

Notes and Brief Reports

Federal Grants to State and Local Governments, Fiscal Year 1976 and Transition Quarter*

During fiscal year 1976 the Federal Government disbursed nearly \$58 billion in the form of grants to State and local governments. This amount represented an increase of 19 percent over total 1975 grants, which went largely for the same programs. A 19-percent increase—to \$36 billion—was also recorded in grants for social welfare purposes. These grants made up 62 percent of all grants disbursements in 1976, the same proportion as in 1975. Still a third 19-percent increase occurred in grants for the public assistance programs. Their 1976 total approached \$17 billion, including \$8.6 billion for Medicaid.

Table 1 shows the amounts granted in each year back to fiscal year 1930, by major purpose. A State distribution of the 1976 grants by purpose is found in table 2.

Through fiscal year 1972 the grants data in the annual statistical series were 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. With the introduction of general revenue sharing in 1973, the definition was broadened to include that program, under which recipient governments may spend payments for almost any legal purpose for which their own money may be used.¹ "Block grants" were included in the series beginning with the Comprehensive Employment and Training Act (CETA) grants in 1974 and the community development block grants in 1975. Although \$10 billion was disbursed in the form of revenue sharing and block grants in 1976, the bulk (83 percent) of total grants still conforms to the

original definition. The grants included in the series continue to account for approximately 98 percent of total Federal aid to the States and localities.²

Within the social welfare grouping of \$36 billion are public assistance grants of \$16.6 billion (46 percent of social welfare grants and 29 percent of all grants); health grants of \$2.0 billion (6 percent of social welfare grants and 4 percent of all grants); education grants of \$4.0 billion (11 percent of social welfare grants and 7 percent of the total), grants for economic opportunity and manpower programs of \$7.2 billion (20 percent of social welfare grants and 12 percent of the total), and grants of \$6.0 billion for miscellaneous social welfare purposes. The latter category is composed chiefly of low-rent housing, \$1.6 billion, human development, formerly called vocational rehabilitation, \$1.5 billion; and several child and adult food programs, including the administration³ of food stamp distribution, \$2.6 billion.

Additional grants money for social welfare is included under the revenue sharing rubric. According to unpublished data from the Department of the Treasury's Office of Revenue Sharing, one-third of the \$7 billion "used" by the States and localities during Entitlement Period 6, which coincides with fiscal year 1976, went for purposes broadly defined as social welfare. About the same proportion has been used for similar purposes each year so far. Since recipient governmental units have 24 months after the end of each entitlement period to spend or obligate revenue sharing receipts, the amounts reported as "used" need not—and do not—coincide with Federal program disbursements in a given period. For 1976, these governments received \$6,238 million; they reported \$6,955 million as having been used.

Grants for all social welfare purposes with the exception of education were higher in 1976 than they were a year earlier. Economic oppor-

* Emergency grants and the value of grants in kind are included when they conform to these criteria. Excluded are shared revenues (State participation in income derived from Federal land within given States), Federal payments in lieu of taxes, loans, and programs in which States or localities act solely as agents of the Federal Government.

¹ For the treatment of food stamp benefit (bonus) payments, see Sophie R. Dales, "Federal Grants to State and Local Governments, Fiscal Year 1975: A Quarter Century Review," *Social Security Bulletin*, September 1976, page 24.

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¹ For a detailed description of general revenue sharing, see Sophie R. Dales, "General Revenue Sharing Program: A Closer Look," *Social Security Bulletin*, October 1974, pages 36-38.

tunity and manpower development grants rose 50 percent—the largest percentage increase of the year—for a gain of \$2.4 billion, second only to the \$2.6 billion increase for public assistance grants.

The reduction in Federal grants for education from \$4.7 billion in 1975 to \$4.0 billion in 1976 is accounted for partly by “bookkeeping”—the current nonseparability of data previously reported separately⁴—and partly by an actual decline of \$281 million in grants for educational development, elementary and secondary education, and higher education.

In 1976, grants for purposes other than social welfare accounted for \$2.2 billion or 38 percent of all grants—about the same proportion as a year earlier. Rises occurred in each category. Transportation was up 38 percent (to \$6.9 billion), urban affairs, 33 percent (\$3.9 billion), agriculture and natural resources, 10 percent (\$337 million), and miscellaneous grants, 17 percent (\$4.5 billion). General revenue sharing—which by statute is disbursed in approximately equal annual sums—rose from \$6.1 billion to \$6.2 billion.

Several new programs made their appearance among the 1976 grants disbursements. Under transportation, \$2.2 million was granted for railroad safety and assistance, and \$3.5 million for rail- and highway-crossings demonstration projects. In addition, \$5.3 million was disbursed for liquidation of contracts for “off systems roads,” a program not previously accorded separate listing in the Treasury source. A \$7.2 million program of grants by the Energy Research and Development Administration in three States (New Mexico, Tennessee, and Washington) was added to the miscellaneous grants group, and a \$0.5 billion program for innovative and experimental programs was added to the education group.

Two programs that were identified by the same source⁵ as “liquidated in 1975” reappear in 1976 with far smaller amounts but no further reference

⁴Through 1975 the Treasury grants source reported separately on “human development” (formerly child development) and “social and rehabilitation services” (formerly vocational rehabilitation). In this series the former was grouped with education grants, the latter with grants for miscellaneous social welfare. For 1976, these consolidated disbursements are carried under miscellaneous social welfare since rehabilitation grants previously have been more than twice the size of total human development grants.

⁵See Department of the Treasury, *Federal Aid to States, Fiscal Year 1976*, page 18.

to liquidation. These programs are “neighborhood facilities” (\$43 million in 1975, \$22 million in 1976) and “open space land (acquisition)” (\$75 million in 1975, \$47 million in 1976). Both programs appear in this series with the urban affairs group.

Because of the shift in the start of the Federal Government’s fiscal year from July 1 to October 1, a separate table has been prepared for data from the end of the old fiscal year to the beginning of the new one. Table 3 presents grants by purpose and by State for this “transition quarter” (July 1–September 30, 1976). In the transition quarter, as in fiscal year 1976, about 62 percent of all grants were for social welfare programs, with the largest group being public assistance, followed by economic opportunity and manpower development. In both periods, about 41–43 percent of total grants disbursements were made under programs administered by the Department of Health, Education, and Welfare.

COMPOSITION OF GROUPED GRANT CATEGORIES

The terminology for the individual grants programs, as listed below, is that used by the Treasury Department source. All references to years in this section (as throughout the article) are for Federal fiscal years ending June 30.

Revenue sharing—Under the State and Local Fiscal Assistance Act of 1972 as amended, general revenue sharing, 1973 to date.

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 and aid to the blind, 1936–74; aid to families with dependent children, 1936 to date; aid to the permanently and totally disabled, 1951–74; medical assistance for the aged, 1961–70; aid to the aged, blind, or disabled, 1964–74; and medical assistance, 1966 to date.

Health—Promotion of welfare and hygiene of maternity and infancy, 1930; health services (delivery), formerly maternal and child health serv-

TABLE 1—Federal grants Total to State and local governments, by purpose, fiscal years 1930-76

[Amounts in millions]

Fiscal year	All grants ¹	Revenue sharing	Social welfare										All other	
			Total		Public assistance		Health	Education		Economic opportunity and manpower	Miscellaneous social welfare	Transportation		
			Amount	Percent of all grants	Amount	Percent of all grants		Amount	Percent of all grants			Amount		Percent of all grants
1930	\$100		\$23	23 2			(?)	\$22	21 8		\$1	\$76	75 5	\$1
1931	180		25	13 9				24	13 1		1	154	85 2	2
1932	214		26	12 1				24	11 3		2	186	87 1	2
1933	190		25	13 2				23	12 3		2	163	86 0	2
1934	1,803		24	1 4				22	1 2		2	222	12 3	1 557
1935	2,197		28	1 3				26	1 2		3	275	12 5	1,893
1936	1 015		107	10 5	\$28	2 8	\$4	37	3 7		37	224	22 1	684
1937	818		230	28 1	144	17 6	13	38	4 6		36	341	41 6	247
1938	790		365	46 2	216	27 3	15	48	6 1		86	247	31 2	178
1939	1 031		446	43 2	247	24 0	15	50	4 8		194	192	18 6	393
1940	967		531	54 9	271	28 0	22	51	5 2		187	165	17 0	272
1941	915		624	68 2	330	36 0	26	113	12 3		156	171	18 7	120
1942	926		694	74 9	375	40 4	29	151	16 3		139	158	17 1	74
1943	991		691	69 7	396	39 9	30	171	17 2		94	174	17 6	126
1944	983		700	71 3	405	41 2	60	136	13 8		99	144	14 7	138
1945	917		700	76 3	410	44 7	79	103	11 3		108	87	9 5	130
1946	844		701	83 1	439	52 0	71	58	6 8		133	75	8 8	68
1947	1,549		1,302	84 1	614	39 6	63	665	4 2		560	199	12 8	48
1948	1 581		1,229	77 8	718	45 4	55	120	7 6		335	324	20 5	28
1949	1,840		1 366	74 2	928	50 4	67	776	4 2		295	441	24 0	34
1950	2 212		1,731	78 2	1,123	50 8	123	82	3 7		402	462	20 8	20
1951	2,253		1,802	80 0	1,186	52 6	174	93	4 1		350	430	19 1	20
1952	2,329		1 854	79 6	1 178	50 6	187	156	6 7		333	463	19 4	23
1953	2,759		2,162	78 4	1,330	48 2	173	259	9 4		400	544	19 7	53
1954	2,958		2,346	79 3	1 438	48 6	140	248	8 4		518	556	18 8	57
1955	3 096		2 403	77 6	1 427	46 1	119	296	9 6		561	605	19 5	89
1956	3 441		2 615	76 0	1 455	42 3	133	276	8 0		751	757	22 0	69
1957	3,936		2,848	72 4	1,556	39 6	162	280	7 1		848	975	24 8	113
1958	4 794		3,095	64 6	1 795	37 4	176	308	6 4		816	1 561	32 5	138
1959	6 316		3 450	54 6	1,966	31 1	211	376	6 0		897	2 670	42 3	195
1960	6 838		3 610	52 8	2 059	30 1	214	441	6 5		896	2 999	43 9	229
1961	6 921		3 950	57 1	2 167	31 3	240	460	6 6		1 083	2 687	38 8	284
1962	7 703		4 585	58 9	2 432	21 6	263	491	6 4		1 348	2 841	36 9	327
1963	8 324		4 825	58 0	2 790	32 8	292	558	6 7	\$324	812	3 024	36 9	425
1964	9,774		5,352	54 8	2 944	30 1	322	579	5 9	413	1 094	3 709	38 0	712
1965	10,630		5,669	53 3	3 059	28 8	346	702	6 6	527	1 033	4 088	38 5	873
1966	12 519		7 630	61 0	3,528	28 2	365	1,590	12 7	1 131	1 016	4 029	32 2	840
1967	14 820		9,845	66 6	4,175	28 2	436	1,370	16 0	1,610	1 254	4 086	27 6	889
1968	18,168		12 449	68 5	5,319	29 3	823	2 719	15 0	2 050	1,538	4 284	23 6	1,435
1969	19,765		13 802	69 8	6,280	31 8	866	2 666	13 5	2 087	1,004	4 265	21 6	1,698
1970	23 576		16,545	70 2	7 445	31 6	1 043	3,016	12 8	2 565	2 476	4 475	18 6	2,556
1971	27 691		19 544	70 6	9 640	34 8	914	3 540	12 8	2,989	2 462	4 720	17 0	3 426
1972	33,361		24,572	73 7	13,090	39 2	991	4 283	12 8	3 482	2 725	4,786	14 3	4 003
1973	40 986	\$6 636	24,446	59 6	11 891	29 0	1,073	4,348	10 6	3,635	3,489	4,961	12 1	4 943
1974	42 174	6,108	25,427	60 3	12,666	30 0	1 239	4,059	9 6	3,594	3 869	4 765	11 3	5 876
1975	45,510	6,130	30 216	62 3	13,959	28 8	1,892	4 671	9 6	4 815	4,879	4 995	10 3	7,169
1976	57,838	6,238	35 891	62 1	16 621	28 7	2,026	4 038	7 0	7 204	6,002	6,893	11 9	8 814
Transition quarter ²	15,946	1,588	9 970	62 5	4,386	27 5	682	1,012	6 3	2,258	1 631	1,833	11 5	2,555

¹ 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 A full list of grants programs in each group appears at end of this article

² Promotion of welfare and hygiene of maternity and infancy, \$9,552

³ Quarter between end of fiscal year 1976 (June 30) and beginning of fiscal year 1977 (Oct 1, 1976)

Source Annual Report of the Secretary of the Treasury, Combined Statement of Receipts, Expenditures and Balances of the United States Government and agency reports Beginning 1969, Department of the Treasury, Federal Aid to States, Fiscal Year

ices, 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 research and services (activities), 1948-74, hospital survey and construction, 1948-72, 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 and environmental health activities), 1957-66, health research construction, 1957-72, chronic diseases and health of the aged, 1962-71, radiological, urban, and industrial health, 1963-69, vaccination assistance, 1964, preventive health services (formerly communicable disease activities), 1964 to date; dental health, 1965-71 and 1975, air pollution control, 1965-70, nursing services, 1966-71, medical care services,

date, human (formerly child) development, 1972-75, Indian education, 1975 to date, and innovative and experimental programs, 1976

Economic opportunity and manpower—State administrative expenses (formerly employment security administration), 1963 to date, manpower development activities and related programs, 1963-73, work experience and training, and community action, 1965 to date, Neighborhood Youth Corps, 1965-73, adult training and development, 1967-70, work incentive activities, 1969 to date, concentrated employment, 1971-73, public service (careers) employment, employment services, and equal employment opportunity, 1971 to date, Operation Mainstream, 1971-73, public employment, 1972, emergency employment assistance and minority business development, 1973 to date, Comprehensive Employment and Training Act (CETA) activities, 1974 to date, and job opportunities, and public service employment, 1975

Miscellaneous social welfare—Vocational rehabilitation, 1930-68, State homes for disabled soldiers and sailors, 1930-64, employment service administration, 1934-43 and 1947-62, child welfare services, 1936-68 and 1971 to date, unemployment insurance administration, and funds for strengthening markets, income, and supply (formerly removal of surplus agricultural commodities), 1936 to date, school lunch, 1940-68, Federal annual contributions to public housing authorities, 1940-62, and low rent public housing, 1963 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, 1948-64, value of commodities furnished by Commodity Credit Corporation, 1950-71, and CCC price support donations, 1973, defense public housing, 1954, school and special milk, 1955-68, distribution of certain tax collections to State accounts in the unemployment trust fund, 1956-58, White House Conference on Aging, 1960-61, Federal share of food stamps redeemed, 1962-70, housing demonstration, 1964-65, Veterans Administration programs (1965 to date—including, as each started, State homes and nursing homes for disabled soldiers and sailors, extended-care facilities, hospitals, and health manpower training facilities—and, 1965-67, vet-

erans' on-the-job training), child nutrition, 1969 to date; mental retardation, 1969-70, Indian affairs and State administration of food stamp program, 1971 to date, human development, 1976 (formerly social and rehabilitation services, 1973 to date, and earlier reported as Administration on Aging, 1966-72, juvenile delinquency prevention and control, 1969-72, maternal and child health and welfare, 1972, rehabilitation services and facilities, 1969-72, and research, training, administration, and demonstration projects associated largely with vocational rehabilitation, 1969-72), farm homes, 1973-74, and drug-abuse prevention, 1974 to date

Transportation—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; Federal airport program and forest highways, 1958 to date, Appalachia highways, 1966-67; highway beautification and control of outdoor advertising, highway safety, and landscaping and scenic enhancement, 1967 to date, State boating safety assistance and natural-gas pipeline safety, 1972 to date, railroad safety and assistance, rail- and highway-crossings demonstration projects, and liquidation of off systems roads, 1976

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, metropolitan development, 1969-72, urban transportation, 1969 to date, Urban Mass Transportation Administration and community development training, 1973 to date, and community development block grants, 1975

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 and 1971-73, forest protection, utilization, and restoration, 1965-73, land and water conservation, 1956-66, 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, listed with education grants through 1967), and meat and poultry inspection, 1968 to date, domestic farm labor, 1968-69, cropland adjustment, 1969 to date, and mineral resources conservation and development, 1971-72

Miscellaneous—Civil Work Administration advances, 1934, Federal Emergency Relief Administration, 1934-38, Federal Emergency Administration of Public Works, 1931-41; Public Works Administration, 1942-44, war public works, 1942-49 (including liquidation), public works advance planning, 1947-49, disaster and emergency relief and State preparedness, 1949-51 and 1953 to date, industrial waste studies, and defense public works, 1950, civil defense and preparedness, 1952 to date, libraries and community services, 1957 to date, waste treatment works construction, 1957-70 and 1973, civil defense research and development, 1959-61, National Science Foundation facilities, 1958, small business research and management counseling, 1959-66 (including liquidation), area redevelopment assistance and public facilities, 1963-67, accelerated public works, 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, technical and community assistance, and National Foundation on the Arts and the Humanities, 1967

to date, economic development planning and research, 1968-71 and 1973, environmental protection construction, operations, research, and facilities, oceanic and atmospheric research, development, and facilities, Corporation for Public Broadcasting, and preservation of historic properties, 1971 to date, intergovernmental personnel assistance, and US Travel Service, 1972 to date, Regional Action Planning Commission, Occupational Safety and Health Administration, and new community assistance, 1973 to date, mine health and safety, 1973, mines and minerals, 1974, coastal zone management, 1974 to date, economic development planning technical assistance, 1975 to date, and energy research and development, 1976

Research Grants Studies

Sections 702 and 1110 of the Social Security Act authorize extramural research projects in the broad areas of social security. The Social Security Administration provides funding through grants to nonprofit organizations and through contracts with both nonprofit and profitmaking organizations. From time to time, as projects are completed, the BULLETIN publishes summaries of research findings. A summary of a completed project (Grant No 57842) is presented below.

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KINSHIP AND SOCIAL SECURITY IN A MICRONESIAN SOCIETY

This study of the effects of socioeconomic change on aging and family life in the Lukunor community in Micronesia was conducted by Keith M. Marshall and Mark Borthwich of the University of Iowa. The de facto population of Lukunor Islet is about 500, but at least 600 others who trace their ancestry to this one-half square mile islet are living in the district centers of Truk and Ponape.

Acculturative influences began on Lukunor more than a century and a half ago when European and American ships first stopped at the islet