesota.....	4.1	21.2	25.3	163.48	58.28	4.21	21.29	14.10	18.64	26.29	20.66
Nebraska.....	3.3	19.7	23.3	133.71	36.67	4.36	30.98	11.92	17.70	19.07	13.00
Oregon.....	4.5	24.4	32.4	177.75	44.03	5.25	18.07	20.40	19.44	49.51	21.05
Iowa.....	2.9	16.9	19.7	113.56	31.00	2.80	18.22	10.20	16.43	21.12	13.78
Missouri.....	3.8	26.8	33.2	149.89	43.71	5.79	17.27	16.03	19.83	27.63	19.74
Wisconsin.....	3.0	15.7	17.9	116.66	52.04	3.33	11.99	13.94	13.01	12.22	10.14
Florida.....	3.0	20.3	23.6	117.10	36.04	4.20	18.40	9.90	19.86	18.72	9.98
Wyoming.....	7.9	32.1	43.6	308.48	20.80	7.02	109.91	20.42	16.39	106.77	27.16
Virginia.....	3.4	22.8	28.2	131.87	34.89	3.58	24.93	10.01	18.56	25.38	14.52
Arizona.....	4.0	21.9	26.6	156.14	13.72	5.07	29.49	27.72	28.40	38.85	12.88
New Hampshire.....	3.3	21.9	26.6	123.37	30.14	3.54	17.74	12.48	12.82	31.69	14.96
Texas.....	3.9	25.5	31.6	143.47	41.71	4.29	19.39	12.20	19.66	21.53	16.67
Vermont.....	6.5	29.2	39.3	233.65	77.81	11.31	21.95	22.10	20.65	58.22	21.81
Montana.....	6.8	33.3	46.4	247.57	38.14	3.32	28.48	26.64	20.22	104.63	26.84
Low-income group.....	5.7	32.2	42.5	188.13	54.97	5.02	27.91	17.46	33.61	27.83	21.33
Georgia.....	5.0	30.8	39.3	179.23	69.23	3.81	25.20	12.90	30.34	18.95	18.79
Oklahoma.....	5.5	31.7	42.0	190.97	79.26	5.07	25.89	17.69	17.88	18.64	26.54
Idaho.....	5.3	27.8	35.3	190.36	38.68	6.30	23.31	20.40	15.57	63.92	22.17
Utah.....	5.7	28.6	38.9	195.91	44.09	9.00	23.09	21.59	17.56	65.48	15.09
North Carolina.....	4.2	26.7	33.6	142.65	41.11	5.36	27.22	12.46	24.45	14.49	17.55
Maine.....	5.6	30.7	39.2	189.53	67.87	5.40	20.72	24.47	17.96	30.19	22.92
North Dakota.....	5.6	25.7	33.8	198.97	48.90	4.07	30.09	24.42	21.81	51.48	18.18
South Dakota.....	5.6	27.0	34.3	194.80	39.97	2.99	35.58	22.24	26.22	46.88	20.93
New Mexico.....	8.1	35.4	49.0	271.93	52.05	6.27	39.45	37.67	46.62	58.18	31.70
Kentucky.....	5.5	30.9	42.8	180.64	53.86	5.23	22.67	16.69	37.03	21.25	23.90
Tennessee.....	5.2	32.2	42.8	171.90	46.26	5.16	25.41	13.85	32.94	25.99	22.28
Louisiana.....	6.0	30.2	37.9	196.71	64.08	5.08	23.80	16.58	45.31	29.58	12.28
West Virginia.....	7.7	41.6	61.1	254.97	45.79	5.00	24.90	21.06	43.19	70.02	46.02
South Carolina.....	4.9	31.5	40.0	154.31	29.36	5.05	30.84	17.22	43.56	15.16	13.12
Alabama.....	6.2	34.5	47.7	192.59	60.04	4.74	28.90	15.98	35.21	30.14	17.59
Arkansas.....	6.5	41.4	55.9	201.68	59.60	4.31	27.84	19.96	37.44	23.37	29.17
Mississippi.....	9.1	43.4	59.0	257.37	68.80	4.92	52.81	26.03	52.11	25.53	27.16
Outlying areas:											
Puerto Rico.....				115.99	17.74	8.82	18.99	23.55	32.28	2.19	12.41
Virgin Islands.....				285.09	15.20	68.84	34.70	47.71	51.39		67.24

<sup>1</sup> For programs in each grants group, see under "Composition of Grouped Grant Categories," page 26.

<sup>2</sup> Revenues (except trust revenues) from all sources.

<sup>3</sup> Revenues (except trust revenues) from own sources.

Source: State and local revenues data from *Government Finances in 1970-71* of the Bureau of the Census. Per capita data are based on estimates of the Bureau of the Census for the total population, excluding the Armed Forces overseas, as of July 1, 1971.

lion were close to 50 percent higher than the 1970-71 program. Grants for highway safety rose to \$74 million, a 12-percent increase.

Urban affairs grants increased 28 percent from 1970-71 as a result of rises in all major programs, but most significantly for model cities and mass transportation. Although many of the urban affairs programs have strong

social welfare aspects, the grants data do not lend themselves to isolation of individual aspects of these multipurpose programs. Urban renewal, the largest program of the group, reached \$1.2 billion in 1971-72, up about 20 percent from the preceding year. Model cities grants, at \$500 million, showed the largest increase—56 percent. Both the mass transpor-

tation and the open space land programs increased by one-third, the former to \$206 million, the latter to \$52 million.

Table 2 shows the distribution of the 1971-72 Federal grants by State as well as by purpose. Only this table of the three presented each year shows the separate categories of urban affairs, agriculture and natural resources, and miscellaneous grants.

## RELATION TO OTHER INDICATORS

Federal grants to States and localities in 1971-72 amounted to \$168.95 for each man, woman, and child in the United States (table 3). This figure represents an increase of \$27.05 per person from the national average in 1970-71. The grants of 1961-62 averaged \$41.73 per capita; in 10 years they had increased 305 percent or \$127.22. During the same period the average per capita personal income received in the country rose only 77 percent.<sup>5</sup>

Since income per capita varies considerably from one State to another, comparisons at levels below the nationwide level are often more meaningful. Therefore, as in table 2, for comparison with other indicators the States are divided into three income groups by ranking them according to the average per capita personal income received in each State.

Within each income group the States vary widely in per capita receipt of Federal grants. States with low population density benefit from the minimum allotment provisions in certain of the grant formulas, particularly that for highway construction. And States that spend a great deal from their own resources for federally aided programs tend to receive more than the national average, whatever their income level. This phenomenon is particularly apparent for public assistance and other programs with formulas of Federal matching in relation to State or local expenditure. States that receive the largest per capita public assistance grants include some with the highest per capita in-

come in the country as well as some with the lowest. Nevertheless, as a result of the equalization feature written into many of the statutory allocation formulas, grants per capita received in the States would in general be expected to be larger in the low- than in the middle-income States and larger in the middle-income States than in the high-income group.

In practice, these expectations have proven true only in that the low-income group has always received larger grants per capita than has the high-income group. From the fiscal year 1967-68 on, average per capita grants received in the middle-income States have been below the average received in the high-income States. In these years, then, the "top" and "bottom" grant receiver groups are no longer the low- and the high-income States but have become the low- and the middle-income States (see accompanying chart).

Although the long-range trend in grants per capita<sup>6</sup> is toward a wider spread in absolute dollar terms, comparison of this spread with the national average per capita grant receipt indicates that—in relative terms—the gap is smaller than it was a decade ago (in 1971-72 it was 28 percent of the United States average; 1961-62, 33 percent). The small panel in the chart shows the fluctuations of this spread in relation to the national average.

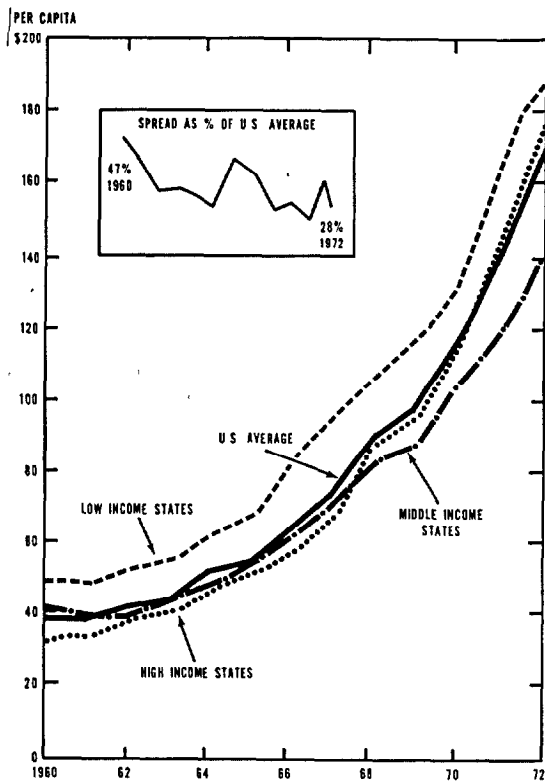
Comparison of the relationship of Federal grants to State and local revenues discloses very small year-to-year differences, but here too the trend is upward. In table 3, 1971-72 grants are compared with revenues of the preceding fiscal year, the most recent revenues data available. The comparison of fiscal year 1972 grants with 1971 revenues yields a ratio of 29.6. The ratio will undoubtedly be somewhat smaller when the 1972 State-local general revenues from their own sources become the divisor. The historical ratio of grants to general revenues raised in the States and localities in the same years is as follows: 1950, 11.5 per-

<sup>5</sup> Personal income for 1969-71 is compared with that for 1959-61, a 3-year average being used in many grant formulas to dampen single-year fluctuations. In these formulas, per capita personal income is often used as an indicator of both need and fiscal ability.

<sup>6</sup> In 1961-62 the difference between the low- and the high-income groups was \$13.73 per capita. In 1970-71 the gap had widened to almost \$49 per capita between the low- and the middle-income groups—more than \$20 of this increase occurred from 1969-70 to 1970-71. And in 1971-72, a slight narrowing brought the difference down to \$47.83, still between the low- and the middle-income groups.



CHART 1.—Grants per capita: National average and average of high-, middle-, and low-income States, fiscal years 1959–60 through 1971–72



cent; 1960, 15.7 percent; 1965, 16.9 percent; 1970, 21.4 percent; and 1971, 24.6 percent.

The shift toward greater Federal grants contributions to State and local revenues is clear. In 1950, for every dollar that the States and their localities raised from their own general revenue sources the Federal Government added grants of 11.5 cents. For every State and local dollar raised during 1960 an additional 15.7 cents came from Federal grants. In 1971, the State and local revenue dollar was supplemented by 24.6 cents of Federal grants. These figures reflect not only the proliferation of Federal grants programs since World War II, but also population growth and urbanization that have created a demand for more “old” services and the need for new ones.

The level of governmental services dispensed under many of the federally assisted programs

varies widely among the States—usually in direct relationship to the average personal income within the State.

Much more Federal grant money is required to maintain a lower level of services in the low-income States than is required for the higher level of services in the high-income States. The ratios of Federal grants to States and local general revenues for the United States and for the income groups of States in 1971 and 1972 are shown below. Despite the year-to-year fluctua-

Income group of States	Federal grants as percent of direct general revenue	
	1970-71	1971-72
United States.....	26.6	24.3
High.....	23.5	22.5
Middle.....	24.8	22.1
Low.....	41.4	32.2

tions, it is clear that the widest part of the spread is between the middle- and low-income group of States.

Use of the Federal grant as a fiscal device for achieving program objectives is especially notable in the social welfare area. The upward trend in the social welfare role of Federal grants continued in 1971–72. Grants for social welfare purposes were 14 percent of that year’s total social welfare expenditures by all levels of government; they were 13 percent in 1970–71 and 12 percent in 1969–70. These grants accounted for 25 percent of all Federal social welfare expenditures (23 percent and 21 percent, respectively, for the two preceding years) and added 33 percent to the total disbursed for that purpose by the States and localities from their own sources (29 percent and 26 percent in fiscal years 1970–71 and 1969–70).

The Department of Health, Education, and Welfare (HEW) administers a large proportion of the Federal grants to State and local governments. In the past decade the HEW grants have nearly quintupled in dollar amount, and have grown from two-fifths to well over one-half of all Federal grants. And this expansion occurred during a period when a very large number of economic opportunity grants—administered largely outside the Department—were also being funded.

The following<sup>7</sup> tabulation shows the rise in all HEW grants and in HEW grants for social welfare purposes<sup>7</sup> from 1963-64 to the present.

[In millions]

Fiscal year	All HEW grants		HEW social welfare grants	
	Amount	Percent of all grants	Amount	Percent of all social welfare grants
1964.....	\$3,985.8	40.8	\$3,846.8	71.9
1965.....	4,325.4	40.7	4,136.8	72.9
1966.....	5,756.2	46.0	5,599.5	73.3
1967.....	7,325.1	49.4	7,267.4	73.8
1968.....	9,369.1	51.6	9,217.5	74.0
1969.....	10,194.2	51.6	10,126.4	73.3
1970.....	12,287.3	52.1	12,186.6	73.7
1971.....	15,088.8	51.6	14,920.9	71.3
1972.....	18,963.7	53.9	18,831.7	71.3

Fiscal year 1964 was chosen as a base because it immediately precedes the entry into the series of both the economic opportunity grants and the HEW grants for elementary, secondary, and higher education.

## Technical Note

### Reconciliation of Grant Sources

The basic source of Federal grants data by State is the Department of the Treasury publication, *Federal Aid to States* (formerly a multipage table in the Department of the Treasury *Annual Report . . . on the State of the Finances*). *Federal Aid to States* attempts no classification other than by agency of the executive branch of the Federal Government responsible for administering the program. For analytical social science research, however, it is desirable to have a consistent grouping of the grants by function over time.

Perhaps the most useful regrouping of the grants is by the social welfare functions of health, education, public assistance, economic opportunity and manpower, and other social

<sup>7</sup> The Department administers or participates in administering a few grant programs that are not in the social welfare area as defined in this series. During the period these included grants for public libraries, accelerated public works, waste-treatment works, and arts and humanities.

welfare programs. Such a classification permits historical analysis of the relative amounts and proportions of all grants devoted to these functions, and a comparison of these grants with those devoted to such "non-social-welfare" categories as highways, agriculture and natural resources, and urban affairs. On a State-by-State basis the relation of grants to population, to total personal income in each State, and to State and local government revenues measures the extent to which grants are used as a redistributive income tool and means of equalizing fiscal resources among the States.

Historically, the development of the Federal grant-in-aid as a device to finance the income-maintenance and medical-care provisions of the categorical public assistance programs has been of special interest to the Social Security Administration. Until January 1963, these grants (initiated by the Social Security Act as a Federal-State program) were administered by the Social Security Administration. They were then transferred by a Departmental reorganization to the Welfare Administration (later the Social and Rehabilitation Service). Beginning January 1974 the adult public assistance programs will again be administered by the Social Security Administration, but as an all-Federal program of supplemental security income (SSI) under Public Law 92-603.

Another source of grants data is the Special Analysis on Federal Aid prepared by the Office of Management and Budget (and its predecessor, the Bureau of the Budget) in connection with the annual *Budget of the United States Government*. That analysis, however, does not present State-by-State distributions but deals mainly with national aggregates and occasionally with regional or urban area subtotals. Constructing a time series from these data is difficult because the program groupings have varied from *Budget to Budget*, as have the years for which data are presented. To assist legislators who pass on the Federal Budget, the groupings of national aggregate grants have, for the most part, followed agency or legislative committee breakdowns, thus limiting the usefulness of the data for social science research.

The following tabulation compares the Social Security Administration series with that of the Department of the Treasury and the Office of

Management and Budget for the past dozen fiscal years. The titular designation under which each series is published and the basis of the data are also given.

(In millions)

Fiscal year	Social Security Administration <sup>1</sup>	Department of the Treasury <sup>2</sup>	Office of Management and Budget <sup>3</sup>
1960.....	\$6,838	\$7,011	\$7,040
1961.....	6,921	7,102	7,112
1962.....	7,703	7,895	7,893
1963.....	8,324	8,597	8,634
1964.....	9,774	10,060	10,141
1965.....	10,680	10,904	10,904
1966.....	12,519	12,833	12,960
1967.....	14,820	15,193	15,240
1968.....	18,173	18,601	18,699
1969.....	19,771	20,287	20,255
1970.....	23,585	24,211	23,954
1971.....	29,221	29,845	29,844
1972.....	35,208	35,941	35,940

<sup>1</sup> Series: "Federal Grants to State and Local Governments." Checks issued or adjusted to that basis.

<sup>2</sup> Series: "Federal Aid Payments to States and Local Units." In 1968, series was "Federal Grants-in-aid Payments to State and Local Governments," thereafter, "Federal Aid to States" with various subtitles. Checks issued or adjusted to that basis.

<sup>3</sup> Series: "Special Analyses. Federal Aid to State and Local Governments." Outlays.

The yearly totals in the Social Security Administration grants series are always smaller than the totals of the Treasury series. The former can be reconciled with the latter by the addition of the amounts listed by the Treasury for the several programs of payments in lieu of taxes, the proceeds of public land funds and other shared revenues, such "aid" programs as the National Guard (in which States are regarded as acting as agents of the Federal Government), and such miscellaneous "aids" as expenditures in Hawaii for the Department of State Center for Cultural and Technical Exchange between East and West. The Social Security Administration series usually encompasses about 98 percent of the Treasury series total, as stated above.

Although the Treasury and Budget series are not far apart, the Budget series,<sup>8</sup> which includes loans, has usually been the larger of the two. In fiscal year 1969-70, however, the Treasury series was larger—primarily because it included \$13 million for adult basic education and \$223 million for the Commodity Credit Corporation.<sup>9</sup>

<sup>8</sup> *Special Analyses, Budget of the U.S. Government, Fiscal Year 1974, Special Analysis N, page 209.*

<sup>9</sup> *Federal Aid to States, 1970, footnote 64, page 22.*

## COMPOSITION OF GROUPED GRANT CATEGORIES

The names of the individual grants programs as listed below are those used by the Treasury Department source. All references to years for the programs in this section are for Federal fiscal years ending June 30.

*Public assistance.*—All Federal-State assistance programs of income maintenance, medical and social services, demonstration projects, and administration; reported by aid category through 1968, and thereafter in various summary forms: Old-age assistance, aid to families with dependent children, and aid to the blind, 1936 to date; aid to the permanently and totally disabled, 1951 to date; medical assistance for the aged, 1961-70; aid to the aged, blind, or disabled, 1964 to date; and medical assistance, 1966 to date.

*Health.*—Promotion of welfare and hygiene of maternity and infancy, 1930; maternal and child health services, services for crippled children, and public health services, 1936 to date; venereal disease control, 1941-71; emergency maternity and infant care, 1943-49 and 1951; construction of community (health) facilities, 1945 and 1954-56; tuberculosis control, 1945-71; cancer control, 1948-71; mental health activities, and hospital survey and construction, 1948 to date; heart disease control, 1950-64; construction of heart disease research facilities, and industrial waste studies, 1950-53; construction of cancer research facilities, 1950-54; emergency poliomyelitis vaccination, 1956-61; water pollution control (sanitary engineering, environmental health activities), 1957-66; health research construction, 1957 to date; chronic diseases and health of the aged, 1962-71; radiological, urban, and industrial health, 1963-69; vaccination assistance, 1964; dental health, 1965-71; air pollution control, 1965-70; nursing services, 1966-71; medical care services, 1967; comprehensive health planning and services, 1968 to date; regional medical services, 1968-71; child welfare services, 1969-70; environmental control and special health services, 1970; patient care, 1970 and 1972; and Indian health, 1972.

*Education.*—Colleges for agriculture and mechanic arts, 1930-71; vocational education and education of the blind, 1930 to date; cooperative State research (agricultural experiment stations), 1930-67; agricultural extension work, 1930 to date; State marine schools, 1930-69 and 1971 to date; education emergency grants, 1936-41; training defense workers, 1941-46; maintenance and operation of schools (in federally affected areas), 1951 to 1970; White House Conference on Education, 1955; defense education, 1959-70; education of handicapped, 1960 to date; higher education facilities construction, 1965-70; adult education, 1965-67; elementary, secondary, and higher education activities, and equal education opportunity, 1966 to date; Teacher Corps, 1968-70; health manpower education and utilization, 1968 to date; manpower development classroom instruction, 1969 to date; emergency school assistance, 1971 to date; and child development, 1972.

*Economic opportunity and manpower.*—Employment security administration, 1963 to date; manpower development activities and related programs, 1963 to date; work experience, community action, and Neighborhood

Youth Corps, 1965 to date; adult training and development, 1967-70 (supplemental training and employment, 1971); work incentive activities, 1969 to date; and public employment, 1972.

*Miscellaneous social welfare.*—Vocational rehabilitation and State homes for disabled soldiers and sailors, 1930 to date; employment service administration, 1934-43 and 1947-62; child welfare services, 1936-68 and 1971; unemployment insurance administration, and removal of surplus agricultural commodities, 1936 to date; school lunch, 1940-68; Federal annual contributions to public housing authorities, 1940 to date; community war-service day care, 1943; veterans' re-use housing, 1947-61; administration of veterans' unemployment and self-employment allowances, 1948-53; veterans' on-the-job training supervision, 1948-67; value of commodities furnished by Commodity Credit Corporation, 1950-71; defense public housing, 1954; school and special milk, 1955-68; distribution of certain tax collections to State accounts, unemployment trust fund, 1956-58; White House Conference on Aging, 1960-61; Federal share of food stamps redeemed, 1962 to date; housing demonstration, 1964-65; veterans' nursing homes, 1967; child nutrition, 1969 to date; and mental retardation, 1969-70.

*Highways.*—Cooperative construction of rural post roads, 1930-40; Federal-aid highways (regular and emergency, prewar and postwar) and trust fund activities, restoration of roads and bridges, flood relief, secondary and feeder roads, grade-crossing elimination, 1931 to date; National Industrial Recovery Act highway activities, 1934-44, 1947-49, and 1951; emergency relief activities, 1936-44 and 1952; access roads, flight strips, and strategic highway network, 1942-57 and 1959; public land highways, 1943 to date; payment of claims, 1946-52; war damage in Hawaii, 1948-56; reimbursement of D.C. highway fund, 1955-58; forest highways, 1958 to date; Appalachia highways, 1966-67; and beautification and control of outdoor advertising, highway safety, and landscaping and scenic enhancement, 1967 to date.

*Urban Affairs.*—Community facilities, 1945-49; slum clearance and urban renewal, 1953 to date; defense community facilities and services, 1953 and 1955-60; urban planning assistance, 1956 to date; open space land, 1964 to date; mass transportation, 1965 to date; neighborhood facilities, and water and sewer facilities, 1967 to date; model cities, and advance land acquisition, 1968 to date; and metropolitan development, and urban transportation, 1969 to date.

*Agriculture and natural resources.*—Forest fire cooperation, 1930-51; cooperative distribution of forest planting stock, 1930-44; reclamation, 1936; wildlife

(and fish) restoration (and management), 1939 to date; supply and distribution of farm labor, 1943-49; State and private forestry cooperation, 1945-64; cooperative projects in marketing, 1948 to date; flood and forest fire control, 1949-53; watershed protection and flood control and prevention, 1954 to date; drought relief, 1954-57; basic (agriculture) scientific research, 1965-68; forest protection, utilization, and restoration, 1965 to date; land and water conservation, 1965-66; water resources research, 1966 to date; commercial fisheries research and development, 1967-70; Water Resources Council, 1967 to date; cooperative State research service (formerly agricultural experiment stations), and meat and poultry inspection, 1968 to date; domestic farm labor, 1968-69; cropland adjustment, 1969 to date; and environmental protection construction, operations, research, and facilities, and mineral resources conservation and development, 1971 to date.

*Miscellaneous.*—Civil Works Administration advances, 1934; Federal Emergency Relief Administration, 1934-38; Federal Emergency Administration of Public Works, 1934-41; Public Works Administration, 1942-44; war public works (including liquidation), 1942-49; public works advance planning, 1947-49; Federal airports, 1948 to date; disaster and emergency relief and State preparedness, 1949-51 and 1953 to date; industrial waste studies, and defense public works, 1950; Federal contributions to civil defense, 1952 to date; library (and community) services, 1957 to date; waste treatment works construction, 1957-70; civil defense research and development, 1959-61; National Science Foundation facilities, 1958; small business research and management counseling (including liquidation), 1959-66; area redevelopment assistance and public facilities, 1963-67; accelerated public work, 1963 to date; educational television, 1965-66 and 1968-69; rural water and waste disposal, 1966 to date; arts and humanities activities, 1966-68; Department of Commerce State technical services, 1966-70; Appalachian assistance and regional development, and law enforcement assistance, 1966 to date; economic development facilities, economic development technical and community assistance, and National Foundation on the Arts and the Humanities, 1967 to date; economic development planning and research, 1968-71; atomic energy community disposal and assistance, 1968 to date; oceanic and atmospheric research, development, and facilities, Corporation for Public Broadcasting, and preservation of historic properties, 1971 to date; and intergovernmental personnel assistance, State boating safety assistance, and natural gas pipeline safety, 1972.