
Unsnarling the Federal Grant System

Claude E. Barfield, Jr.

IN PROCLAIMING deregulation of the federal grant system as a major domestic goal, President Reagan has found a worthy target. The system is huge, costly, and clumsy at furthering its goals of providing services while maintaining the vitality of state and local governments. Yet, despite the attention paid of late to the burden that federal regulation places on business, little note has been taken of similar effects on states, counties, and municipalities. There is, indeed, very little empirical research on the subject. One study, however, suggests the dimensions of the problem. Thomas Muller and Michael Fix of the Urban Institute have estimated the costs of five federal programs—clean air, unemployment compensation, bilingual education, education for handicapped children, and transit accessibility for the handicapped—to the taxpayers of six cities and one county. They found that in 1978 the five mandates imposed an average incremental cost of \$25 per capita, essentially the same as the aid the seven jurisdictions received under federal revenue sharing. The authors predicted that such burdens would rise substantially over the next five years. (See "Federal Solicitude, Local Costs," *Regulation*, July/August 1980.)

The vast majority of impositions upon state and local governments are not outright requirements, but rather conditions attached

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to (presumably) attractive federal grants. In 1980 a research team at the University of California (Berkeley) counted 1,259 federal mandates on state and local governments, 223 of which were direct orders and the remaining 1,036 conditions of aid. Between 1960 and 1980 there was an astonishing explosion of state and local grant-in-aid programs, the number climbing from around 150 to almost 600, and the dollar amount from \$7 billion to nearly \$83 billion.

Two of the most onerous elements of the system are the so-called crosscutting regulation and the narrow categorical grant. The former term refers to a regulation that applies to the programs (including the grants-in-aid programs) of many agencies throughout the government, meaning—since each agency must ensure compliance with its own programs, according to its own best lights—that there will be multiple, duplicative, and often inconsistent interpretation and enforcement of the same statutory requirement. In its latest reckoning, the Office of Management and Budget (OMB) lists sixty-eight regulations of this kind (see table, page 43).

As for the narrow categorical grant, this has the effect of adding substantially to overhead costs and reducing state officials' ability to match federal dollars to state priorities. There now are, for instance, eleven grant programs for highway safety—including programs on hazardous railway crossings, safer pavement markings, roadside obstacles, bus driver training, bridge upgrading and replacement,

traffic fatality reduction, seat belt use, and (guess what?) "safer roads." Accompanying these programs are eleven different application forms, eleven different financing cycles, eleven different reporting and audit procedures, and several different eligibility requirements. The task of building a safer highway from here to there, state officials justifiably complain, is itself replete with roadblocks and uncertain crossings.

The Executive Proposes . . .

The Reagan administration has mounted an attack that addresses both of the major problems described above. First, the President's Task Force on Regulatory Relief (chaired by the Vice-President) is trying to scale down the requirements—particularly the crosscutting requirements that accompany grant dollars. Currently, almost 100 crosscutting and program-specific federal regulations are under review. Over time, this case-by-case approach will undoubtedly have an impact. But the sheer number of individual regulatory programs and the time required to change them means that important relief for state and local governments as a product of this effort will be slow in coming.

As its second tactic for reducing the burden on state and local governments, the administration proposes to consolidate, in the next few years, a substantial number of the 600-odd categorical programs into broad grants of authority. The first step toward this end came in January when President Reagan asked Congress to combine eighty-three categorical programs, totaling about \$11 billion, into six block grants—for health services, preventive health, social services, local education, state education, and energy and emergency assistance.

Moreover, in the interests of drastically reducing red tape, the six proposals contained many fewer requirements than are customary for block grants. Indeed, although labeled grants, they looked more like President Nixon's special revenue sharing bills of 1971. For instance, there were no provisions for matching funds by the states, no earmarking of particular categories (except for several years in the local education bill), and no obligation for the states to maintain existing levels of effort or

funding for a particular program (again except for local education). Funds were to go directly to the states as entitlements, without even a requirement that the states submit to Washington their plans for allocating the funds. The states were to be completely free to allocate resources among the consolidated categorical programs—free to give no funds to some and greatly expanded funds to others.

In addition, while the states would have to publicize their plans for spending the grant funds, they would not have to hold formal public hearings. Also, although they would have to prepare reports on how the funds were used and provide for independent biennial audits, the contents of the reports and audits would be the states' business, not the federal agency's.

. . . and Congress Disposes

But some funny things happened to the Reagan block grant proposals on their way through Congress. Though fifty-six of the eighty-three categorical programs proposed for consolidation ended up in block grants, many of the most important and most expensive did not. There remain, as testimony to committee and special-interest power, separate authorizations for the following: in the health area, migrant health (\$43 million), family planning (\$143 million), and developmental disabilities (\$61 million); in the social services area, foster care (\$349 million), child welfare services (\$163 million), and rehabilitation services (\$931 million); and in education, emergency school aid (\$108 million), education for the handicapped (\$922 million), and adult and vocational education (\$120 million); plus many more. In addition, Congress created some small block grants of its own, among them one for maternal and child health, one for alcohol, drug abuse and mental health, and one for primary care. Thus, both state flexibility and the potential for lower administrative costs were reduced.

Inevitably, also, Congress tacked on to the block grant legislative package a number of conditions and mandates. First, the reports that the states prepare on their use of block grant funds now must set forth specific goals, describe activities to be supported *and* individuals and groups to be served, and analyze the criteria and methods for distributing the funds.

The states fear that these provisions, despite explicit language in the conference committee report to forestall such a result, will be used by disgruntled individuals and organizations for challenging the legality of state decisions on allocating grant funds. Second, the states now are instructed to hold formal public hearings on their reports. Third, the biennial audits must adhere to standards established by the comptroller general of the United States.

And Congress went further. In addition to the rules that apply to the entire block grant package, it added special restrictions to individual block grants. For instance, states may use no more than 10 percent of the funds for administrative costs in the alcohol, drug abuse, and mental health block grant; no more than 20 percent for administrative costs in the education block grants; and no funds at all for administrative costs in the primary care block grant. The health service grant contains language dictating that federal funds supplement rather than replace state, local, or nonfederal funds. The grants for primary care, for maternal and child health, and for education all require matching funds and maintenance of effort from the states. And finally, the grants for primary care, social services, and home energy assistance all prescribe that the *state legislature* must hold a public hearing on the use of the federal funds.

A Faster Way?

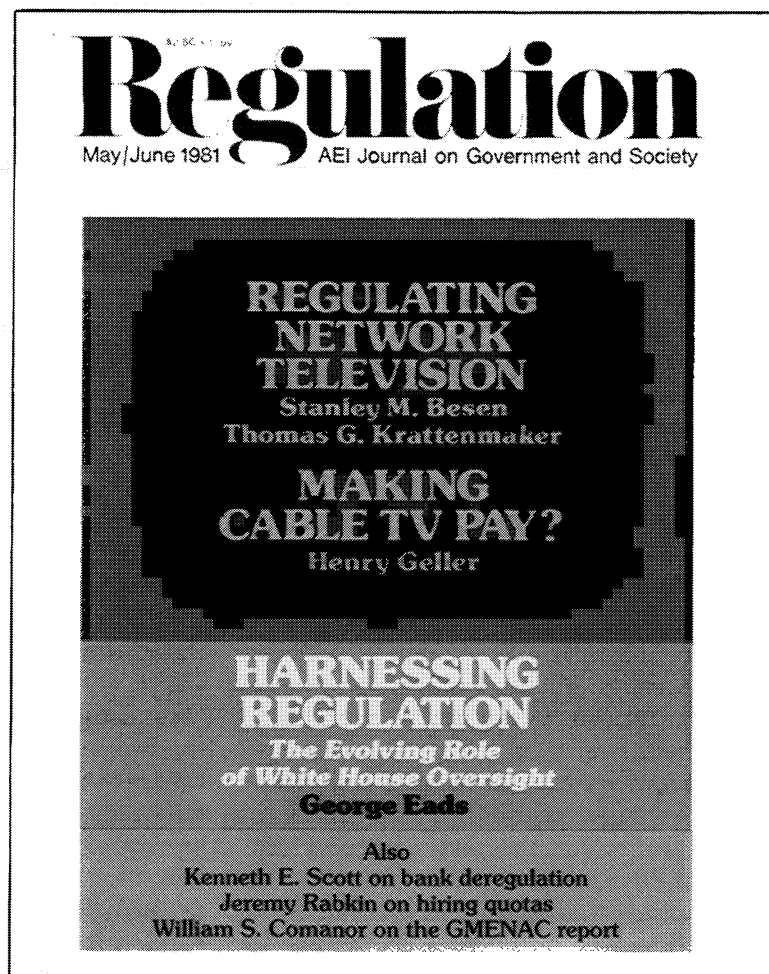
All in all, in sharp contrast to its spectacular triumphs on other aspects of the budget and on tax bills, the Reagan administration can claim only limited success to date in advancing its "new federalism" goals. The President has promised to go "back and back and back" to Congress to remove restrictions from existing block grants and get additional consolidations. But if he persists in trying to deregulate the grant system incrementally, the effort will remain ever vulnerable to the depredations and guerrilla warfare of protective subcommittee chairmen and special interest groups, for whom many of the categorical grants were created. Clearly a more comprehensive, expedited approach is in order. The proposed Federal Assistance Improvement Act of 1981 (S. 807) exemplifies such an approach.

S. 807, which was introduced by Senator William Roth (Republican, Delaware) and five cosponsors, passed the Governmental Affairs Committee unanimously on May 21, 1981. Roth, who chairs that committee, has given it a top legislative priority. The bill would greatly facilitate the accomplishment of Reagan's new federalism goals in two ways—by creating new ways for merging grants and by streamlining the administration of some of the most onerous crosscutting regulations.

Grant Consolidation. First, employing a variant of the procedure used in federal reorganizations since 1949, S. 807 would permit the President to submit to Congress a plan for consolidating categorical programs within a functional area and get final action in ninety days (Title I). Specifically, if the House and Senate committees having primary jurisdiction over the programs in question acted affirmatively or failed to act within sixty days, the plan would automatically go to the floors of the respective houses of Congress; thereupon, if both houses voted for the plan, and the President signed the resulting bill, it would become law. If, however (and this is the Achilles' heel of the scheme), the responsible committee acted negatively within sixty days, the plan would not reach the floor. In other words, as far as the overriding problem of committee bottleneck is concerned, the legislative "trigger" mechanism is an improvement over the present system only in that it would prevent committee control by inaction; but a negative committee vote could still stop the plan. Clearly, this part of S. 807 needs strengthening to give the President a shot at a vote by the full house whether or not the sovereign committee disapproves.

In any event, the expedited procedure would be particularly useful for folding into broad grants hundreds of "policy dwarfs" (to quote OMB Director David Stockman) whose administrative costs are high in relation to average program outlays. There are, for instance, thirty-three environmental categorical grants having a median dollar value of about \$8.5 million, thirty arts and humanities programs having a median value of \$5.7 million, twenty-nine economic development programs having a median value of \$5 million, twenty-one natural resources and development programs having a median value of \$9.2 million,

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Expectations, Credibility, and All That

Herbert Stein

If expectations and credibility are the two big buzz words of economic theory and economic policy today, if, for example, an economist is asked to explain the most baffling economic problem of our time—the annual lameness—existence of high unemployment and high inflation—he will resort to a statement about expectations. And if a government economic official is asked how he proposes to cure that disease, he will say that he will announce a program so credible that the now obstinate expectations will be changed into helpful ones.

In line with this trend of thought, a key element of the new Reagan economic program is to achieve credibility and thereby to change expectations in a way that will make the economy behave differently than it has behaved in the past fifteen years. This change is not intended to discuss the Reagan program, the specifics of which have not yet been announced in the paper in which written, but rather to explain the background of the elements of the program, its meaning and limitations, and the issues involved in implementing a policy based largely on the alteration of expectations.

The Psychology of Inflation

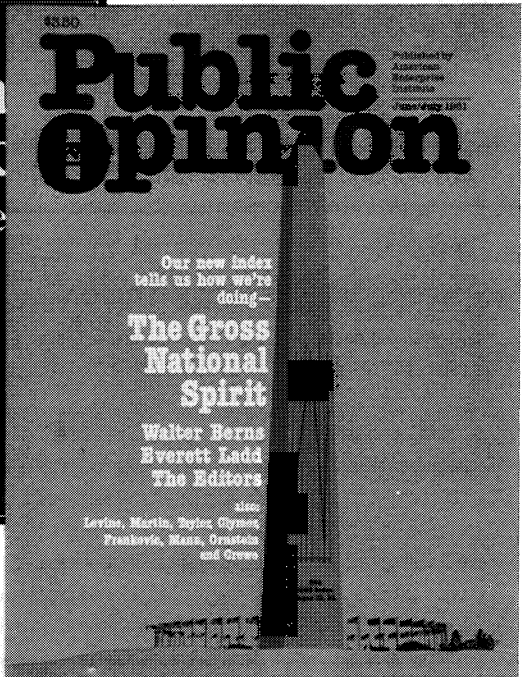
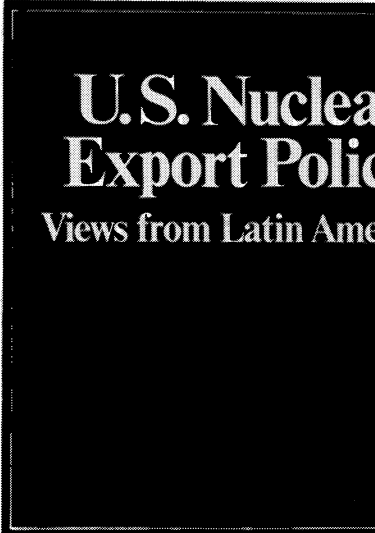
Inflation is a behavioral phenomenon. It is not a matter of all and it does not help to be informed by what people think. In general, economics has assumed that behavior is rational, made in the light of expected consequences to reality, and that the only way to influence behavior is by changing the consequences. But "the best" always have some influence on the behavior of the rest of the population, which creates, for reasons of group, the possibility that people will work to their own advantage.

and from time to time, though it is within the profession. The possibility that he well informed and rational role in macroeconomics, it deals with the overall picture such as total output, unemployment level, and price. This is been especially concerned about, in which individuals achieving their objective helpful to introduce the informed behavior as an element of the idea of waves of change used as an explanatory element in Keynesian theory.

"A high-inflation rate would play a role in the economy as a whole, and he is not sure that it will be without."

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and twenty criminal justice programs having a median value of \$5 million.

Second, the bill would increase the flexibility of federal agencies and state and local governments to use appropriated federal funds in broadly defined functional areas (Title V). Under its provisions, state and local governments would prepare integrated program plans for broad functional areas (generally using the OMB budget categories as guidelines), submit them to the relevant department secretary or agency administrator for approval and, upon obtaining approval, be free to transfer 20 percent of the funds from each categorical program within the particular functional area to meet the plan's priorities. This scheme gets around the narrow restrictions of many categorical grants by allowing the creation of what would amount to temporary and shifting block grants across broad functional areas.

Crosscutting Regulations. S. 807 would also standardize and simplify the administration of crosscutting regulations and reduce the duplication and confusion that result from multi-agency enforcement of each crosscutting requirement (Title III). It is estimated, for instance, that there are 150 different program or enforcement mechanisms administered by various agencies in the single crosscutting area of citizen participation. Furthermore, in the case of more than half of the 68 OMB-identified crosscutting regulations, no agency has made any attempt to review its own requirements for potential conflicts with the requirements of other agencies in the same area. Confusion and overlap regarding crosscutting requirements have been a prime factor in the startling rise in litigation involving federal grants that has occurred since 1975.

Because many crosscutting regulations are rooted in legislation, the problems they cause cannot of course be fully solved until Congress provides substantive statutory guidance. Nevertheless, Title III would be a big help in two ways. First, it directs the President to designate a lead agency for each of the following ten subject areas—labor practices, public employee standards, equal services, equal employment, access to government information, procurement, planning, finance and administration, citizen participation, and environmental protection; and it further directs the lead agencies

to promulgate a set of integrated standards that would govern all agencies' administration of crosscutting regulations in those fields (unless the President granted a delay because of special implementation problems). Second, Title III provides that a federal agency may establish a procedure for certifying that a state or local government's rules are "at least equal" to the relevant integrated standards. Once certified, existing state and local methods and procedures would remain in effect unless the lead agency could show "good cause" for overturning them.

ENACTMENT OF S. 807 would speed President Reagan's drive to deregulate the federal grant system. Yet throughout the spring administration officials seemed lukewarm toward the bill. In testimony before Congress, OMB Deputy Director Edwin L. Harper noted White House support for the bill's concepts while focusing in nit-picking fashion on details of statutory language that worried the administration. Such seeming ambivalence was caused in part by the priority given to budget and tax matters and in part by the fear that all-out support for S. 807 would jeopardize the six block grant proposals by allowing opponents to suggest that action on those proposals be postponed until S. 807 passed.

With the block grants now enacted, though in much diluted form, the administration would be well advised to rethink its strategy for the coming session. And indeed, it may be in the process of doing just that. On June 3, well after hearings on S. 807 had closed, President Reagan sent a letter to Senator Roth warmly expressing his "personal endorsement" for the bill.

In the coming months, the Vice-President's regulatory task force will continue its case-by-case reviews and, in the process, will undoubtedly bring about the revision or repeal of some regulations that are costly for state and local governments. And the White House says it will propose additional individual block grants to Congress in January. But given this year's record and the vulnerability of the piecemeal approach to entrenched congressional and special interests, the Reagan administration should also put its full lobbying muscle behind a comprehensive approach of the sort embodied in S. 807.

CROSSCUTTING REGULATIONS APPLYING TO FEDERAL GRANTS

Subject	Authorizing Statute, Executive Order, or Circular	Citation	Agency
I. SOCIAL POLICY			
NONDISCRIMINATION			
<i>Race</i>	(1) Civil Rights Act of 1964, Title VI Prohibits discrimination because of race in any federally assisted activity.	42 U.S.C. 2000d	Justice
	(2) Executive Order 11246 of 9/24/65 Prohibits discrimination in employment because of race in federally assisted construction.		Labor
	(3) Civil Rights Act of 1968, Title VIII Executive Order 12259 of 12/31/80 Prohibits discrimination because of race in the sale or rental of housing.	18 U.S.C. 245	HUD
<i>Color</i>	(4) Civil Rights Act of 1964, Title VI Prohibits discrimination because of color in any federally assisted activity.	42 U.S.C. 2000d	Justice
	(5) Executive Order 11246 of 9/24/65 Prohibits discrimination in employment because of color in federally assisted construction.		Labor
	(6) Civil Rights Act of 1968, Title VIII Executive Order 12259 of 12/31/80 Prohibits discrimination because of color in the sale or rental of housing.	18 U.S.C. 245	HUD
<i>National Origin</i>	(7) Civil Rights Act of 1964, Title VI Prohibits discrimination because of national origin in any federally assisted activity.	42 U.S.C. 2000d	Justice
	(8) Executive Order 11246 of 9/24/65 Prohibits discrimination in employment because of national origin in federally assisted construction.		Labor
	(9) Civil Rights Act of 1968, Title VIII Executive Order 12259 of 12/31/80 Prohibits discrimination because of national origin in the sale or rental of housing.	18 U.S.C. 245	HUD
<i>Age</i>	(10) Age Discrimination Act of 1975 Prohibits unreasonable discrimination on the basis of age in federally assisted activities.	42 U.S.C. 6101	HHS
<i>Handicap</i>	(11) Rehabilitation Act of 1973, Sec. 504 and amendments of 1974 Prohibits discrimination because of physical or mental handicap in federally assisted activities.	P.L. 93-516	Justice
	(12) Architectural Barriers Act of 1968 as amended Requires that buildings built, leased, or financed with federal aid be made accessible to the handicapped.	42 U.S.C.	ATBCB
<i>Visual Impairment</i>	(13) Education Act Amendments of 1972, Title IX Prohibits discrimination because of blindness or impaired vision in admissions to courses of study by recipients of federal financial aid.	20 U.S.C. 1684	Justice
<i>Sex</i>	(14) Executive Order 11246 of 9/24/65 Prohibits discrimination because of sex in federally assisted construction costing over \$10,000.		Labor
	(15) Civil Rights Act of 1968, Title VIII Executive Order 12259 of 12/31/80 Prohibits discrimination because of sex in the sale or rental of housing.	18 U.S.C. 245	HUD
	(16) Education Act Amendments of 1972, Title IX, as amended Prohibits discrimination because of sex in federally assisted education programs including such activities as recruiting, financial aid, student employment, curriculum, athletics.	20 U.S.C. 1681	Justice
<i>Religion</i>	(17) Executive Order 11246 of 9/24/65 Prohibits discrimination because of religion in federally assisted construction in excess of \$10,000.		Labor
	(18) Civil Rights Act of 1968, Title VIII Executive Order 12259 of 12/31/80 Prohibits discrimination because of religion in the sale or rental of housing.	18 U.S.C. 245	HUD

Subject	Authorizing Statute, Executive Order, or Circular	Citation	Agency
<i>Alcohol Abuse</i>	(19) Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 Prohibits discrimination because of alcohol abuse or alcoholism by federally assisted public or private hospitals or outpatient facilities.	42 U.S.C. 4581	HHS
<i>Drug Abuse</i>	(20) Drug Abuse Prevention, Treatment, and Rehabilitation Act of 1972 as amended Prohibits discrimination because of drug abuse by federally assisted public or private hospitals.	21 U.S.C. 1174	HHS
PREFERENCE			
<i>Indians</i>	(21) Indian Self-Determination and Education Assistance Act of 1975 Requires that federal financial aid for Indian organizations give preference to Indians in opportunities for training and employment.	25 U.S.C. 450b	None
<i>Women</i>	(22) Executive Order 12138 of 5/18/79 Establishes a national program to foster women's businesses by encouraging preference in procurement, in the deposit of federal funds, et cetera.		ICWB
<i>Minorities</i>	(23) Executive Order 11625 of 10/31/71 Establishes a national program to foster minority businesses through preferences to minority owned banks.		Commerce
	(24) Executive Order 12320 of 9/15/81 Requires assistance agencies to establish annual plans for increasing the participation of historically black colleges and universities.		Education
<i>Labor Surplus Areas</i>	(25) Executive Order 10480 of 8/14/53 Executive Order 11051 of 9/21/62 Encourages federally aided activities to use existing plants and workers in labor surplus areas instead of creating new plants or moving workers.		DOD/GSA
PROTECTION OF LIFE			
<i>Human</i>	(26) National Research Act Prescribes ethical procedures to be followed by financial aid recipients when doing biomedical and behavioral research involving human subjects.	42 U.S.C. 289	HHS (NIH)*
	(27) Lead-Based Paint Poisoning Prevention Act Prohibits the use of lead-based paints in housing built or renovated with federal support.	42 U.S.C. 4831b	HUD
<i>Animal</i>	(28) Animal Welfare Act of 1976 Requires humane care of warm-blooded animals used in federally supported research.	7 U.S.C. 2131	Agriculture
II. ECONOMIC POLICY			
FLOOD INSURANCE	(29) National Flood Insurance Act of 1968 as amended by Flood Disaster Protection Act of 1973 Requires insurance of federally assisted projects built in flood prone areas.	42 U.S.C. 4001	FEMA
TRANSPORT PREFERENCE	(30) Cargo Preference Act of 1954 Requires preference to private U.S. flag vessels in carrying ocean cargoes generated by federally aided activities.	46 U.S.C. 1241	Transportation
	(31) International Air Transportation Fair Competitive Practices Act of 1974 Requires maximum feasible use of U.S. air carriers for international travel paid wholly or partly by federal funds.	49 U.S.C. 1517	GAO
WAGE KICKBACKS	(32) Anti-Kickback (Copeland) Act Outlaws and prescribes penalties for wage "kickbacks" in federally assisted construction.	18 U.S.C. 874 40 U.S.C. 276c	Labor
WAGES/BENEFITS	(33) Davis-Bacon Act of 1921 Requires that workers on federally assisted construction receive "prevailing" rates and benefits as determined by the secretary of labor.	40 U.S.C. 216a 46 Stat. 1494	Labor
	(34) Contract Work Hours and Safety Standards Act of 1962 Requires that workers employed on federally assisted contracts receive at least one and one-half times their basic wage rate for overtime.	40 U.S.C. 327	Labor

*Acting as informal lead agency.

Subject	Authorizing Statute, Executive Order, or Circular	Citation	Agency
CONSER- VATION	(35) Power Plant and Industrial Fuel Use Act of 1978 Executive Order 12185 of 12/17/78 Requires federally assisted projects to incorporate energy conservation measures.	92 Stat. 3318	OMB
PATENT RIGHTS	(36) Patent and Trademark Amendments of 1980 Gives universities, nonprofit organizations, and small businesses first right of refusal to inventions made in performance of federally assisted R & D.	35 U.S.C. 200	OMB/GSA
III. ENVIRONMENTAL POLICY			
GENERAL	(37) National Environmental Policy Act of 1969 as amended Requires that federally assisted projects be reviewed to determine whether they will have "significant adverse impact" upon the environment.	42 U.S.C. 4321	CEQ
LAND	(38) Executive Order 11988 of 5/24/77 Requires that proposals for federally assisted activities in a flood plain be analyzed to minimize damage to the flood plain.	42 U.S.C. 4321 42 U.S.C. 4001	WRC
	(39) Executive Order 11990 of 5/24/77 Prohibits federal aid for new construction in wetlands.	42 U.S.C. 4321	WRC
AIR	(40) Coastal Zone Management Act of 1972 Requires that federally assisted activities be consistent with federally approved state programs for protecting coastal resources.	16 U.S.C. 1451	Commerce
	(41) Clean Air Act Amendments of 1970 Prevents violators of Clean Air Act requirements from receiving federal financial aid.	84 Stat. 1707	EPA
WATER	(42) Clean Air Act Amendments of 1977, Title I, Sec. 176c Requires that federally aided activities conform to state implementation plans for attaining national ambient air quality standards and protecting air cleaner than the standards.	42 U.S.C. 7401	EPA
	(43) Federal Water Pollution Control Act Amendments of 1972 Executive Order 11738 of 9/12/73 Prevents violators of Clean Water Act requirements from receiving federal financial aid.	33 U.S.C. 1251	EPA
	(44) Public Health Service Act as amended by the Safe Drinking Water Act Prohibits federal aid to projects that might contaminate an aquifer that is the principal or sole water source for an area.	42 U.S.C. 300f	EPA
HISTORIC PROPERTIES	(45) Wild and Scenic Rivers Act of 1968 as amended Requires a finding that federally assisted activities pose no threat to the special values of a designated river or section thereof.	16 U.S.C. 1271	Interior
	(46) National Historic Preservation Act of 1966 as amended in 1970, 1973, 1976, and 1978 Requires that Interior review federally assisted projects for their impact on properties listed on, or eligible for, the National Register of Historic Places and that, in the event of possible adverse impacts, ACHP agree to a plan of action.	16 U.S.C. 470	Interior/ ACHP
ENDANGERED SPECIES	(47) Archeological and Historic Preservation Act of 1974 Requires that prospective federally assisted projects be monitored to identify eligible historic sites for listing in the National Register.	16 U.S.C. 469	Interior
	(48) Endangered Species Act of 1973 as amended Requires that federally assisted activities not jeopardize any endangered species or its critical habitat.	16 U.S.C. 1531	Interior
IV. ADMINISTRATIVE POLICY			
GENERAL	(49) Federal Grant and Cooperative Agreement Act of 1977 Establishes government-wide criteria for procurement contracts, grants, and cooperative agreements based on the government's purposes for entering into various transactions.	41 U.S.C. 501	OMB
INDIVIDUAL RIGHTS	(50) Privacy Act of 1974 Limits federal collection, use, and dissemination of personal information, and establishes an individual's right to review his or her records.	5 U.S.C. 522a	OMB
	(51) Freedom of Information Act of 1966 Ensures any person the right of access to a wide range of records related to the activities of federal agencies.	5 U.S.C. 552	None

Subject	Authorizing Statute, Executive Order, or Circular	Citation	Agency
	(52) Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 Provides for uniform and equitable treatment of persons displaced from their homes, businesses, or farms by federally assisted programs.		GSA
PERSONNEL STANDARDS	(53) Intergovernmental Personnel Act of 1970 as amended by Title VI, Sec. 602, Civil Reform Act Ties the eligibility of state and local governments for financial assistance to the establishment of personnel merit systems.	42 U.S.C. 4728	OPM
	(54) The Hatch Act of 1939 as amended Restricts partisan political activity by state and local officials.	5 U.S.C. 1501	OPM
REDUCTION OF PUBLIC BURDEN	(55) Statistical Policy Handbook (formerly OMB Circular A-46). Provides standards and guidelines for the collection and use of statistical data by recipients of federal aid and procurement contracts.		OMB
	(56) OMB Circular A-40 Provides for OMB clearance of proposed agency forms for collecting information from ten or more non-federal persons or organizations.		OMB
STATE & LOCAL	(57) Intergovernmental Cooperation Act of 1968 Prescribes procedures for notifying states of federal actions on assistance applications.		Treasury
ASSISTANCE AGREEMENTS			
<i>General</i>	(58) OMB Circular A-110 Provides guidance for federal direction of assisted research by nonprofit organizations.		OMB
	(59) OMB Circular A-102 Provides standards on administering aid agreements between the federal government and state or local governments.		OMB
<i>Cost Principles</i>	(60) OMB Circular A-87 (formerly FMC 74-4) Provides guidance for determining allowable costs of programs administered by state and local governments under federal procurement contracts and assistance agreements.		OMB
	(61) OMB Circular A-122 Provides principles for determining costs applicable to work by nonprofit organizations under procurement contracts and assistance agreements.		OMB
	(62) OMB Circular A-21 (formerly FMC 73-8) Provides principles for determining costs applicable to work by colleges and universities under procurement contracts and assistance agreements.		OMB
	(63) OMB Circular A-88 (formerly FMC 73-6) Requires single agency responsibility for negotiating indirect cost rates applicable to aid agreements with educational institutions.		OMB
JOINT FUNDING	(64) OMB Circular A-111 Provides policies for projects jointly funded by federal agency and one or more states, local governments, or nonprofit organizations.		OMB
CASH ADVANCES	(65) Treasury Circular 1075 Prescribes practices to prevent premature and excessive withdrawal of funds advanced to contractors and assistance recipients.	42 U.S.C. 4213	Treasury
AUDITS	(66) OMB Circular A-73 (formerly FMC 73-2) Provides agencies with policies for auditing federally sponsored activities under contracts and assistance agreements.		OMB
FEDERAL CLAIMS	(67) Claims Collection Act of 1966, P.L. 89-508 Prescribes standards for agency collection actions.	31 U.S.C. 951	GAO
STATE & LOCAL	(68) OMB Circular A-90 Provides policy for supporting state and local efforts to develop information systems.		OMB

Note: As defined by the Office of Management and Budget, crosscutting regulations are those national policies prescribed by statute, executive order, or circular which apply to the assistance programs of two or more agencies.

Source: Adapted from draft table, Office of Management and Budget, Intergovernmental Affairs Division, September 1981.