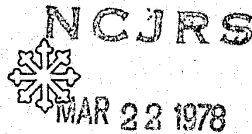


LEAA'S COMMUNITY ANTICRIME PROGRAM

HEARING
BEFORE THE
SUBCOMMITTEE ON CRIME
OF THE
COMMITTEE ON THE JUDICIARY
HOUSE OF REPRESENTATIVES
NINETY-FIFTH CONGRESS
FIRST SESSION
ON
LEAA'S COMMUNITY ANTICRIME PROGRAM

MAY 11, 1977

Serial No. 13



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LEAA'S COMMUNITY ANTICRIME PROGRAM

WEDNESDAY, MAY 11, 1977

U.S. HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON CRIME
OF THE COMMITTEE ON THE JUDICIARY,
Washington, D.C.

The committee met at 1 p.m. in room 2237, Rayburn House Office Building, Hon. John Conyers, Jr. [chairman of the subcommittee], presiding.

Present: Representatives Conyers, Holtzman, Gudger, Volkmer, and Ashbrook.

Staff present: Hayden Gregory and Leslie E. Freed, counsel; Gene Gleason, investigator; Thomas M. Boyd, associate counsel; and Martha Brown, clerk.

Mr. CONYERS. The subcommittee will come to order.

Last September, after lengthy hearings and much debate in both the House and the Senate, the 94th Congress extended title I of the Omnibus Crime Control and Safe Streets Act of 1968 for a period of 3 years.

This title is the legislative authority for the Law Enforcement Assistance Administration program within the Department of Justice.

Section 101(c) of the LEAA reauthorization legislation, which is entitled the Crime Control Act of 1976, establishes a new Office within LEAA—the Office of Community Anticrime Programs.

Section 520(a) of the act authorized to be appropriated \$15 million per year for the next 3 fiscal years to provide grants to community groups for specific community anticrime programs. It is this program which is the subject of our hearing today.

This subcommittee has oversight responsibility over LEAA, and, thus, it is appropriate for us to examine the progress in implementing this, the newest of the congressionally mandated grant programs of LEAA.

We take a special interest in the community anticrime activity because the program originated within this subcommittee, and was, in fact, the subject of the first hearing held by the Subcommittee on Crime when it was established in 1973.

The purpose of the community anticrime program is to make financial and technical assistance available to grassroots, community oriented anticrime efforts.

Although funding of such programs under the LEAA block grant and discretionary grant programs is possible, testimony before the subcommittee indicated that community groups find funds for such efforts were very hard to come by.

Among the impediments to fundings of community-based efforts are requirements of local matching funds, endorsement by the local law enforcement establishment, and the requirement that the applicant group be incorporated.

It was for the precise purpose of eliminating these kinds of roadblocks that this program was passed—a program of direct, 100-percent funding of community anticrime efforts, which efforts would not be subject to the veto of law enforcement, and which could be undertaken by unincorporated as well as corporated groups.

The legislative history of the Crime Control Act of 1976, and, indeed, the language of the act itself, clearly establishes these points of legislative intent of the Congress in enacting this legislation.

On April 21 I introduced H.R. 6474, which would clarify these points should any ambiguity continue to be perceived.

I hope, however, that one result of this hearing will be a meeting of the minds between the subcommittee and the leadership of LEAA on these points of legislative intent, hopefully making amendments unnecessary.

The Crime Control Act of 1976 was approved by the President last October 15. Since that time, the subcommittee has held numerous communications and discussions with LEAA on progress in setting up this small but important program to encourage and support citizen and community participation in anticrime activities.

In addition to numerous staff discussions and exchanges of letters, myself and the ranking minority member were briefed on March 16 by Acting Administrator Gregg and staff members on LEAA's plans for the program.

As could be expected, numerous changes were made over the course of the 6 months planning for the implementation of the program.

We, frankly, are disturbed about the amount of time delay that has occurred in implementing this program and the fact that LEAA has not, and apparently has little or no intention to, in the near future, set up the Office of Community Anticrime Program as mandated by the act.

However, there are also some positive developments. On April 21, LEAA furnished the subcommittee draft guidelines for the program, spelling out in considerable detail the administration's plans for the implementation of the community anticrime program.

It is also our understanding that the guidelines have been widely distributed to organizations, groups, and individuals with interest in the program, and that invitation has been extended for comment on the guidelines. The exact amount of that is yet to be determined.

Subcommittee staff was directed to immediately review these guidelines, with a view not only to determine compliance with legislative intent, but in order to respond to LEAA's generous offer to consider any comments the subcommittee might have for improvement of the program.

By letter of April 28, I directed detailed questions and comments on those guidelines to the Acting Administrator of LEAA.

Those guidelines will serve as the focal point of this hearing, and we have asked Mr. Gregg, the Acting Administrator, to address the matters raised in the April 28 letter here today.

Several provisions of those guidelines raise questions of whether the spirit, if not the letter, of this new law is being ignored.

The most elemental question raised by the guidelines is whether the proposed funding mechanism will result in the delivery of the funds to the recipients intended by the legislation—groups of citizens in communities throughout the country who are interested in participating in anticrime activities.

There is no objection per se to the use of “umbrella” organizations to funnel funds to several smaller neighborhood groups, as LEAA proposes; but the concern is that this is the only method by which these smaller groups can be funded.

Perhaps, after reviewing the comments received on the guidelines—and for that reason we’re going to ask a couple of witnesses to perceive that—LEAA may wish to consider inclusion of some provision for direct application for funding by neighborhood groups which have been bypassed in the “umbrella” funding process.

The requirement that the neighborhood groups must, without exception, go hat in hand to a larger “umbrella” organization to receive funds under the program raises the specter of precisely the sort of “layering” and obstruction to funding of community groups that we hoped the legislation was designed to cut through.

This potentiality is exacerbated by the fact that the communitywide or umbrella organizations are, themselves, eligible—and appear to be required—to operate action programs themselves. So, they will be competing with neighborhood groups for the small amount of funds that exist.

We are also concerned about the provision of the guidelines for funding of national organizations. Apart from the basic question whether such organizations can qualify as community organizations within the meaning of the act, serious questions exist about the wisdom of this potential use of the grant funds in question.

We understand, for example, that national organizations might be funded to go into a city where no qualified group is presently in existence.

The level of community group interest in this program which has, unsolicited, come to the attention of the subcommittee, suggests that there is no paucity of qualified groups already in existence to utilize this relatively small amount of money.

Why, it must then be asked, should they be denied funds so that a national organization might be funded to construct its conception of what a community organization should look like?

It is also our understanding that LEAA intends to provide technical assistance support to community groups in applying for and utilizing funds under the program, an essential element of the program which is specifically mandated by the act, through outside grants and contracts, rather than developing in-house capabilities.

While we have no blanket objection to use of grants and contracts for such purposes, it seems that this is another example of LEAA putting distance between itself and the workings of this program.

In this respect, LEAA seems to view the community anticrime program as a pariah among programs. This impression unfortunately, has been reinforced in a number of different ways, and is again brought to my attention by the failure of LEAA to comply with the

act and to implement the provision establishing the Office of Community Anticrime Programs under the Deputy Administrator for Policy Development.

In some respects, there has even been a retrogression in this regard; shortly after the act was approved, we understand that an Acting Director of this program was named. Now it appears that this individual has additional duties and a different title, and this program is only one of several for which he has responsibility.

These are some of the concerns the subcommittee has concerning getting this potentially invaluable program in operation, and it is in this spirit that we begin our oversight hearing today.

And, to assist us, we are going to have three witnesses today.

The first is going to be Martin Danziger, former Director of the National Institute of Law Enforcement and Criminal Justice of LEAA; and administrative coordinator for the Crime Task Force of Chicago, the Chicago-based National People's Action; and, finally, the Acting Administrator of LEAA, Mr. James Gregg.

We welcome you, Mr. Danziger, and we understand that—briefly—you are director of the United Mine Workers of America Health and Retirement Funds, formerly Associate Deputy Attorney General and Director of the Office of Criminal Justice.

Before joining Attorney General Richardson's staff, you were director of the National Institute of Law Enforcement and Criminal Justice, and before that a prosecuting attorney in New York—for 6 years.

We welcome you. If you have a prepared statement, it will be incorporated in its entirety into the record, which will give you a maximum time to make the points that you wish to make, and any other additional commentary.

Welcome to the subcommittee.

TESTIMONY OF MARTIN DANZIGER, DIRECTOR, UNITED MINE WORKERS OF AMERICA HEALTH AND RETIREMENT FUNDS

Mr. DANZIGER. Thank you, Congressman and members of the subcommittee.

Permit me to make a gratuitous observation; that is, though I applaud your vigorous oversight of LEAA, I find that that important program needs such oversight, needs congressional involvement.

As I examine the legislation that is under review today, and the guidelines, I cannot help but be depressed and dismayed.

Your eloquent statement, in introducing these hearings, sir, I feel, in some degree, missed the point; and that is, that LEAA, over the years since its creation, has been carved up and been made more and more of a categorical grant program. What, in effect, it has been is a mixed metaphor.

What happens is the aspirations of the Congress, the aspirations of the Senate, the aspirations of the public, have been unrealized because none of us—none of us have been able to come together and agree exactly what we want that program to be.

In effect, your legislation, your changes, have added another nail in the coffin of that program by cutting apart State and local initiative, the location of where I think the action belong, where I think the decisions should be made.

Now, in spite of my introductory remarks, I must add I very, very strongly favor community action to control crime. I think that the crimes of opportunity—the crimes of commission and omission—cannot be attacked through criminal justice systems alone, but require vigorous, intelligent, thoughtful, supportive community groups if we are going to be successful at all.

The legislation, unfortunately, I believe, falls into the same pitfalls that LEAA has fallen into, and that is: centralizing bureaucracy, introducing more redtape, interfering with State and local responsiveness and their ability to respond to their own problems, and creates yet a larger Federal bureaucracy when, in truth and fact, decision making should be in the hands of the elected officials at that State and local level.

Therefore, though I very strongly favor the concept of community action, for few efforts at controlling organized crime or white-collar crime, or crimes of opportunity, can succeed without that kind of support, I do not support the decrease in the local initiative.

I've examined the proposed guidelines that LEAA has produced, and a brochure that they put out that your committee may or may not be in possession of, and find them deficient—clearly deficient.

LEAA's approach to the problem, I think, is in need of substantial reorientation. I'll turn the brochure over to the committee if you do not have a copy.

I believe that the program as envisioned by LEAA is far too narrowly defined. It is unimaginative, it is lacking in foresight, it is oriented to police activities; and it's a captive of existing or established public or quasi-public agencies.

The independent, critical judgments that you believe would come about as a result of your legislation—and that's the heart of the legislation—I think is not possible under those guidelines.

Certainly some grants under the proposed guidelines would be successful, and someone could always point to another successful grant when you spew out enough money to enough different people because people make things successful—not Federal bureaucracies.

I believe the scope of the program is, unfortunately, so narrow that potential dramatic accomplishments are not possible at all.

I believe the agency views the program as escort service, auxiliary police, and like activities which might be important in a place and a point in time to be determined by State and local officials—and when I say officials, I mean the public at the State and local level.

But what is disappointing is that they miss many areas—areas which appear to be systematically excluded from the program.

For example, citizens' effort might be directed to the investigation of corruption within law enforcement of a particular community, and those guidelines systematically preclude that; because the very agencies or systems that you wish to investigate must sign off approval.

You know, it's interesting that when you look at the National Advisory Commission on Criminal Justice Standards and Goals, upward of a \$2 million effort by the Federal Government in dollars and kind—an excellent effort during the years of 1972 and 1973—the community crime prevention program put together by that Commission, I believe, was most enlightened.

By the way, parenthetically, you know that Hayden Gregory of your own staff was the Assistant Director for that effort, an effort which, I believe, the public and your subcommittee can applaud.

Now, that task force documented public responsibilities and found them to include: responsiveness to the delivery of service, crime prevention, integrity in government, organized crime, corruption control, campaign financing, systems improvement, and assuring that the system offers equity.

Virtually none of those programs, documented by leaders in the field, put together in eloquent fashion, are permitted under the proposed guidelines.

To the contrary, it would appear to be systematically excluded. The brochure does likewise: it does not appeal. It does not appeal to that level of activity at all.

I find that rationale, or the agency's rationale, very questionable at best.

I would like to illustrate my point. The Nation's jails are considered by most informed persons to be in disgraceful condition.

In 1974, over 140,000 persons awaiting trial or serving sentences, were housed in those inadequate facilities—clearly inadequate: lacking any services; housing people together in overcrowded conditions; limited, if any, opportunity for recreation or learning—schools for additional criminal activity.

And recognize that those very persons are, by and large, under 21, unemployed, school dropouts, truants, drug abusers, and, probably, black.

When you look at the numbers further you find that 40 percent were black of 140,000 persons; 50 percent—and why does it go up?—50 percent of the 50,000 awaiting trial were black.

Consider, also, that over 50 percent—over 50 percent of the jail inmates charged with larceny, rape, robbery or murder—were black.

Now, are those ratios—a function of unemployment, underemployment education—I pose the rhetorical question: Would a closer analysis of those numbers—by example by an independent citizens' group—of the arrest and detention, the sentencing patterns, and the particular location, uncover, perhaps, systematic racial discrimination?

Or would such an analysis reveal community needs and deficiencies? The 140,000 people are a real problem—those guidelines are addressing not at all.

Some years ago there was a very interesting computer model developed at Carnegie Mellon, and the model which was developed would show you in dramatic fashion that if you increased police, what impact it has on the courts and on corrections, on the school systems. The LEAA program is so oriented toward policelike activities that it appears to lack vision.

More than 200,000 persons are presently incarcerated in State and Federal institutions; 180,000 of those have been charged with violations of State laws.

Forty percent of those are housed in Southern States. Forty percent of the 180,000 persons are in institutions in the Southern States. That's 128.4 per 100,000 population. That's twice the rate in the Northeast, twice the rate in the north central section of the country, and over 50-percent higher than the rate in the Western States.

And I think that the public may well ask why. Is that where all the crime is?

Would this be an appropriate subject, since they are the taxpayers, of a citizens' investigation? Again, precluded under these regulations.

The Standards and Goals Commission report is a blueprint for action. You don't need any more study. You don't need any more analysis.

It's another document that was placed on the shelf. It's not that that is the final solution; but, from an action standpoint, we haven't even caught up to this.

There seems that there has been no attempt to take advantage of the Standards and Goals effort—and, I might, add, whether it be the community crime prevention program or the corrections monographs, or the other monographs presented by that Commission.

I know you probably ask the question: Why hasn't the responsibility and authority for the expenditure of the community anticrime project funds been placed in the appropriate officials and persons hands—where the action is?

Has there been—and I only pose the question for you, if you deemed justified to explore further. Has it, in effect, been rejected because we sought—the Federal agency sought—to proliferate the Federal agency—to create yet a larger Federal bureaucracy, attempting to make decisions without information, without the ability, without the responsibility, here, in Washington on the—as they say—the shores of the Potomac.

Now, truly, the Governors, and the mayors, and the county officials, and the public itself, are the ones responsible for their own communities. They need support. Most people would say, "We need dollar support."

But do they really want the direct intervention, and do they need it in the decisionmaking process on how their community should be run by a Federal agency—and, certainly, by a Federal agency whose program, whose efforts documented by your own committee, has been as uncertain as LEAA's.

If I may, and, certainly, without infringement on time—if time doesn't permit, please stop me—I will take a few moments, if you wish, and address the guidelines specifically.

Page 57, section (d) of the guidelines, under the section, "Eligibility to Receive Grants." I'm not sure whether there was an attempt to systematically exclude any governmental group at the municipal or county level, but it does say, "State or national agencies."

I assume that they are excluding government groups, but are they also excluding those groups whose nature of being, if you will, is less broad than statewide?

If they are—and I would suggest that you should pose those questions—they have clearly excluded a very potent force in community action.

I applaud your comments about national agencies; I think you are right. Again, limiting the program to only national agencies would be decidedly deficient, and it would defeat the essence of an effective community action program.

Page 57, subdivision (g) (t) under "Crime Analysis,"—one has to support, Congressmen, the importance of data collection and analysis. It's an integral component of a successful project.

But it's also ludicrous—absolutely ludicrous—to impose that responsibility on community action groups. Do you know that LEAA spends approximately \$30 million a year at the Federal level on data collection? I have no idea how many Federal dollars they spend at the State and local levels collecting data.

Most of it goes to the Bureau of the Census—\$30 million a year. And I dare say most of the people in this room, including the LEAA officials, probably never read that data.

And if the Federal Government spends \$30 million a year at just the Federal level, collecting data through the Bureau of the Census—questioning thousands and thousands of people—it's important data, it's important information—how they can impose upon a three-person community action group in an urban center that's trying to deal with real problems of police brutality, or conditions in the jails, or integrity in Government, or escort services, or help for the elderly, or juvenile job programs—what have you—think that they are going to go out with no front money and spend money collecting data to document the basis for their decision, I think it's absolutely ludicrous.

But instead, what would happen, it's built in as an excuse not to give a grant to those persons you don't want to give a grant, because you can always give that excuse—where's the data.

Well, there's no ability to gather the data, and there's no money for the data. Why not charge the Federal Government with the responsibility—with the requirement—to capture the information necessary to justify how not only the moneys under this program are spent, but how the \$600 million plus that goes to LEAA now on an annual basis is spent.

They don't use data to spend the other \$600 million; why are they requiring so much data to justify the expenditure of \$25,000 grants to community action programs?

And it's not that the importance of data is not there; it is—it is there. They mouth that responsibility in the other guidelines, too; but if you look at how the money is, in fact, spent in LEAA, you are hard pressed to justify the expenditure of those funds based upon the dollars as they should be drawn if you try to balance it off against crimes of violence, rapes, robberies, the larcenies, the corruption, the organized crimes—you are hard pressed to justify the expenditure of those dollars.

Recently, I'm sure, you saw in the Washington Post about the SWAT teams that have spread over the country, some of them in rural settings, that have never been used—these well trained police officers with very, very expensive weapons and uniforms, chasing shadows—but there are no shadows.

Mr. ASHBROOK. On that point, do you know where the next—

Mr. DANZIGER. No, sir, I don't. And, I dare say, I don't believe LEAA does, local or State police do, or the Federal agencies. Because there has been no evidence that those attacks have been forecasted by law enforcement agencies, including the terrorist attack that recently happened in Washington, D.C.

It was not in Washington, D.C., sir, that the trained SWAT teams or their equivalent brought about the successful resolution of a very, very dangerous circumstance, but, rather, a well-trained police agency and an excellent chief, and coordinated efforts by lots of people including the public citizens of this country, and, other countries, working together to resolve a problem in a way that did not require shot guns and training of the type that the SWAT officers are getting.

No, I don't have an answer to that, but I don't think anybody else does either.

And I would, perhaps, be a little bit disturbed were they to have an answer, because it would probably mean that they were using illegal electronic surveillance to get the answer. And I think we all have to measure our rights as citizens against the ability to protect ourselves.

On page 57, (g) (3) and (4), where they require endorsement by local police departments, demonstrated coordination and involvement of police in the program, those are, perhaps, the most deadly and destructive portions of these guidelines, because it limits the activities of this program so seriously that you may, in effect, make this effort exclusively an auxiliary police or an escort service—a PAL and nothing more.

I'm not saying that those programs, if determined by the citizens of that community, are bad. They're good. They're good, and they should be supported.

But think of the VERA Foundation effort in New York—the citizens' effort funded, initially, privately—that brought about nationwide, and certainly in New York, a massive revision of the pretrial detention programs of this country—massive revisions—and in a positive sort of way.

That program was—I was a prosecutor during the period—and it was attacked during that period by every single public agency in the city, the police included, as a destructive program.

And now it's been institutionalized; and now it's supported by the city.

New Orleans and Chicago crime commissions could not, in their early days and, perhaps, still, get the support of local police departments. They have been in the vanguard—citizens groups in the vanguard—dealing with corruption in those cities.

I think those two sections you should question the agency about and determine if it fits the design of the program as you see it.

I was curious by page 57, (g) (5), where it refers to specific qualifications of an applicant. Such general language is tailor made, gentlemen—tailor made to deny a grant to anybody who doesn't wear, perhaps, your political stripe, your interest.

There's no criteria for that. If you want to set forth specific qualifications, have them set forth—voice—the specific qualifications in advance. Let the public know what they are to contend with to secure the moneys under this program.

I further point out that any newly created organization is also systematically excluded from this program.

It's often that the emerging consciousness of a citizens' group offers the most imaginative and innovative approaches to solving problems.

That's not to say that an old-line agency citizens' group is not an appropriate one to fund; but we should not, in introducing a program like this, systematically exclude those that cannot point to some lineage.

It reminds me of some parts of the labor movement. It reminds me of some unions that have successfully excluded some ethnic groups from entering into those fields.

It took the Supreme Court to change those policies. It certainly shouldn't require court actions to get LEAA to recognize newly emerging groups that may innovative ways of dealing with problems in our communities.

Page 58, paragraph (25), section (a). I wonder, because it has been the history of LEAA to spend a substantial amount of money on technical assistance, conferences, and publication.

If you were to add up all of the money at the State and local level and the Federal level—the trips to Jackson Hole, the trips to Europe, the trips to lovely places to have conferences—if you were to add up all of that money over the several years of that program, my guess is that you would see many millions—far more than they are investing—in the community anticrime program.

You may pose that question: How much money, since the inception of the program, has gone to: foreign travel, travel to resort areas, for publications, for conferences?

If you were to add all of that money together, my expectations are that it would be in many millions.

And when you read paragraph (25), subdivision (a), one strongly expects—at least I strongly expect—that we have yet another technical assistance and conference effort rather than an action program.

And I would strongly recommend that any conference money, or publication money, if you will—any neat trips to some of those resort areas and swimming pools, especially in times when the taxpayer may well be concerned—should be tied into an action effort, and the action effort should be dragging along the other, not the conference or the technical assistance being the main agenda.

Mr. CONYERS. Mr. Danziger, I notice you have comments on six more pages of these guidelines, and since they are not in your testimony, we are very anxious to have them here.

So, perhaps, if you could telescope some of your discussion just so that the areas that you want to indicate are on the record, and then we can go back and enlarge.

Mr. DANZIGER. All right, sir.

Mr. CONYERS. I don't want you to be—

Mr. DANZIGER. All right, I'll move very quickly, sir. I'm sorry for taking so much time.

I think that the essence of my comments, sir, are:

The program is too narrowly defined. It excludes substantial areas of criminal activity and conduct which should not be excluded—for which the public is uniquely able to deal with: Integrity, various forms of corruption, systems improvement—drawing together several persons from the business community, for example, who try to assist municipal or county officials in dealing with their systems problems to bring forth more efficiency in the operations of the agencies. These functions could be performed by citizen groups for which they appropriately could be funded.

I find that the tie to public agencies is divisive for your program, and will bring about serious limitations.

I think placing the burdens on the community actions group for inordinate degrees of coordination—those magic words of coordination and cooperation—are destructive to the program.

Congressmen, it's impossible to get the executive branch without the power of 1600 Pennsylvania Avenue, to coordinate the various executive department or agencies activities.

I once attended to get them to march together on a crime program. Absolutely impossible—without the support of 1600 Pennsylvania Avenue.

Yet, to impose that responsibility of coordination and cooperation on community groups, I think, is a conflict in terms.

Last, I would say that the amount of money set aside for the project team for each discreet grant is so small that, though it's lip service to the program, I do not believe it is sufficient. Further the 30 percent funding reduction for continuation grants—is virtually a death blow for the effort.

If you deem appropriate, sir, I gladly will try to answer any questions that you may have.

[The prepared statement of Mr. Danziger follows:]

STATEMENT OF MARTIN DANZIGER, DIRECTOR, UNITED MINE WORKERS OF AMERICA
HEALTH AND RETIREMENT FUNDS

Chairman Rodino, distinguished members of the subcommittee, my name is Martin Danziger. I am director of the United Mine Workers of America Health and Retirement Funds. It is my responsibility to administer the day-to-day operations of the funds and report to the board of trustees. I assure that administrative policies are formulated, implemented, and evaluated in accordance with applicable federal laws and regulations and that provisions set forth in the trusts themselves and the trustees' policy statements are followed. Prior to joining the funds, I spent over 10 years in law enforcement, of which over 5 years were spent with LEAA.

Permit me a gratuitous observation. I applaud your vigorous oversight activities directed at LEAA. It is an important program which has potential to enlarge our understanding and ability to deal with crime, criminal justice system, criminals and would be criminals.

As I examine the enabling legislation, however, I cannot help but be depressed and dismayed. I observe a growing loss of local and State initiative aggravated by the encroachment of the Federal legislative process and the creation of a categorical grant program.

I very strongly favor the concept of community action, for without it, few efforts at controlling organized crime, white collar crime, or the crimes of opportunity can succeed. By definition, our form of government requires that in order to reach real greatness, there be continuous, independent assessment and involvement on the part of the nonaligned, interested, and concerned citizenry. In my opinion, therefore, community anticrime activity is an integral component of a successful criminal justice and prevention system, a system successful in the sense that it is both coordinated and effective.

I have examined the proposed LEAA Community Anti-Crime Discretionary Grant guidelines and find them deficient, and LEAA's approach to this program in need of substantial reorientation. I believe the community programs as envisioned by LEAA are too narrowly defined, unimaginative, lacking in foresight, orientated to police activities, and a captive of existing or established public and quasi-public agencies. Independent, critical judgments will not be possible. Though some grants under the proposed guidelines would certainly be successful, the scope of these programs is unfortunately so narrowed that potential and dramatic accomplishments are probably impossible.

LEAA administration apparently views community anticrime efforts exclusively in terms of "crime watch," "escort service," "auxiliary police" and like activities

endorsed by local police departments. This is disappointing. It is especially disappointing given that the very subject of the citizen effort might be an investigation of corruption within the law enforcement or political community. Examination of LEAA's own efforts and those of the National Advisory Commission on Criminal Justice Standards and Goals during 1972 and 1973 reveals a far more exciting and enlightened thought process. Parenthetically, it might be noted that Hayden Gregory (of your committee's staff) was assistant director for the community crime prevention effort, an effort which in my opinion was one of the major accomplishments of the Commission. The community crime prevention task force documented public responsibilities, and found them to include Government's responsiveness to delivery of services; crime prevention; integrity in Government; organized crime; corruption control; campaign financing; systems improvement; and assuring that the system affords equity. The proposed grant guidelines appear to systemically exclude these types of programs from consideration for support, a stance whose rationale appears to be questionable at best.

I illustrate my point by example: The nation's jails, which are considered by most informed persons to be in disgraceful condition, detained in 1974 over 140,000 persons awaiting trial or serving sentences. Of this number, approximately 40 percent were black. Further, 50 percent of the 50,000 awaiting trial were black. Also consider that over 50 percent of the jail inmates charged with larceny, rape, robbery, or murder were black. Are these percentages a function of unemployment, underemployment, and education? Would close analysis by an independent citizens group of arrest, detention and sentencing patterns in a particular location uncover systematic racial discrimination? Or would such an analysis reveal community needs and deficiencies?

More than 200,000 persons are presently incarcerated in state and federal institutions. Of these, more than 180,000 have been charged with violations of state laws. Of those detained in state institutions, over 40 percent are being held in Southern States. That is 128.4 per 100,000 population. That percentage and rate is far higher than in any other section of the country. It is twice the rates in the Northeast and North Central sections of the country, and over 50 percent higher than the rate in the Western States. Why? Wouldn't this be an appropriate subject for a nongovernmental investigation?

The Standards and Goals Commission report is a blueprint for action. The guidelines should conform to those recommendations.

I will now, with your permission, address the guidelines specifically.

Mr. CONYERS. I want to thank you very much. I think you've gotten us off to a very good beginning, Mr. Danziger, and I really regret already that you didn't have a chance to make more fully the detailed comment. We're trying to figure out a way to do it—maybe with counsel.

We can, perhaps, get some more notions of your specific feelings about a number of the points that are in the guidelines that you may not have been able to address specifically.

Now comes the best part.

Mr. DANZIGER. All right, sir.

Mr. CONYERS. What I'm trying to do here, and what the Crime Subcommittee is trying to do is merely to let into this \$5 billion operation the small groups, the neighborhood groups, block clubs, the unincorporated few citizens on the west side of town that may have an idea how they can cooperate with a precinct, but they might need a little funding and a little coordination.

And what we find that we have here is a great number of restrictions that, in effect, would defeat that purpose and, perhaps, really become just another part of a program in which that organization with the best grant writer gets there first with the sharpest proposal and will walk off as the "umbrella" who will then become responsible to divvying out these little pieces through the CAP program or some national nonprofit organization.

I think I hear you saying—first of all, discrimination, since how it would be selected is not perfectly clear; or that there would be a mode of selection in which you could select anybody you wanted, and that, in general, the whole thrust of people—community groups relating to the crime problem with their local law enforcement—would be essentially defeated.

If I'm correct in just skimming off the top of your statement and your additional comment to your prepared statement, how best might you recommend that this subcommittee, or, indeed, the Congress, intervene at this point?

Mr. DANZIGER. I believe, Congressman, first, that your comments are excellent. I think you have, far better than I did, summarized some of the major deficiencies in those guidelines, so I applaud what you have just said.

The specific answer to your question, sir, I would try to approach this problem using a line that Congressman Rooney used when the program was first adopted, and in retrospect—at the time I thought he was wrong—he may have been right: "Perhaps LEAA should be six people and a check writer."

The essence of that comment, I believe, is that the program should be directed and placed in the hands of the responsible, elected Government official at the lowest level of Government—and I say lowest—the closest to the people, so it would allow the decisionmaking process to be in the hands of those appropriate officials.

And if the decisions are bad, as they undoubtedly will be in some instances, they can be voted out of office. As the program is presently designed the public has no one to question. No one is responsible to the very public who is entitled to the benefits of the program.

The disadvantaged, refused, discriminated against, forgotten public, that seeks to get support under this program—under these guidelines—has no recourse.

Mr. CONYERS. Well, then, invoking the philosophy of one of our late members, are you referring to LEAA or the community anticrime program?

Mr. DANZIGER. I'm referring to LEAA. Community action program I agree with. I would have the decisionmaking in the hands of persons who are knowledgeable about their community—truly knowledgeable—who would have to be responsive to the community because they owe their jobs and salaries to it—their position to it—their ego to it.

In contrast, the way the total LEAA program is designed, including these guidelines, there is no way for the public who feels disadvantages, whether they've been refused a grant or refused service, to say, "Why?"—to object.

Oh, certainly, they can write to you, sir, and you'll do the best you can; but you are a busy person. Congressmen are busy people.

I firmly believe that this program should be in the control of State and local government officials who's out there on the bricks where the action is.

The community action efforts to secure action moneys should be through some local delivery system. Place the money in a block grant form either in the mayor's office—based on the extent of criminal activity—Detroit, New York, the Newarks, the San Franciscos, the Los Angeleses, the Chicagos, Miamis, the Atlantas—place the money where the problem is.

Make the distribution of that money decidedly public. Make the guidelines very fair. And make the decisionmaking as to who gets that money in the hands of persons who have to be responsible to the very people living in those communities, rather than placing it so many thousands and thousands of miles away where there is no need to answer for decisions that are made—none at all.

Mr. CONYERS. Well, we've been thinking about that one possibility.

Have you considered the fact that local political activity would be such that some groups would not be related even to that kind of political machinery and would also be excluded?

Mr. DANZIGER. Absolutely so, and, undoubtedly, in some communities it would happen. And I think the history of the last 8 years has indicated it can happen at the Federal level just as well.

Certainly, if you look behind each and every grant, not only at LEAA—we shouldn't use only them as whipping boys—but at HEW, the National Institute of Health—prestigious organizations like that that seem to be subject to very little oversight—we would, certainly observe grants that have gone out under "the political process."

I dare say, if I was going to make a decision as to who I would rather exercise the political process, I probably would rather have an elected official at the State and local level who is closer to the people than an irresponsible civil servant.

I know, in some instances, it would be abused, but it also is at the Federal level, sir. And we certainly can audit just as well as we can audit at the Federal level to control abuse.

Mr. CONYERS. Thank you.

The gentleman from Ohio.

Mr. ASHBROOK. Thank you, Mr. Chairman.

I guess the more I look at it, the more I wonder how I'm ever going to get out of this maze. I notice you were in there for a while. I assume you don't think you were able to accomplish that much while you were there.

Mr. DANZIGER. If I may respond to that, sir. I think my single contribution was the design—participation in the design—of the impact program.

It certainly had its fair share of criticism—justified criticism I might say—but if I may just touch upon what I think was right about it—and there was a devil of a lot wrong with it—the right part about it was that it was limited to eight cities. Those cities were not selected politically. They were selected based—where the crime was—violent crime.

And the decisionmaking as to how the money was to be spent was placed in local officials' hands—directly in his hands—and they were fully responsible for how that money was spent.

It succeeded in places like Denver, where the political system was superb; it succeeded to some degree in Portland where the political system was superb.

It failed in Cleveland, sir; and a lot of money went to Cleveland. It failed in Newark, sir; and a lot of money went to Newark.

And I think the responsibility for those failures is not, exclusively, in the hands of the political official, because there are a lot of forces that feed the problem of crime.

But, certainly, the deficiencies of the political process in those two cities, for example, contributed to that effect.

Mr. ASHBROOK. In listening to this I have the feeling that I've been there before, because 6 or 8 years ago I was part of an oversight subcommittee on the poverty program, and we tried to design the same thing—make it local as much as possible—and yet we always had the same arguments, that a great amount of money went to the poverty lawyers and not the people who were really in the poverty class.

The same problem in the community growth—the same problem of, sooner or later, becoming enmeshed in the political operation, be it democratic or republican, of the city or the region where the program is involved—and you see that.

You see that it's going down that track, time after time, and yet it looks like we're going to take another pass in the same direction.

Now, I have the guidelines in front of me to refer to pages 56, 57, and 58—just say something as simple as this. Could you write us a model guideline, from your point of view—junk all of this and say if you were in a position to implement a guideline, what would you do?

For example, you said you don't like the endorsement proposal by local police, that is, but could provide us, from your perspective, what you think a good operating guideline would be in lieu of this?

Now, it's easy for all of us just to take a pot shot at it, but could you come up with a guideline proposal that you think would work and implement the objectives that you testified about today?

Mr. DANZIGER. If you accept the essential principle that I have tried to pose, sir, because my guidelines would be—not more than three or four reference because I would place the responsibility in the local communities.

And I would not allow the Federal Government to set up a bureaucratic, redtape control mechanism. I would rather, if there's going to be one, have that out there where the people reside.

And I would also make sure the money went out—not across the country so that Westchester, N.Y. or Dearborn, Mich.—you know, one of the more affluent communities would have a chance of getting any of this money. I would put all of the money in, as I said, New Yorks, Chicagos, the Newarks, New Jerseys, the Miamis, the Atlantas, the Los Angeleses, the San Franciscos, the Denvers.

I would put all the money—every penny of the money—I, perhaps, would put every penny of LEAA's money—in those urban or rural centers where the violent crime problem is the most serious.

And I would systematically exclude from receipt of funds under this program those communities and/or States where the problem of crime doesn't reach the level of intensity and seriousness of some of these other large cities.

Mr. ASHBROOK. Well, I think you recognize the legislative problem there. I think all of us are the same: we see the problem, and then, when it comes to implementing it legislatively, we want to make sure that everybody gets some of it.

Montgomery County, Md., would get just as much proportionately as the areas that really need it, whether you're talking about poverty, education, or crime.

But I think what I would like to see witnesses come up with—and, again, I'm not putting anything to you that I don't put to myself. I find myself quite often saying, "Oh, isn't this terrible. It's awful. I could a better job." And if somebody ever looked at me and said, "Do the better job," I'm not so sure I could sometimes.

But just for purposes of some bench marks and places to start, would you submit to us what would be your guidelines to replace these, were you in a position to implement.

I think if we got a number of these, we might be in a little bit better position to evaluate them. I don't expect you to have them now, but if you do, with a little bit of thought, just send them to the chairman and members of the committee. Just say, "Here are guidelines that I would implement. Maybe we'd have a little bit more objective place to start.

Mr. DANZIGER. Well, I think your requests are fair. I would just make one comment: the person who generally are asked to appear before you probably have other responsibilities.

I'm not an academic; I run an organization of 800 people. We serve 800,000 people. The energy crisis, the coal industry, the problems of health care and pension reform—are our immediate problems. The time available to spend on this kind of effort is limited. Ask the people in this room who are from LEAA to raise their hands. There are 12 people or 15 people from LEAA sitting in this room, listening to these hearings. One would assume they are over staffed when they have that number of persons available to come to listen to their own testify, when you get printed statements? It's interesting.

So, your request is perfectly reasonable but it's not totally realistic because I will not spend much more time on this, sir.

Mr. ASHBROOK. That's OK to tell us. I think even Members of Congress feel the same way.

I'm on another committee—Education and Labor Committee. And I read a few months ago—it kind of shook me up—that the Commissioner of Education indicated there were 1,000 people in HEW doing nothing but writing, reading, promulgating their regulations—1,000 in one department. We have five or six on our staff trying to look at them.

I don't expect you to do something I don't think we can, but if it's possible, and you could reduce it to that five or six lines, I would like to see it.

Thank you, Mr. Chairman.

Mr. CONYERS. The gentleman from North Carolina.

Mr. GUDGER. Thank you, Mr. Chairman.

May I ask—your concerns are very real, of course. They are the concerns of the entire committee.

You mentioned Houston, Tex. I recall, some years ago, that in Houston a one-on-one volunteer probation system was developed. It became outstanding in the Nation, related to young, first offender-type individuals, and seemed to afford one community's very brilliant approach to juvenile crime.

I recall a very outstanding district attorney, a little bit like you, up in Flint, Mich., who had some idea about developing a diversion, trying to deal with the same age group in the society there, but whose success, I think, was less marked.

What you are saying is that a community can develop a program that can work if the community is dedicated to achieving that.

Now, has there ever been, under LEAA's supervision, any clear pilot program where it's gone into a particular community and developed a whole format of programs which would actually encourage the participation of your churches, of your youth groups, your scouts, and all of your various youth groups in getting existing elements of that society to working together in harmony with the consortium concept that is expressed in this report?

Is there any clear place in this country where the community has said, "We are going to get down to dealing effectively with this problem."?

Now, in my own community in North Carolina, we have a community watch program. They have some problems. And we have a lot of other departments that I think are wholesome and promise to be productive.

But when you get into the highly socially disturbed community of a concentrated city, you're dealing with a different, complicated problem.

What do we have, by way of program analysis? What do we have by way of any community that has said, "Here, we're going to deal with this, and we're going to all get together and pray together, and work together, and make it work."?

MR. DANZIGER. I would like to share with you two very brief examples if I may. There's one community that I know of, and I'm sure there are others.

There's a wonderful, wonderful lady in Indianapolis—just a magnificent person—whose name for the moment escapes me. But I will get that name and send it to you, sir, if you wish.

This lady developed a court watch program in that city that has become the model for the Nation. She's developed a program for dealing with juveniles who dropped out of school that's a model for the Nation.

She is absolutely tremendous. She is related to the publisher of the Indianapolis newspaper, and that lady is just one of the most exciting, imaginative, hard-working persons I have met in the community action field.

I served on an advisory panel with her for many years. We all were impressed by her activities, her vigorousness, her toughness, and her motto is very interesting: "Don't ask anything from the Federal Government and do one thing at the time."

And, by gosh, she does it; and she is just tremendous. She has mobilized communities. Her programs have gone way beyond her own city.

She's become nationally recognized. She's written on the subject.

The second program, in New York was also very interesting. There was a methadone program supported by LEAA that was quite imaginative in terms of what they were trying to do. It was not necessarily successful, but they were learning about drug abusers.

The program was designed to include social service support services in addition to the methadone. Very expensive services to every single drug abuser that came in for methadone.

Besides being on methadone, they would get counseling, psychiatric treatment, and other social service support. It cost many, many dollars per participant.

They decided to try it a different way. They decided to take a group of persons who needed methadone—the drug abusers—and let them go in a different door of the rehab program and get none of the support services and see if it made any difference.

So, they did. They had a control group. And they found that after many, many months, the group that was not receiving the support services was doing better than the group that they were spending this tremendous amount of money on.

They didn't understand. It was mind boggling—absolutely mind boggling. So they studied the data and delivery system.

And they found out why. The person sitting behind the desk distributing the methadone was a former drug abuser—an ex-con. He was tremendous.

Forgive the language, if you will, but when somebody came in he would say, "Charlie,"—because he knew everybody by name because he was there before—and he said, "Charlie, did you go down and look for that job?"

Charlie would say, "Well——" The guy said, "Listen, I'm going to rap you right in the mouth. I told you to go down there and look for that job."

If the kid wasn't going to school, he would want to see his school records.

He intervened. He was the best form of social worker. He wasn't supposed to be; he was only supposed to hand out the orange juice and methadone, but, instead, he got involved.

He didn't have any of the training except that he had been there. He was an ex-con who used to use drugs.

He was consistently concerned about the young people coming into that methadone program, and he would threaten to kick them all over the street if they didn't followthrough and cure their habits.

And the kids understood that, and the kids loved him for it. And, the program worked.

A tremendous amount of money that has been spent—Federal money that has been spent through the LEAA program—has done wonderful things.

What we surface in our discussions are always the things that fail, and, yes, there have been a devil of a lot of failures.

Have there been more failures than there should be? I don't know. Have there been less successes than there should be? I have no idea, sir. There have been both.

And what you're hoping to do, and what I would like to see done—and I'm sure the LEAA officials would like to see done—and, certainly, the public would like to see done is maximize successes and, somehow, decrease the failures.

And I'm suggesting an alternative to do that, which I think is preferable to the present alternative as posed in these guidelines, or as posed in the LEAA philosophy.

Yes; I think your comments are sound. There are a lot of excellent things going on in the street. There are a lot of excellent things going

on that we don't know about, and some that we do know about, in local communities.

Leaders make success, just the way that young man did in that methadone program. You put another person in that program, a person like me, and it would have been a dismal failure. You put most of us in there and it would have been a dismal failure. But that young man knew how to make it work.

And that's what we have to find, and you don't find that by setting up a Federal bureaucracy and reviewing grant applications. You find that by having people out there who know who the leaders are, whether they come from the church, or the boy scouts, or from ladies in tennis shoes.

Mr. GUDGER. And what you are saying here is that this can only come about on a community level.

Mr. DANZIGER. Absolutely.

Mr. GUDGER. It cannot be handed down through a hierarchy of—

Mr. DANZIGER. Absolutely. Absolutely.

Mr. GUDGER. Who was the judge in a little town in Michigan that was so successful—Lindhouse? Something like that?

Mr. DANZIGER. I don't know, sir, I'm sorry.

Mr. GUDGER. He was a court judge who changed the whole social complex in a community.

Mr. DANZIGER. I agree with what you're—your comment.

Mr. GUDGER. Thank you, Mr. Chairman.

Mr. CONYERS. Do you have any recommendations about the July 15 deadline in terms of these guidelines—the submission of applications for the program?

We've noticed LEAA is supposed to cut off applications July 15, so that then is from May 21 to July 15 for application submission. What do you think?

Mr. DANZIGER. Yes; I have noted that, sir, and I meant to comment upon it. I've learned painfully, because I have been uniquely wrong in many instances, sir—many, many instances—that we clearly misjudge how long it takes to disseminate information, to get people interested, to gear people up, to collect the information to make us knowledgeable and to make something a success, and I am the worst offender of that.

And, in looking at someone else's, I can say, "By gosh, that's the same mistake I would have made."

This program will not be ready to fund, in my opinion, were LEAA to approve these proposed guidelines today—this program would not be ready to really fund in a successful, sophisticated way—drawing upon other than those persons who have grant applications on the shelf or establishment groups—this won't be ready to fund until the turn of the calendar year, if then.

If then, because you have to get this information out. You have to get people to think about it. You have to get them to come to agreement.

How difficult it is at the community level, as you all well know, to get people to accept an idea or a few ideas.

And to force the money out this way, it would just be dumping it on establishment groups who would go to their file room of proposed grant applications and take one from column A, and one from column B.

throw it in and pick up to \$25,000—and it would be, I believe, sir, another failure, or less than the imaginative, innovative program that it could be.

So, yes, I'm glad you pointed that out. I strongly suggest that these guidelines, once made effective, either leave time that at least extend over 6 months or more with very serious, very sophisticated dissemination of information, so the public has a sense of what they have to deal with—how they may take part of that effort.

Mr. CONYERS. Well, I thank you on behalf of the committee, and I only hope that, out of your wealth of background, you'll feel free to yield small amounts of your time to this subcommittee as we continue to try to move toward what I think is a common goal for all of us.

We're trying to make this part of the system work, and I find your candor and your honesty in approaching the problem very refreshing, and I think it will help us in our work a great deal.

Mr. DANZIGER. Thank you very much, sir, and I appreciate the opportunity to give a report.

Mr. CONYERS. Our next witness is Mr. Edward Shurna, who is the director of the metropolitan anticrime coalition in Chicago, coordinator of the crime task force, and he has been actively involved in community organizing for close to 10 years.

We have your prepared statement, and it will be entered into the record. And we're glad that you can come here and join us in our oversight hearing today.

TESTIMONY OF EDWARD SHURNA, COORDINATOR, CRIME TASK FORCE OF THE NATIONAL PEOPLES ACTION

Mr. SHURNA. I want to thank the committee for inviting me to attend this hearing.

The legislation which produced the community anticrime program has very good intent because it recognizes the need to involve community people in the fight against crime.

I think that's the main goal—to actively involve the neighborhood residents in fighting crime and reducing the fear of crime. The guidelines we're talking about today should be geared toward that one goal.

And although I find it disconcerting that now we're talking about, possibly, January of next year as a target date, I honestly think that if we're serious about this—if we're serious about getting the money to the neighborhoods, serious about getting the money to the communities—that we could do it faster.

I think in your statement you called LEAA the pariah, and I think it's adequate. I think it's an outcast among the LEAA programs. No one wants to touch it.

Mr. CONYERS. How come?

Mr. SHURNA. I have my own opinion on that. I think when you're talking about dealing with community groups, you're talking about the Government all of a sudden recognizing people that are different than the elected officials or the bureaucrats, and having to deal with common folk.

And they don't know how to do it. They're not the experts. People in the bureaucracy like to think that they are the experts. They like to feel that they know all of the answers, and all of a sudden, you have

people who don't dress the same way, or don't act the same way, or talk out of turn.

And they don't like that. They feel uncomfortable with it.

And the other reason would be—which has happened, certainly, in Chicago and other cities—is that they are afraid that it might show. You know, I think they are afraid that things that are “under the rug” might be exposed.

They are afraid they might be caught with their pants down. They are afraid that there might be conflict—that there might be friction.

I happen to think that that is a good thing. You know, in physics you learn that any movement, except in a vacuum, creates friction. And, having gone through many city of Chicago council sessions, they are great debates.

Even in sessions of Congress you see flaming debates, you see great rhetoric, you see all of that stuff that happens on the street.

But when the citizens do it—when the citizens get mad about a program—when citizens use the press to support their position, it's wrong; they're agitators. They're ridiculed. They're ridiculous people.

But in the form of Congress, and in the form of the Senate, and in the form of city administration, you have that debate.

And I think it's a question of whether you want to deal with citizens' groups as equals, or whether you want to deal with them as children. If you want to deal with them as equals, then they have a right to criticize.

Let me go on. It is the neighborhood people who are the victims of crime, and often it is the same residents of the poor low- and moderate-income communities who are most skeptical of governmental efforts to fight crime.

These people daily experience crime and the fear of crime. They've experienced police indifference and hostility. They see how easy it is for the criminal to get back out on the street.

They've been to the courts and taken off from work countless days only to receive another continuance. And I could go on for hours telling stories about that.

And it is to these communities and for these citizens that this program should be geared.

The involvement of the citizens must be maximized. Often times, governmental agencies are more willing to give money to large foundations or other governmental agencies to do the work of the citizens. The only citizen involvement they are looking for is a rubber stamp.

And I think we should be talking about citizens stamping out crime and not just rubber stamping some piece of paper.

Community involvement is the key to the survival of the neighborhoods. But citizen participation is not always the most expedient process.

But in reading the Constitution, nowhere does it say that this is a government that is of, for, and by the most expedient process. This is government of, for, and by the people.

In the beginning, you know, you deal with community groups that have development programs. It might take longer. The agency feels, “Well, if we just went in there we could do it.”

But we've seen that happen. An example—not in crime—but the example that pertains to it was: I was working on the west side of

Chicago in Austin. We had a bad school population problem; it went down over a period of 2½ years. We fought for some new schools.

It took us 3 years to win those schools, but after we won it—after the community won it—those schools, the people in the community felt ownership of those schools. They felt that that was their school.

If you go in that area you see no graffiti, you see no broken windows, you see no boarded up buildings.

And the same is true when you deal with a community group. If they actually develop it—if they actually get in from the ground level, have community meetings, hash it over—it takes a little longer, but, like I said, are we looking for expediency, or are we looking for results.

If we're looking for results, let's take that time to have the communities develop their programs. Let's have the results.

I don't want to go through the draft guidelines on a point-by-point basis, but I do intend to be very specific about some of the problems that I see in the guidelines. And these problems could really weaken the program and make it ineffective.

The initial area which I will discuss is the relationship of the community to the criminal justice system. I'm certainly not convinced that the underlying assumption on page 58-3—I think letter (f)—in LEAA's guidelines that "the criminal justice system will actively support community involvement in crime prevention and control" is a correct one. Rather, it's usually the opposite.

From our experience in Chicago, Philadelphia, and half a dozen other cities, usually you are at odds with the police department. Usually you are at odds with the court system.

And you are at odds because all of the system—this is another entity, this is another group, that is asking some questions—that is trying to do something, and you're looked upon as—you know—"get out of here, get out of my office."

We had a program that I directed in Chicago. All we wanted to do was get crime information by beat from the police department. We wanted to find out, you know, in a given area of about five blocks what was the crime situation.

The police department said, "Well, it's classified information," So, we have to fight for 2 months and get a lawyer and all of that, just to get that piece of information.

So, if you're asking for that system to endorse a program that, in effect, may expose their program, they're not going to do it.

And the previous speaker—the biggest concern I had when he said the money should be taken out of Washington and given to the local municipalities, or the ones closest to the scene—the ones who are most aware—the ones who get elected by the local people: I think that, at least in some of the major cities that we have contact with it is a mistake.

They will do what they did in Chicago, which is the city of Chicago sponsored—the police department sponsored—a program for \$1.5 million—\$1.5 million of LEAA money—administered by the city.

The beat watch program is probably the most ineffective program that exists. The people that are on it are policemen's wives, the people that are politicians' daughters.

The program doesn't work; it isn't effective. And the reason is because they hand picked it. They didn't let the citizens do the job.

There are other examples that I could name; if you want I could go into it. And although we note that the LEAA guidelines do not require approval by the local criminal justice agencies, there is reference to consultation with them.

And I would really question how LEAA could be influenced by the reactions of the local agencies. Will these consultations serve as an informal approval process even though they don't have final approval.

In the legislation which created the community anti-crime program, Congressman Conyers was trying to address a very real problem—the fact that individual citizens are not bothering to report crime to the police or not bothering to go to court as a victim and witness in record numbers.

Clearly, the present criminal justice system which has featured abusive police and isolated and uncaring judges, States attorneys, and public defenders, is not going to bring citizens back. That system is too locked into "business as usual" at the expense of the average citizen.

The citizens, I think, will only participate again if they are recognized as an equal partner and not as a stepchild. The existing system has denied them that role.

But the organized community can provide citizens with a partnership role. Such a role will place the community in conflict with the criminal justice system which has shown itself unwilling to change.

There is going to be friction; we've talked about it. Yet this is the price that must be paid if citizens are going to be involved. This price is a small one considering the potential for more efficient and effective law enforcement.

For LEAA to allow local criminal justice agencies to exert undue influence over which programs are funded and which are not, will only perpetuate the failure of that system to recognize and support the individual citizens and the overall community.

Allowing such would cause the well-intentioned community anti-crime program to only further alienate the citizens from the system. And if this program is going to work, that can't happen.

Integrating anticrime programs—LEAA's draft guidelines contain many references to "coordinated approaches," page 58-5, letter (j), and "integration with appropriate community development activities," page 58-1, No. (4).

The guidelines further propose that community development agencies are fundable, which seems to conflict with the proposal that State and local units of government or their agencies are not fundable.

Because cooptation of citizen programs is not limited to the criminal justice sector, we have grave reservations about the possibility of local agencies controlling anticrime funds.

It has been our experience that, in many cities, the funding of community development agencies would be the political equivalent of placing the money in the hands of the local police departments.

Such a proposition seems to run counter to the letter and intent of the law and should be reviewed to determine if it should be struck from the guidelines.

A similar situation involves the funding of CAP agencies. They are branches of the Federal Government and are not representative of the community nor equipped to function as community organizations.

This is not to say that we disagree with the concept of anticrime programs being integrated with community revitalization efforts, but I think we're talking about the programs that are sponsored and run by the community as opposed to those areas in the cities like the Lincoln Parks of Chicago that the city has designated as urban renewal, or they want to bring upper- and middle-income families back.

So, in Chicago they will take certain neighborhoods which they've designated as areas that they're really going to renovate. And if you give them the money, they'll put all this money into those areas.

There's a new program to spend billions of dollars bringing whites back to the cities, called the Dearborn Park program, in Chicago. The banks that have been redlining are not going to redline that program.

The city that refuses to provide crime prevention or provides on a helter-skelter basis in other neighborhoods will plunk this money into their program.

And I don't think, when you talk about combining resources with existing programs, I don't think you want to just limit it to what the city designates as community development areas. I think they have to be areas that the communities designate as community development areas.

Let me go on. Clearly, incidents of crime in abandoned buildings or drug dealing in the schools are not isolated crime issues. What I object to is the possibility that local government agencies will be used as a vehicle for integration.

We propose that multi-issue community organizations and their networks, where these exist, are best suited to integrate anticrime programs with other community sponsored revitalization efforts. Such a strategy would insure the independence which is necessary for successful community anticrime efforts.

In regard to the section on program strategy, we are favorable to the concept of a "collective response to crime" as opposed to "private minded efforts."

Given the problem of the fear of crime, as well as the fear of intimidation and retaliation, it is extremely important that the whole community become involved. Only then can the problem of crime and its negative impact on the community be adequately confronted.

We also support the proposition that activities should be multiple as opposed to single programs. This will allow for a broader avenue for involvement by community residents as well as provide for a more realistic approach to the problem.

For example, it is not enough just to report crime to the police, but if you want to see it through you have to go to court—you have to do court work, you have to provide witnesses with transportation, you have to meet with the judges, you have to go to the State's attorney—you have to do all of those things.

If you have a problem in the cities which is abandonment, basically, it's not good enough to call the police and get the police to stop a crime that's taking place in an abandoned building. You have to go to the building department to knock that building down—or FHA to

rehab the building, or some type of program that exists, so that that problem's taken care of.

That's the type of integration that has to take place with other neighborhood efforts that I would like to see happen.

THE ADMINISTRATIVE QUESTION

Our final area of discussion is the question of how the community anticrime program will be administered.

Throughout the proposed guidelines there are references to community, community organization network, and neighborhood groups as possible recipients of funds. Yet these terms are not defined.

We propose that these terms be broadly interpreted to fit the needs of cities of various organization and size.

From our experience with groups in our national network in large and small cities across the country, we have learned that some cities have citywide community organization networks while other cities have only a few organized communities.

Thus, a proper strategy would be flexible enough to meet the individual needs of an individual city. You have to be flexible to meet both needs.

The other question is who is going to provide the technical assistance. It is reasonable to assume that areas which had previously no organization and/or anticrime effort are going to be reached by this program, ongoing technical assistance has to be supplied.

I don't think it should be LEAA that supplies that technical assistance. I think existing networks, or existing community organizations that have expertise, and in research that have expertise in technical assistance and in movies and films, and dealing with communities, and who have a lot more credibility than LEAA does on the local level.

And I think that it's these networks, that it's these operations that should provide—and that will be more effective.

The guidelines also state that a major portion of the grants should be made available to neighborhood-level organizations. Of course we agree.

Larger organizations should only be utilized for the benefits of administration and technical assistance. Thus, their portion of the funding should be used for overhead and technical assistance which directly contributes to the efforts of neighborhood-level organizations.

In conclusion, I wish to reemphasize that if this legislation is to have its full effect, then the guidelines should be written so that the community organizations are treated as equal and independent partners in the criminal justice network and not as stepchildren.

The organizations which receive funds should be legitimate representatives of the community. They should not be governmental agencies, or large foundations, or CAP agencies, or CD agencies.

Anticrime programs should have more than one focus and work in conjunction with community-sponsored revitalization efforts. And, finally, the effectiveness of the program shouldn't be judged, necessarily, only on whether the crime is cut down.

I think crime has built up over the past number of years, and it's impossible that in 1, 2, or 3 years we're going to see that drastic a reduction.

I think if we're talking about community participation, one of the chief things to judge is: Is there community participation? Are local folks, are people in from the block clubs, are neighborhood people involved in the program?

You will need to develop some type of model that would judge that, because I think that our premise is that if you want to reduce crime to fewer crimes, you have to involve the people. You don't get it from the top down; you get it from the bottom up.

And to judge the program you have to judge how effectively you have involved all the people in that area.

I think that that, basically concludes my comment. I'll be open for any questions.

[The prepared statement of Mr. Shurna follows:]

STATEMENT BY EDWARD SHURNA, COORDINATOR, CRIME TASK FORCE OF THE
NATIONAL PEOPLES ACTION

My name is Edward Shurna and I am the coordinator for the crime task force of National Peoples Action (NPA) and director of the Metropolitan Anti-Crime Coalition (MACC) in Chicago. I come before you today to speak on the draft guidelines for LEAA's Community Anti-Crime Program.

I want to thank this committee for inviting me to attend this hearing.

The legislation which produced the Community Anti Crime Program has very good intent because it recognizes the need to involve community people in the fight against crime. This is our goal—to actively involve the neighborhood residents in fighting crime and reducing fear of crime. The guidelines we are discussing today should be geared toward this goal. If we're serious about this, then we'll struggle to set up the best possible framework for the communities to receive the necessary funds.

It is the neighborhood people who are the victims of crime and often it is the same residents of the poor, low, and moderate income and working class communities who are most skeptical of governmental efforts to fight crime. These people daily experience crime and the fear of crime. They've experienced police indifference and hostility. They see how easy it is for the criminal to get back out on the street. They've been to the courts and taken off from work countless days only to receive another continuance. It is to these communities and for these citizens that this program should be geared.

The involvement of the citizens must be maximized. Often times, governmental agencies are more willing to give money to large foundations or other governmental agencies to do the work of the citizens. The only citizen involvement is a meaningless rubber stamp of approval.

This program if effectively implemented should work to stamp out crime.

Community involvement is the key to the survival of our neighborhoods. Programs which originate from the top and then are filtered down to people are doomed to failure.

Citizen participation may not always be the most expedient process but nowhere in the constitution does it mention that the government is of, for and by the most expedient process. We talk about the government of, for, and by the people.

I do not wish to discuss LEAA's draft guidelines on the Community Anti Crime Program on a point by point basis but I do intend to be very specific about the possible problems in those guidelines. These problems could conceivably weaken the intent of the law and the program objective (p. 58-1) which reads:

"To assist community organizations, neighborhood groups, and individual citizens in becoming actively involved in activities designed to prevent crime, reduce the fear of crime, and improve the administration of justice."

This is a worthy objective which ought to be given a fair chance to be attained. I will now discuss some of the problem areas which could block the attainment of this objective.

THE COMMUNITY AND THE CRIMINAL JUSTICE SYSTEM

The initial area which I will discuss is the relationship of the community to the criminal justice system. We certainly are not convinced that the underlying

assumption (p. 58-3) in LEAA's draft guidelines that "the criminal justice system will actively support community involvement in crime prevention and control"—is a correct one. Rather, we have serious questions about that assumption. There are two examples in Chicago which demonstrate that this assumption is not justified. In both cases, genuine citizen efforts to get involved were coopted by the local administration. This cooptation has resulted in the failure of these projects to get off the ground with the end result that many of the citizens who served as catalysts for the programs are now being further alienated from the criminal justice system.

Although we note that LEAA's guidelines do not require approval by the local criminal justice agencies, there is reference to consultation with them. We question how LEAA will be influenced by the reactions of these local agencies. Will these consultations serve as an informal approval process?

In the Legislation which created the Community Anti-Crime Program Congressman Conyer's is trying to address a very real problem—the fact that individual citizens are not bothering to report crime to the police or not bothering to go to court as a victim and witness in record numbers. Clearly, the present criminal justice system which has featured abusive police and isolated and uncaring judges, states attorneys, and public defenders is not going to bring citizens back. That system is too locked into "business as usual" at the expense of the average citizen.

These citizens will only participate again if they are recognized as an equal partner in the criminal justice system. The existing system has denied them that role. But the organized community can provide citizens with a partnership role. Such a role will place the community in conflict with the criminal justice system which has shown itself unwilling to change. There will be friction. Yet this is the price that must be paid if citizens are going to be involved. This price is a small one considering the potential for more efficient and effective law enforcement as well as justice in our criminal courts.

For LEAA to allow local criminal justice agencies to exert undue influence over which programs are funded and which are not will only perpetuate the failure of that system to recognize and support the individual citizens and the overall community. Allowing such would cause the well intentioned Community Anti Crime Program to only further alienate the citizens from the criminal justice system. This cannot be allowed to happen.

INTEGRATING ANTI-CRIME PROGRAMS

LEAA's draft guidelines contain many references to "coordinated approaches" (p. 58-5) and "integration . . . with appropriate community development activities." (p. 58-1). The guidelines further propose that community development agencies are fundable (58-7) which seems to conflict with the proposal that state or local units of government or their agencies are *not* fundable (p. 58-6). Because cooperation of citizen programs is not limited to the criminal justice sector, we have grave reservations about the possibility of local agencies controlling anti-crime funds.

It has been our experience that, in many cities, the funding of Community Development Agencies would be the political equivalent of placing the money in the hands of the local police departments. Such a proposition seems to run counter to the letter and intent of the law and should be reviewed to determine if it should be struck from the guidelines.

A similar situation involves the funding of Community Action Agencies. They are branches of the federal government and are not representative of the community nor equipped to function as community organizations.

This is not to say that we disagree with the concept of anti-crime programs being integrated with community revitalization efforts. Clearly incidents of crime in abandoned buildings or drug dealing in our schools are not isolated crime issues. What we do object to is the possibility that local government agencies will be used as a vehicle for integration. Rather, we propose that multi-issue community organizations and their networks (where these exist) are best suited to integrate anti-crime programs with other community sponsored revitalization efforts. Such a strategy would insure the independence which is necessary for successful community anti-crime efforts.

THE PROPOSED PROGRAM

In regard to the section on program strategy, we are favorable to the concept of a "collective response to crime" as opposed to "private minded efforts." Given the problem of the fear of crime as well as the fear of intimidation and retaliation, it is extremely important that the whole community become involved. Only then can the problem of crime and its negative impact on the community be adequately confronted.

We also support the proposition that activities should be multiple as opposed to single programs. This will allow for a broader avenue for involvement by community residents as well as provide for a more realistic approach to the problem. For example, it is not enough just to report crime to the police. It is not enough just to report that criminal activity is taking place in abandoned buildings but you must also take action to see that the building is properly secured or demolished. The organized community needs this flexibility if neighborhoods are to be revitalized.

In regard to the section on program elements (58-4) we note that the suggested programs are somewhat limited and that same could be defined as "private minded". But we also note that these programs are listed only as examples and that innovative crime prevention projects are encouraged. We propose that this latter point receive greater emphasis in the final guidelines.

THE ADMINISTRATIVE QUESTION

Our final area of discussion is the question of how the Community Anti-Crime Program will be administered. Throughout the proposed guidelines there are references to community, community organization network, and neighborhood groups as possible recipients of funds. Yet these terms are not defined. We propose that these terms be broadly interpreted to fit the needs of cities of various organization and size.

From our experience with groups in our national network in large and small cities across the country, we have learned that some cities have city-wide community organization networks while other cities have only a few organized communities. Thus, a proper strategy would be flexible enough to meet the individual needs of an individual city.

The question of who will provide technical assistance is also an important one. It is reasonable to assume that if areas which previously had no organization and/or anti-crime effort are going to be reached by this program, on-going technical assistance will be necessary to deal with this problem. We propose that existing community organization networks with experience in this area be utilized. These would be more effective than national organizations which have no community base.

The guidelines also state that a major portion of the grants should be made available to neighborhood-level organizations. We agree. Larger organizations should only be utilized for the benefits of administration and technical assistance. Thus their portion of the funding should be used for overhead and technical assistance which directly contributes to the efforts of neighborhood-level organizations; i.e., research, legal services, video and film productions.

Conclusion

In conclusion, I wish to re-emphasize that if this legislation is to have its full effect, then the guidelines should be written so that community organizations are treated as equal, independent partners in the criminal justice network.

The organizations which receive funds should be legitimate representatives of the community not governmental agencies or large foundations. Anti-crime programs should have more than one focus and work in conjunction with community sponsored revitalization efforts; and finally the effectiveness of the program should be based on the active involvement of the citizens in combating crime and the fear of crime.

Mr. CONYERS. Well, I think it's a very helpful statement.

If we don't deal with CAP's and "umbrella" organizations, is there some alternative network that you recommend to the subcommittee, and, by indirection, to LEAA?

Mr. SHURNA. I think that there are networks that exist other than CAP's—that some research can be done—that we certainly know of

some from our background. And I'm certain that we don't know of all of those that should be contacted; the legitimate, community-based operations.

The type of operation that I'm talking about, that I'm most familiar with in a network, is somewhat different than the common parlance for networks.

Basically, the networks that I would like to see get the funding would be a network that really has its base in the community.

The networks, for instance, in Chicago would certainly—we don't have a crime program separate from the neighborhood crime program. Our crime program is the neighborhood crime program.

What we have the ability to do is disseminate that information, disseminate any funds, disseminate any technical assistance. And we're not saying we're the only one by far.

But I'm saying that look at the membership of organizations. Who are the members? You know, are they the people that live at 721 Waller? Are they people that are going to church in this neighborhood, or are they "the leading citizens" that you see in the paper and read about?

I think the people that you want to give the money to are the unknowns—are the people that aren't necessarily the ones that always get the money—aren't the ones that always have those particular type of tie-ins.

Again, I'd be happy to work on that in any way possible—supply any type of information.

CAP agencies, from our experience, that we've dealt with don't have a community base and don't have community organization ties. It's just a small, limited number of people.

Mr. CONYERS. Well, what I hear you're saying is that unless the people that are in the Office of Community Anticrime program are community oriented, they will never reach the community people across the States and the cities. The whole thing will become bureaucratic.

Mr. SHURNA. Sure.

Mr. CONYERS. And then the easiest thing to do would be to resort to "umbrellas" and national groups—foundations—and then have them become another layer in this. And who knows which community groups will ever be effective?

Mr. SHURNA. Yes, I think the crucial thing is how serious—you know, is it a pariah or is it a program that's going to work?

If it's a program that's going to work, and we're serious about involving the citizens, it's not hard to make it work—it really isn't.

You know, you can talk about the difficulties and everything else, but I think that's just a smokescreen for not really wanting to put guts into it—to put the effort into it.

Mr. CONYERS. Mr. Gudger?

Mr. GUDGER. Thank you, Mr. Chairman—just one or two very brief questions.

I seem to perceive in what you're saying, Mr. Shurna, that you perceive that wherever you have a community group, however defined, of people who are ready to work together and improve their social structure by joint efforts—improve education, crime control—

Mr. SHURNA. Yes.

Mr. GUDGER [continuing]. Correlating and cooperating with one another in trying to eliminate the things which are productive toward crime—abandoned buildings you were talking about—all these things, that you then have a unit that is capable of some degree of self-government or social improvement, and deserves support from the Federal Government.

Now, do you perceive that could be true in almost any economic circumstance—that community could be an urban community or it could be a rural community, it could be a ghetto community or it could be a community of considerable economic opportunity which had been misdirected. Is that what you're saying?

Mr. SHURNA. I'm saying that it's absolutely true that—correct.

Mr. GUDGER. And are you also saying that this community of interest, and this development program, should not be strictly limited to crime control, or should not have the limited purpose of being an anti-crime function?

Mr. SHURNA. Right, it should be expanded to include crime related—like the drugs at school. Those aren't possibly looked upon as crime control, and yet those are the things that are promoting crime and have to be dealt with.

Crime can't be dealt with in a vacuum. You have to work on other issues which are crime related and get those same people involved in those issues.

Mr. GUDGER. So, you're saying, really, that the social problems that your concepts are addressing may be broader social problems than a mere law violation framework, and, therefore, something that may spread beyond LEAA's general area of concern.

Mr. SHURNA. I think it should be LEAA's area of concern if these issues—these crime problems—promote crime.

Mr. GUDGER. You're saying that your thrust is that LEAA is too bureaucratic in concept, and that you do not deal with these sort of problems except as you have a community conceive its own problems and prepare to address them.

Mr. SHURNA. It's too bureaucratic. It doesn't allow for the citizens, really, to make decisions on how they want to fight the crime problem.

In other words—I'm not sure how to put it—the program that I'm director of, which is a very small program, is funded through LEAA and then channeled at the State agency.

It was geared, basically, initially, for education purposes to disseminate information. And the theory was that if you disseminate information about crime problems, people would get involved in it.

But the way we did it was by knocking on doors and finding out from people, you know, how do you view crime in the neighborhood, what do you want to do about it? Spent a lot of time doing that.

And the way they viewed crime in the neighborhood was by issue that the crime was the person that was mugged on the corner, and the crime was the abandoned building, and the crime was the kids at school.

Now, we either could have produced tapes and wonderful brochures, talking about how they should cooperate with the police departments and everything else; or we could be serious and make a judgment that maybe we're going to let the staff work on those crime-related areas.

Because that's where the people were. That's their perception of crime. And for us to just have a program that provides service for the elderly, or provide transportation to go to court, while the people are that are talking about crime, are talking about these other issues. This isn't going to be a factor.

So, I think what I'm trying to say is that there has got to be built-in flexibility within the program to allow for not just single-minded efforts, to allow for broader efforts.

Does that answer your question, or am I confusing it?

Mr. GUDGER. Just one further question, Mr. Chairman.

I seem to sense that you perceive a neighborhood developing, improving, achieving in a lot of different areas, eliminating crime being one of them—probably improving its general condition in a multitude of different ways—and that you might not want to call this a community watch program. You might not want to call it a community anticrime program; you'd be inclined to call it a community development program or a community improvement program, that would have broader aspects than strictly the elimination of crime, although that would be an important aspect.

Mr. SHURNA. I hesitate to answer yes, because then I would feel that LEAA would say, "That is not our prerogative, therefore we wouldn't fund a thing like that."

Mr. CONYERS. Counsel?

Mr. GREGORY. I wonder, Mr. Shurna, if you would agree with a concept that Mr. Danziger advanced to the effect that the scope of the program is too restrictive in failing to mention programs such as corruption in Government, systems change—

Perhaps you could answer that in the context of your reference of programs emanating from the bottom up.

Mr. SHURNA. Okay, I'll give you an example of how we arrived at the same thing that the city would have arrived at, only we involved the citizens. And had we gone about it in a different way, it wouldn't have worked.

The program I'm working with started out in a neighborhood and the way people identified crime was the police department. They felt that the police weren't doing their jobs.

So, we had meetings with beat cops—we had a meeting with the commander, and so forth—and when the people got to the point that they felt the police were starting to do their job—at least they saw them doing it better—then we start to say, "But look, the people that the police have picked up are back on the street again, and let's start going to court. Let's see what's happening in court."

And we found out there was continuance after continuance, that the State's attorney or prosecuting attorney wouldn't handle the same case, that it would be shifted from attorney to attorney, and there would be a lot of loopholes.

So, we didn't know what to do about that, because the system wasn't set up to deal with that.

So, we did some research on it. We felt maybe if you had neighborhood prosecution officers—this would be an office in the neighborhood—the State's attorney's office in the neighborhood—that would take community crimes—crimes that the community brought into it—and take them from start to finish. The same prosecutor would handle.

We developed that concept. We met with the State's attorney and got him to initiate the program in one neighborhood, and then we got him to initiate in two other neighborhoods.

It took, maybe, 1½ years, or something on that order, but what happened was the people, again, felt that they had ownership. They were much more willing to go to those neighborhood offices.

The city could have—Cook County could have—just given that program out. They could have said, "This is a neighborhood office."

But because the community saw it and developed from the police the prosecution, the community, then, felt that it was a valuable program. They were involved in the planning of it.

The same is true for—we now have a career criminal program. It isn't new; there are 20 cities that have it or more, but we want it on a neighborhood level.

Again, we have neighborhood offices. We thought that the neighborhood offices, in some degree, should specialize with getting after those people that have identified themselves as career criminals.

So, we went in with the State's attorney on numerous occasions and finally got him to use money that was allocated for something else and set up a program, not even using LEAA money.

But that's the program that I'm talking about. It comes from the streets, as we call it. It takes a little longer, but the impact, the ownership, the feeling that the people were involved in it, the feeling that there's a giant effort, is much more valuable than a program that was just plunked down in the neighborhood—"Here's \$50,000"—like the city did.

They put \$400,000 in the Austin area of Chicago—\$400,000 in one neighborhood—LEAA money through Illinois law enforcement.

But they determined who was going to be hired; they determined what the program was. And now the people that were hired are picketing the program because it isn't working.

You know, it can't come from the top down.

Mr. CONYERS. Does the city have the local prosecutor offices that you have?

Mr. SHURNA. As Cook County, yes, but there are only three of them, and it's the only place in the country, to my knowledge, that has it. And the initiative came from the citizens.

Mr. CONYERS. We have a judge in Detroit who has been advocating that community go further and also be the local prosecutor, that they be the judge, they be the courts, so that small violations—minor crimes—come before a tribunal of peers. People who the residents in the community would staff these tribunals and they would have a much greater impact than the present system.

First, of all, it would take thousands of petty cases off of the courts. But also, it would tie the community into the whole criminal justice process, and have a much more profound effect on the defendants.

Mr. SHURNA. Sure, it makes a lot of sense.

Mr. CONYERS. Well, we appreciate the ideas that you've brought to us, and know that as we continue to be working on this. We'll note carefully the recommendations that you've made.

Mr. SHURNA. Thank you very much.

Mr. CONYERS. Thank you.

Our last witness is the assistant administrator of the law enforcement assistance administration, Mr. James Gregg.

We hope that you appreciate the reason that we moved the way we did, in order that you would have a chance to hear and, of course, give some reaction to some of the comments from the community organization representatives and other observers.

We have your prepared statement, and without objection will incorporate it in the record and allow you to proceed as you choose.

Mr. GREGG. Thank you, Mr. Chairman.

Mr. Tom Madden, LEAA General Counsel is on my left Mr. Nick Pappas, Director of the Special Programs Division, Office of Regional Operations, is on my right.

TESTIMONY OF JAMES M. H. GREGG, ASSISTANT ADMINISTRATOR, LAW ENFORCEMENT ASSISTANCE ADMINISTRATION, ACCOMPANIED BY THOMAS J. MADDEN, GENERAL COUNSEL; AND NICK PAPPAS, DIRECTOR, SPECIAL PROGRAMS DIVISION, OFFICE OF REGIONAL OPERATIONS

Mr. GREGG. I appreciate the opportunity to submit my prepared statement for the record. I will briefly highlight a few points and then answer any questions that the subcommittee members may have.

The community anticrime amendments included in the crime Control Act of 1976 reflect an intent on the part of Congress to promote community and neighborhood involvement in crime prevention efforts. Congress also indicated that funds to support these activities should not flow through the normal LEAA delivery system, but rather flow directly to the community. Broad participation in this program by a variety of community or neighborhood groups in order to maximize the extent of citizen involvement.

Mr. Chairman, LEAA appreciates and supports this program. It is a significant and valuable approach to crime prevention and control.

This legislation was enacted on October 15, 1976. Funds in the amount of \$15 million have been appropriated to implement the program. Although no personnel have been provided LEAA to carry out this program, the agency has utilized existing staff to plan and initiate implementation.

Unfortunately, due to ambiguities in the legislation itself, it was necessary to request from the Comptroller General of the United States clarification concerning certain issues. This clarification was requested on November 23, 1976. An opinion was issued by the Comptroller General on March 2, 1977.

Upon receipt of the Comptroller General's opinion, LEAA began immediately to implement the program. A plan was developed which I reviewed on March 15, less than 2 weeks after receiving the Comptroller General's ruling.

On March 16, as you know, Mr. Chairman, a briefing on this planned program was provided you and other members of the subcommittee. Following that briefing, draft guidelines were developed. These guidelines, in accordance with OMB Circular A-85, have been submitted for

external review and comment on April 21, 1977, for a required period of 30 days.

Upon conclusion of the required time period for external review, LEAA will issue the guidelines in final form, publish them, and accept grant applications.

Other details regarding implementation efforts for this program are included in my prepared statement. We stand ready to respond to questions that you may have.

I do appreciate the chairman's wisdom in requesting that we listen to the two previous witnesses. I found it useful in a number of ways. Some good ideas were presented and I have a greater understanding of some of the problems our staff has been struggling with in developing this program. The witnesses each had quite different approaches in mind—I think, even with a pretty well understood purpose here.

We have been trying to balance these different factors and utilize effective approaches and management techniques in designing the program that will help us reach the intent that we believe Congress had in connection with this program.

We appreciate the opportunity to appear before the subcommittee, and to discuss these issues with you.

[The prepared statement of Mr. Gregg follows:]

STATEMENT OF JAMES M. H. GREGG, ASSISTANT ADMINISTRATOR, LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

I am pleased to appear before the House Judiciary Subcommittee on Crime on behalf of the Law Enforcement Assistance Administration to discuss the Community Anti-Crime Program authorized by the Crime Control Act of 1976. I am accompanied today, Mr. Chairman, by Thomas J. Madden, General Counsel of LEAA, and Nick Pappas, Director of the Special Programs Division of LEAA's Office of Regional Operations.

For the convenience of the Subcommittee, I would like to first highlight the 1976 Community Anti-Crime amendments to LEAA's authorization legislation, then discuss the difficulties we had regarding implementation of the provisions, as well as steps taken to resolve those difficulties. I will additionally provide information on progress to date in implementing the Community Anti-Crime Program.

As you know, Public Law 94-503, the Crime Control Act of 1976, amended LEAA's basic authorization legislation in several places with respect to Community Anti-Crime. These amendments reflect the interest on the part of the Congress in the stimulation of citizen participation in crime prevention efforts and in providing funds for neighborhood groups with a minimum of red tape.

Title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, now contains a number of provisions designed to encourage greater community involvement in the criminal justice process. While it is LEAA's desire to fully implement these provisions as expeditiously as possible, the literal language of the 1976 amendments included several inconsistencies with the Congressional intent which had been expressed.

A new Office of Community Anti-Crime Programs, under the direction of LEAA's Deputy Administrator for Policy Development, was established by an amendment to Part A of existing law. Part A establishes LEAA within the Department of Justice, but contains no functional authorization for the Agency. The Office of Community Anti-Crime Program is specifically authorized by section 101(c) to conduct training, to coordinate Federal activities, and to provide information. This is authority given to LEAA by other provisions of the Crime Control Act included in Parts B, C, and E. Section 101(c) does not, however, directly authorize the Office to make grants.

While there is no direct authorization for the Office to make grants, such authority is inferred in the provision of the 1976 Act which authorizes appropriations for LEAA. \$15 million per year for three fiscal years is authorized to be appropriated "for the purposes of grants to be administered by the Office of Community Anti-Crime Programs for community patrol activities and the en-

couragement of neighborhood participation in crime prevention and public safety efforts *under section 301(b)(6) of this title.*" (Emphasis added.)

Section 301(b)(6) authorizes LEAA to make grants for:

The recruiting, organization, training, and education of community service officers to serve with and assist local and State law enforcement and criminal justice agencies in the discharge of their duties through such activities as recruiting; improvement of police-community relations and grievance resolution mechanisms; community patrol activities; encouragement of neighborhood participation in crime prevention and public safety efforts; and other activities designed to improve police capabilities, public safety and the objectives of this section: *Provided*, That in no case shall a grant be made under this subcategory without the approval of the local government or local law enforcement and criminal justice agency.

"Community service officer" is defined in section 601(k) as meaning any citizen with the capacity, motivation, integrity, and stability to assist in or perform police work but who may not meet ordinary standards for employment as a regular police officer selected from the immediate locality of the police department of which he is to be a part and meeting such other qualifications promulgated in regulations pursuant to section 501 as the Administration may determine to be appropriate to further the purposes of section 301(b)(7) and this Act.

The concept of community service officer was highlighted in the Report of the President's Crime Commission of 1967. Community Service officers, as interpreted by that Report, were to be employees of a police department with specific responsibility and functions as enumerated in section 301(b)(6). Making grants through the Office of Community Anti-Crime Programs for community service officers employed by police departments would certainly not seem to promote the objectives of the new Program as conceived by Congress.

Of further concern was whether LEAA could make grants without requiring cash matching funds, whether the Agency could make grants to neighborhood groups unless such groups were legally constituted private nonprofit organizations, and whether the Office of Community Anti-Crime actually possessed grant-making authority.

Given the literal language of the Crime Control Act, LEAA felt that it could not make grants to carry out the purposes of the program as set forth in the Report on the 1976 legislation by the Committee on the Judiciary without the approval of the Comptroller General. Requests for the opinion of the Comptroller General are routinely made in the operation of Federal programs. The Comptroller General issues hundreds of opinions each year to Federal officials on the proper expenditure of funds.

Title 31 of the United States Code in Section 82c states in part that any officer or employees of the Federal Government certifying a voucher for payment of funds shall "be held accountable for and required to make good to the United States the amount of any illegal, improper, or incorrect payment resulting from any false, inaccurate, or misleading certification made by him, as well as for any payment prohibited by law or which did not represent a legal obligation under the appropriation or fund involved..."

Section 74 of Title 31 of the Code provides that disbursing officers or heads of executive departments "may apply for and the Comptroller General shall render his decision upon any question involving a payment to be made by them or under them, which decision, when rendered, shall govern the General Accounting Office in passing upon the account containing said disbursement."

Given the lack of clear statutory guidance in this area and the conflicting provisions of the 1976 Act, LEAA sought the guidance of the Comptroller General. A copy of LEAA's November 24, 1976, request to the Comptroller General for an interpretation and decision concerning these inconsistencies in the Community Anti-Crime amendments is included as Attachment A to my testimony. In that letter, the Agency sought guidance as to whether and how funds could be extended for technical assistance grants, Part C grants pursuant to discretionary authority, grants to local community or citizen groups which might not be private nonprofit organizations, and grants to such groups which might have special nonprofit status under Federal or State laws.

Precedent for LEAA seeking such advice can be found in the Agency's request of November 12, 1969, to clarify amendments in the Omnibus Crime Control and Safe Streets Act of 1968. On February 22, 1971, and October 16, 1972, clarification was requested regarding amendments to our authorization enacted in 1971.

The Crime Control Act of 1976 was signed into law on October 15, 1976. Shortly thereafter, and a month before the Comptroller General's opinion was requested, the staff of this Subcommittee was notified of LEAA's intention to seek clarification from the General Accounting Office. On January 18, 1977, LEAA Administrator Richard Velde set a follow-up letter to the Comptroller General. He expressed concern in having the issues raised in the Agency's original request resolved as quickly as possible. "LEAA is anxious," he indicated, "to use the additional \$15 million to give special emphasis to a broad range of community anti-crime programs." Mr. Velde's letter is included as Attachment B to my testimony.

The response to our request was contained in a letter from the Comptroller General dated March 2, 1977. It is included as Attachment C to this statement. In sum, the Comptroller General's opinion stated that "LEAA is not required to spend the \$15 million specifically authorized by Public Law No. 94-503 . . . since funds were not earmarked for such purposes under Public Law No. 94-362, its current appropriation act." The opinion went on to note the inconsistencies in the 1976 Act and stated that "had there been a specific appropriation of the additional \$15 million exactly as authorized by section 520(a), there would have been considerable doubt as to whether the funds so appropriated could have been used in the manner proposed" by our November 24, 1976, request.

Despite this opinion that there was no specific requirement as to how fiscal year 1977 funds should be spent, LEAA determined that a Community Anti-Crime Program should be initiated using expressions of Congressional intent as guidance. The proposed Program was based on a desire to increase citizen participation in crime prevention and control efforts, and to provide funds for neighborhood groups without the intervening mechanisms of state planning agencies or local governmental agencies serving to create administrative delay.

The Community Anti-Crime Program was developed shortly after receipt of the Comptroller General's opinion. As approved on March 15, 1977, the Program is based on three premises:

Insuring that grantees have the managerial capability to plan for and administer Federal funds;

Utilization of the potential which exists to influence other community improvement monies in ways which can alleviate neighborhood crime problems;

Maximizing the potential for institutionalization of anti-crime programs. These programs must have a sound foundation in order to continue when LEAA funds are reduced to support new programs in new locations.

Another important factor considered in developing the Program was the need to most effectively utilize the limited manpower available to the Agency. Structuring the Program in such a way as to have LEAA personnel monitoring and administering hundreds of small grants to community groups would strain existing resources. Direct LEAA processing of all applications, the making of awards, and holding grant recipients financially and programmatically accountable could result in unnecessary bureaucratic delay.

A copy of the Program plan as originally drafted is included as Attachment D to my statement. We have consistently attempted to keep the Congress informed on the progress in implementation of this important Program and have tried to be as receptive as possible to clarification of Congressional intent and suggestions for administration of the Program. Included as Attachment E is a copy of a presentation made to the Chairman of this Subcommittee and his staff on March 16, 1977.

As early as November 23, 1976, support was given LEAA for development of the Community Anti-Crime Program structure in a letter from Chairman Conyers: "We did not anticipate that State and local governments would be eligible grantees for such funds but that direct funding go to umbrella organizations or operative local groups which can coalesce already established local groups to prevent local in-fighting, and who would have fiscal responsibility for the federal funds to implement programs." This latter is included as Attachment F. Additional correspondence was received from the Chairman on March 17, 1977, following our briefing on the Program, to which LEAA responded on March 22, 1977. This exchange of correspondence can be found as Attachments G and H to my testimony.

Following approval of the Community Anti-Crime Program outline, draft guidelines were developed. Copies were provided to the Subcommittee. On April 21, 1977, a meeting was held with the Subcommittee staff to discuss these draft guidelines, which I have included as Attachment I.

The guidelines address substantive matters affecting eligible grantees. State and local governments are specifically ruled out as eligible for funding under the Program. Funds would be provided without a requirement of match. Community groups would act as a conduit for funding of neighborhood groups participating in the Program. The guidelines also indicate the levels of funding per grant and detail elements that must be addressed in applying for funds.

In developing the guidelines, every attempt was made to follow Congressional intent. Also taken into account were constraints imposed on LEAA in such areas as financial accountability, grant monitoring requirements, and personnel resources. Requirements have been written into the guidelines that will insure adequate information on how funds were awarded, to whom, and with what results. LEAA's interest is making certain that funds reach neighborhood groups and that expenditures be for programs, not hardware or administration. Emphasis is also placed on coordination with other Federally-funded programs and maximum participation of volunteers.

The draft guidelines were circulated for 30-day external clearance on April 21, 1977. This is in accordance with the requirements of Office of Management and Budget Circular Number A-85. In addition to the public interest groups to which OMB requires the guidelines be circulated, comments were also sought from various community groups, other Federal agencies, and the LEAA Minority Advisory Council. The views of this Subcommittee were also solicited. A letter from the Chairman dated April 28, 1977, included comments on the draft guideline. This letter, and our recent response, are included as Attachments J and K to my statement.

It is anticipated, Mr. Chairman, that final modifications to the guidelines will be completed by May 20, 1977. These changes will be based on comments received from those whose review has been requested. Publication and distribution should take place by June 3, 1977. LEAA will distribute the guidelines through its regional offices, State planning agencies, regional planning units, individuals and organizations that have made specific requests for copies, and through use of the mailing lists of community groups provided by HUD, Action, HEW, and the Community Relations Service. Multiple copies will additionally be provided to community groups so that they can be made available to local neighborhood organizations.

The Community Anti-Crime Program will continue to be refined as we gain experience in its implementation. We are attempting to avoid unnecessary delay in getting the funds to the community and neighborhood level. LEAA is committed to making the Program work as effectively as possible consistent with the intent behind enactment of the 1976 amendments. We recognize the importance of community involvement in reducing and preventing crime, and hope that this new Program can encourage the participation of many people who were previously "turned-off" by what was felt to be an unresponsive criminal justice system.

Thank you, Mr. Chairman. We would now be pleased to respond to any questions the Subcommittee might have.

ATTACHMENTS TO THE TESTIMONY OF JAMES M. H. GREGG, HOUSE SUBCOMMITTEE ON CRIME--MAY 11, 1977

- A. November 24, 1976, Letter to the Comptroller General Requesting Opinion on Community Anti-Crime Provisions of the Crime Control Act of 1976.
- B. January 18, 1977, Letter from LEAA Administrator Velde Requesting Expedited Consideration of Comptroller General's Decision.
- C. March 2, 1977, Opinion of the Comptroller General.
- D. March 16, 1977, Program Plan for Community Anti-Crime.
- E. Briefing Presented to Chairman Conyers, March 16, 1977.
- F. November 23, 1976 Letter from Chairman Conyers.
- G. March 17, 1977 Letter from Chairman Conyers.
- H. March 22, 1977, LEAA Response to Chairman Conyers' March 17 Letter.
- I. Draft Community Anti-Crime Program Guidelines.
- J. Letter from Chairman Conyers of April 28, 1977, Commenting on Draft Guidelines.
- K. LEAA Response to Chairman Conyers' April 28 Letter.

ATTACHMENT A

U.S. DEPARTMENT OF JUSTICE,
LAW ENFORCEMENT ASSISTANCE ADMINISTRATION,
OFFICE OF THE DEPUTY ADMINISTRATOR,
Washington, D.C., November 24, 1976.

Hon. ELMER B. STAATS,
Comptroller General of the United States,
General Accounting Office, Washington, D.C.

DEAR MR. STAATS: This is to request a statutory interpretation as to the grant-making authority of the Office of Community Anti-Crime Programs (CACP Office) and the expenditure of funds appropriated for grants to be administered by the CACP Office. The CACP Office is established within the Law Enforcement Assistance Administration (LEAA), United States Department of Justice.

LEAA was established by the Omnibus Crime Control and Safe Streets Act of 1968.¹ This Act has been amended by the Omnibus Crime Control Act of 1970,² the Crime Control Act of 1973,³ and the Juvenile Justice and Delinquency Prevention Act of 1974.⁴ The most recent amendments may be found in the Crime Control Act of 1976,⁵ which established the CACP Office within LEAA,⁶ and authorizes to be appropriated not more than \$15 million for each fiscal year 1977, 1978, and 1979 for grants to be administered by the CACP Office.⁷ LEAA has received a \$15 million appropriation for fiscal year 1977 consistent with this authorization for appropriation.⁸

LEAA is requesting a statutory interpretation as to whether the funds appropriated for grants to be administered by the CACP Office may be expended for:

- a. Technical assistance grants.
- b. Grants made pursuant to Part C of the Act.
- c. Grants limited to Section 301(b)(6) of Part C of the Act.
- d. Grants awarded directly to citizen and community groups.

A. LEAA PROGRAM

Part A of Title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended (Act), establishes the LEAA program within the Department of Justice and creates the LEAA Administration, which is composed of an Administrator and two Deputy Administrators.⁹ Part A also establishes the CACP Office. Section 101(c) provides:

"(c) There is established in the Administration the Office of Community Anti-Crime Programs (hereinafter in this subsection referred to as the 'Office'). The Office shall be under the direction of the Deputy Administrator for Policy Development. The Office shall—

¹ Public Law 90-351.

² Public Law 91-644.

³ Public Law 93-83.

⁴ Public Law 93-415.

⁵ Public Law 94-503. The Crime Control Act of 1976 was enacted into law on Oct. 15, 1976. In considering the various amendments to the Omnibus Crime Control and Safe Streets Act of 1968, as amended, the Subcommittee on Criminal Laws and Procedures of the Senate Committee on the Judiciary held hearings on Oct. 2, 8, 9, 22, 23; Nov. 4; and Dec. 4, 1975 and Mar. 17, 1976. (Hearings on S. 2212 before the Subcommittee on Criminal Laws and Procedures of the Senate Committee on the Judiciary, 94th Cong., 2d Sess. (1976)). The Senate Judiciary Committee bill S. 2212 (S. Rep. No. 847, 94th Cong., 2d Sess. (1976)) was considered by the Senate on July 22 (122 Cong. Rec. S. 12209-42 (daily ed. July 22, 1976)), 23 (122 Cong. Rec. S. 12330-61 (daily ed. July 23, 1976)), and 26 (122 Cong. Rec. S. 12431-77 (daily ed. July 26, 1976)), 1976. The Subcommittee on Crime of the House of Representatives Committee on the Judiciary held hearings on Feb. 19, 25, 27; Mar. 1, 3, 4, 8, 11, 25, and Apr. 1, 1975. (Hearings on H.R. 13636 before Subcommittee on Crime of the House of Representatives Committee on the Judiciary, 94th Cong., 2d Sess., ser. 42, pt. 1 and 2 (1976)). The House Judiciary Committee bill H.R. 13636 (H.R. Rep. No. 1155, 94th Cong. 2d Sess. (1976)) was considered by the House of Representatives on Aug. 31 (122 Cong. Rec. H. 927-309 (daily ed. Aug. 31, 1976)) and Sept. 2 (122 Cong. Rec. H. 9407-37 (daily ed. Sept. 2, 1976)), 197 S. 2212 and H.R. 13636 were submitted to conference committee and the conference bill S. 2212 (H.R. Rep. No. 1723, 94th Cong., 2d Sess. (1976)). 122 Cong. Rec. H. 11465-74 (daily ed. Sept. 28, 1976)) was passed by the Senate (122 Cong. Rec. S. 17319-25 (daily ed. Sept. 30, 1976)) and the House of Representatives (122 Cong. Rec. H. 11907-11 (daily ed. Sept. 30, 1976)) on Sept. 30, 1976.

⁶ Section 101(c) of the Omnibus Crime Control and Safe Streets Act of 1968, as amended (Act). A copy of the Act is attached for your information.

⁷ Section 520(a) of the Act.

⁸ Title II of Public Law 94-362. See also 122 Cong. Rec. S. 11330 (daily ed. July 1, 1976) for Senator Hruska's statement that the \$753 million appropriated for LEAA \$15 million is earmarked for the Community Crime Prevention Program.

⁹ Section 101(a) of the Act.

"(1) Provide appropriate technical assistance to community and citizens groups to enable such groups to apply for grants to encourage community and citizen participation in crime prevention and other law enforcement and criminal justice activities;

"(2) Coordinate its activities with other Federal agencies and programs (including the Community Relations Divisions of the Department of Justice) designed to encourage and assist citizen participation in law enforcement and criminal justice activities; and

"(3) Provide information on successful programs of citizen and community participation to citizen and community groups."

Parts 3, C, D, and E of Title I of the Act authorizes planning grants; grants for law enforcement purposes; training, education; research, demonstration, and special grants; and grants for correctional institutions and facilities, respectively. Each of these parts has its separate grant-making authority. In Part B, Section 202 provides that "The Administration shall make grants to the States . . ." Section 301(b) of Part C provides that "The Administration is authorized to make grants to States . . ." Pursuant to Section 402(b) (1) of Part D, the National Institute of Law Enforcement and Criminal Justice is authorized "to make grants to, or enter into contracts with, public agencies, institutions of higher education, or private organizations . . ." Grant-making authority is also provided for in Section 406 of Part D. In Part E, Section 453 states that "The Administration is authorized to make a grant under this part to a State planning agency . . ."

In addition, pursuant to Section 515(b) (2), LEAA is authorized to " . . render technical assistance to States, units of general local government, combinations of such States or units, or other public or private agencies, organizations, institutions, or international agencies in matters relating to law enforcement and criminal justice." LEAA may provide such technical assistance either by grant or contract.¹⁰

Part C is largely a block grant program. Eighty-five per centum of funds appropriated for Part C programs is allocated to the States through the LEAA block grant program.¹¹ The remaining fifteen per centum is allocated in LEAA's discretion among the States for grants to State planning agencies, units of general local government, combinations of such units, or private nonprofit organizations.¹² This latter program constitutes the LEAA Part C discretionary grant program.¹³ Grants made pursuant to the LEAA Part C discretionary grant program are subject to the following requirements:¹⁴

"Any grant made from funds available under paragraph (2) of this subsection may be up to 90 per centum of the cost of the program or project for which such grant is made. No part of any grant under such paragraph for the purpose of renting, leasing, or constructing buildings or other physical facilities shall be used for land acquisition. In the case of a grant under such paragraph to an Indian tribe or other aboriginal group, if the Administration determines that the tribe or group does not have sufficient funds available to meet the local share of the costs of any program or project to be funded under the grant, the Administration may increase the Federal share of the cost thereof to the extent it deems necessary. Where a State does "not have an adequate forum to enforce grant provisions imposing liability on Indian tribes, the Administration is authorized to waive State liability and may pursue such legal remedies as are necessary. The limitations on the expenditure of portions of grants for the compensation of personnel in subsection (d) of section 301 of this title shall apply to a grant under such paragraph.

"The non-Federal share of the cost of any program or project to be funded under this section shall be of money appropriated in the aggregate by the State or units of general local government, or provided in the aggregate by a private nonprofit organization. The Administration shall make grants in its discretion under paragraph (2) of this subsection in such a manner as to accord funding incentives to those States or units of general local government thereof for the purpose of improving law enforcement and criminal justice."

¹⁰ Section 515(c) of the Act.

¹¹ Section 306(a) (1) of the Act.

¹² Section 306(a) (2) of the Act.

¹³ See 50 Comp. Gen. 750 (1971) for a discussion of the LEAA discretionary grant program.

¹⁴ Section 306(a) of the Act.

Funds allocated through the Part C block and discretionary grant programs may be expended for programs enumerated in Section 301(b) of the Act. Two of the program areas pertinent to the concerns addressed in this letter are Sections 301(b) (6) and (14).

Section 301(b) (6) provides Part C program authority for:

"The recruiting, organization, training, and education of community service officers to serve with and assist local and State law enforcement and criminal justice agencies in the discharge of their duties through such activities as recruiting; improvement of police-community relations and grievance resolution mechanisms; community patrol activities; encouragement of neighborhood participation in crime prevention and public safety efforts; and other activities designed to improve police capabilities, public safety and the objectives of this section: Provided, That in no case shall a grant be made under this subcategory without the approval of the local government or local law enforcement and criminal justice agency."

The term "community service office" is defined in Section 601(k) of the Act to mean:

"... any citizen with the capacity, motivation, integrity, and stability to assist in or perform police work but who may not meet ordinary standards for employment as a regular police officer selected from the immediate locality of the police department of which he is to be a part and meeting such other qualifications promulgated in regulations pursuant to section 501 as the Administration may determine to be appropriate to further the purposes of section 301(b) [6] and this Act."

Section 301(b) (14) provides Part C program authority for:

"The development and operation of crime prevention programs in which members of the community participate, including but not limited to 'block watch' and similar programs."

The LEAA authorization for appropriations is contained in Section 520(a), which provides:

"There are authorized to be appropriated for the purposes of carrying out this title not to exceed \$220,000,000 for the period beginning on July 1, 1976, and ending on September 30, 1976, not to exceed \$880,000,000 for the fiscal year ending September 30, 1977; \$800,000,000 for the fiscal year ending September 30, 1978; and \$800,000,000 for the fiscal year ending September 3, 1979. In addition to any other sums available for the purposes of grants under part C of this title, there is authorized to be appropriated not to exceed \$15,000,000 for the fiscal year ending September 30, 1977; and not to exceed \$15,000,000 for each of the two succeeding fiscal years; for the purposes of grants to be administered by the Office of Community Anti-Crime Programs for community patrol activities and the encouragement of neighborhood participation in crime prevention and public safety efforts under section 301(b) (6) of this title. Funds appropriated for any fiscal year may remain available for obligation until expended. Beginning in the fiscal year ending June 30, 1972, and in each fiscal year thereafter there shall be allocated for the purposes of Part C an amount equal to not less than 20 per centum of the amount allocated for the purposes of Part C."

B. OFFICE OF COMMUNITY ANTI-CRIME PROGRAMS (CACP OFFICE)

The CACP Office was established within LEAA by the Crime Control Act of 1976. The creation of the Office, as now set forth in Section 101(c), and provision for additional authorization for appropriations for grants to be administered by the CACP Office, as now provided in Section 520(a), originated in the House Judiciary Committee bill H.R. 13636.¹⁵ In discussing the additional authorization for appropriation, the House Judiciary Committee Report clearly stated that the community anti-crime program grants are to be administered through the LEAA discretionary grant program.¹⁶ The types of programs contemplated by the House Judiciary Committee to be eligible for funding with the additional authorizations include escort service for the elderly, guides on home protection, youth diversion projects, child protective services, neighborhood watch programs, court watchers' programs, block mothers, police neighborhood councils, youth advisors to courts, clergymen in juvenile courts programs, volunteer probation aide programs, advisory councils in community-based corrections, and volunteers in gang control.¹⁷

¹⁵ H.R. Rep. No. 1155, 94th Cong., 2d Sess. (1976).

¹⁶ Ibid. at p. 10 and p. 20.

¹⁷ Ibid. at p. 10.

The creation of an organizational unit to perform the same function as enumerated in the House Judiciary Committee bill was proposed by Senator Javits on behalf of himself and Senator Roth during floor debate of S. 2212.¹⁸ However, Senator Javits did not include an amendment for an authorization for appropriations in his proposal. In describing the organization units, Senator Javits stated that:

"The first proposal amends existing law to require the Administrator of LEAA to create a coordinating organizational mechanism for community anti-crime programs under the Deputy Administrator for Policy Development. This entity would provide technical assistance to community organizations to enable them to apply for grants from LEAA for progress to reduce and prevent crime. The grants would be made from the sums authorized to be administered through the LEAA discretionary funds for this purpose. Community groups would receive assistance from the administration in developing applications for progress to their state planning agencies."¹⁹

The types of grants which Senator Javits contemplated would be made to community organizations include those designed to increase patrol coverage of neighborhoods and buildings such as auxiliary police, citizen patrols, tenant patrols, blockwatcher, and private patrols and those aimed at improving security systems such as street lighting, high-rise security operation identification, merchants security, and block security.²⁰

Four days after Senator Javits offered his amendments, Senator Roth, co-sponsor of the Javits amendments, proposed an amendment which is now Section 301(b) (14) to help implement the Javits-Roth amendment.²¹

C. DISCUSSION OF ISSUES

The CACP Office and its functions are referenced only in Sections 101(c) and 520(a) of the Act. These two sections of the Act raise a number of questions as to the purposes for which the \$15 million appropriated consistent with Section 520(a) may be expended. Your advice is sought pursuant to 31 U.S.C. § 71.

1. *Technical assistance grants*

Section 101(c) (1) authorizes the CACP Office to provide technical assistance to community and citizens groups to enable such groups to apply for grants. LEAA is authorized to carry out a technical assistance program either by grant or contract.²² The first question that requires your guidance is whether a portion of the additional \$15 million appropriated pursuant to the authorization contained in Section 520(a) of the Act may be expended for technical assistance grants authorized by Sections 515(b) (2) and 515(c) to implement Section 101(c) (1). One method of offering technical assistance that LEAA has employed is to enter into an agreement with a national organization to render technical assistance to its local components. This method could be employed to offer technical assistance to citizen and community groups.

2. *Grant-making authority*

Neither Section 101(c) nor Section 520(a) specifically gives the CACP Office any new or separate grant-making authority for community anti-crime program grants. However, Section 520(a) does state that the additional \$15 million authorization is for grants to be administered by the CACP Office for community patrol activities and the encouragement of neighborhood participation in crime prevention and public safety efforts under Section 301(b) (6). Section 301(b) (6) is a provision within Part C of the Act.

It appears that based upon the statutory language contained in Section 520(a) and the legislative intent to expend the \$15 million for an additional LEAA discretionary grant program,²³ the \$15 million is to be expended only for grants awarded pursuant to Section 306(a) (2). Section 306(a) (2) is the basis for the LEAA discretionary grant program within Part C of the Act.²⁴

This interpretation appears to be inconsistent with Section 101(c) of the Act. Section 101(c) contemplates that grants will be made directly to community

¹⁸ 122 Cong. Rec. S. 12231 (daily ed. July 22, 1976).

¹⁹ *Ibid.* at S. 12229.

²⁰ *Ibid.* at S. 12229-30.

²¹ 122 Cong. Rec. S. 12433 (daily ed. July 26, 1976).

²² Sections 515(b) (2) and (c) of the Act.

²³ See Note 15 *supra*.

²⁴ See Note 13 *supra*.

and citizens groups. However, community and citizens groups are not enumerated as eligible grantees in Section 306(a) (2).

Section 306(a) (2) defines as eligible grantees State planning agencies, units of general local government, combinations of such units, or private nonprofit organizations. Private nonprofit organizations were added as eligible for direct Part C discretionary grants by the Crime Control Act of 1973. In making private nonprofit organizations eligible grantees, the Senate²⁵ and the House²⁶ did not intend the term to be construed to mean neighborhood, community patrol activities.

In addition, grantees must provide cash matching funds for Part C grants.²⁷ The provision for cash matching funds may not have been contemplated by Congress since the requirement could severely impede the ability of community and citizens groups to obtain Part C grants.

Based upon the above considerations, LEAA is in need of your guidance as to whether Section 101(c) and Section 520(a) may be read together to create new grant-making authority within either Section 101(c) or Section 520(a) or whether the additional \$15 million must be expended in whole or in part for Part C grants awarded pursuant to Section 306(a) (2). If grant-making authority is found to exist in either Section 101(c) or Section 520(a), there is no matching fund requirement and LEAA may make grants directly to community and citizens groups.

3. Grant programs

If the additional \$15 million must be expended in whole or in part for Part C discretionary grants awarded pursuant to Section 306(a) (2), a serious question arises as to the types of programs which are eligible for funding.

The language used in Section 520(a) references grants for community patrol activities and the encouragement of neighborhood participation in crime prevention and public safety efforts under Section 301(b) (6). However, Section 301 (b) (6) provides program authority for the recruiting, organization, training, and education of community service officers to assist State and local law enforcement and criminal justice agencies in the discharge of their duties through such activities as:

- a. Recruiting,
- b. Improvement of police-community relations and grievance resolution mechanisms,
- c. *Community patrol activities.*
- d. *Encouragement of neighborhood participation in crime prevention and public safety efforts,* and
- e. Other activities designed to improve police capabilities, public safety and the improvement and strengthening of law enforcement and criminal justice.

Section 301(b) (6) [formerly Section 301(b) (7)] and Section 601(k) were introduced by Senator Percy in 1968.²⁸ In explaining the amendments, Senator Percy stated that community service officers would be those who would not qualify, because of lack of education and training, for local police duties. They would not meet the standards that police forces require. However, they would be used to assist regular law enforcement officers. In this capacity, community service officers would provide a link between the local police department and the citizens of the community.²⁹

In discussing the types of grant programs to be funded by the additional authorization for community anti-crime programs, the House Judiciary Committee enumerated some programs³⁰ which are not within the scope of Section 301(b) (6) as described by Senator Percy in 1968. Hence, it appears that the House Judiciary Committee intended that the additional authorization be used for any community anti-crime programs and projects fundable under Section 301(b) notwithstanding the specific reference to Section 301(b) (6) in Section 520(a).

²⁵ 190 Cong. Rec. S. 11747 (daily ed. June 22, 1973).

²⁶ 119 Cong. Rec. H 4743 (daily ed. June 14, 1973).

²⁷ See 52 Comp. Gen. 558 (1973) for a discussion of the LEAA cash (hard) matching fund requirement.

²⁸ 113 Cong. Rec. S. 5515-24 (daily ed. May 14, 1968).

²⁹ *Ibid.* at S. 5517-18.

³⁰ H.R. Rep. No. 1155, 94th Cong., 2d Sess. 10 (1976).

This position may be further supported by the addition of paragraph (14) to Section 301(b) by the Crime Control Act of 1976. Section 301(b) (14) authorizes the development and operation of crime prevention programs in which members of the community may participate. This new program authority was offered by Senator Roth during Senate floor debate as one addition to the community anti-crime program amendments offered previously by Senator Javits for himself and Senator Roth.²¹

The Roth amendment was adopted by the Conference Committee. In adopting the Roth amendment together with the House community anti-crime program provisions including the additional authorization for appropriation in Section 520(a), it would appear that the Conference Committee did not intend to limit the additional authorization only to Section 301(b) (6) programs and projects. Based upon the House Judiciary Committee Report and the concurrent adoption by the Conference Committee of Senator Roth's amendment and the House authorization for appropriation, it appears that the reference to Section 301(b) (6) in Section 520(a) is descriptive rather than a limitation on the expenditure of funds.

However, because the two types of activities enumerated in Section 301(b) (6) are specifically referenced in Section 520(a), your guidance is requested as to whether the additional \$15 million may be expended for any community anti-crime prevention program fundable under Section 301(b) or whether the funds must be expended for the community service officer grant programs specified in Section 520(a).

4. Eligible grantees

If the additional \$15 million must be expended in whole or in part for Part C discretionary grants awarded pursuant to Section 306(a) (2), the question arises whether Part C grants may be awarded to local community or citizens groups which are private nonprofit organizations.

As noted above, the legislative intent in 1973 when the language "private nonprofit organizations" was added to Section 306(a) (2) was not to include neighborhood, community patrol activities.²² However, Section 101(c), added to the Act in 1976, contemplates that grants will be made directly to community and citizens groups. This would appear to modify the 1973 legislative intent. However, since this issue was not addressed by Congress in 1976, your guidance as to whether the additional \$15 million may be expended for grants to local community or citizens groups which are private nonprofit organizations will be appreciated.

D. CONCLUSION

Congress has appropriated \$15 million for grants to be administered by the CACP Office. LEAA is now prepared to award grants with this additional funding. Your guidance is needed to determine whether the funds may be expended for:

- a. Technical assistance grants, under Sections 515(b) and 515(c) authority,
- b. Part C grants pursuant to Section 306(a) (2),
- c. Community anti-crime prevention programs fundable under Section 301(b),
- d. Grants to local community or citizens groups which are private nonprofit organizations, and
- e. Grants to local community or citizens groups which have no status as private nonprofit organizations under Federal or State laws.

Until these issues are resolved, LEAA is limited in its ability to fully implement the community anti-crime prevention program envisioned by the Crime Control Act of 1976. As a result, your immediate attention to these issues is greatly appreciated. I am providing copies of this letter to Senators McClellan and Hruska and Congressman Conyers and McClory. I am also enclosing an editorial from the New York Times which shows the public interests in the CACP Office.

Sincerely,

PAUL K. WORMELL,
Deputy Administrator for Administration.

²¹ 122 Cong. Rec. S. 12433 (daily ed. July 26, 1976).

²² See Notes 23 and 24 *supra*.

ATTACHMENT B

JANUARY 18, 1977.

Hon. ELMER B. STAATS,
Comptroller General of the United States,
General Accounting Office, Washington, D.C.

Dear Mr. STAATS: LEAA recently requested a statutory interpretation of the grant-making authority of the new LEAA Office of Community Anti-Crime Programs and an interpretation of the authority of LEAA to expend funds appropriated for grants to be administered by this office. The case number is B-171019.

This letter is written to express my concerns in having the issues raised in our request resolved as soon as possible. As noted in our letter of November 24, 1976, LEAA has received an additional \$15 million appropriation for fiscal year 1977 consistent with Section 520(a) of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, to fund community anti-crime programs. LEAA is anxious to use the additional \$15 million to give special emphasis to a broad range of community anti-crime programs. However, until the substantial issues raised in our prior request are resolved, LEAA is severely limited in the types of community anti-crime activities which appear to be eligible to receive funding with the additional \$15 million appropriated for LEAA community anti-crime programs.

I urge your immediate attention to reach final resolution of the issues raised in our letter of November 24, 1976.

Sincerely,

RICHARD W. VELDE,
Administrator.

ATTACHMENT C

Date: March 2, 1977.

File: B-171019.

Matter of Law Enforcement Assistance Administration Grant Authority for Community Anti-Crime Programs.

Digest: LEAA is not required to spend \$15 million specially authorized for appropriation by Pub. L. No. 94-503 for community patrol activities and encouragement of neighborhood participation in crime prevention and public safety efforts under section 301(b) (6) of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, since funds were not earmarked for such purposes under Pub. L. No. 94-362, its current appropriation act.

This decision to the Attorney General responds to a request by the Deputy Administrator for Administration of the Law Enforcement Assistance Administration (LEAA) for our decision with respect to certain grantmaking authority of the Office of Community Anti-Crime Programs (CACP) within LEAA, and to the expenditure of funds appropriated for CACP grants.

Specifically, the Deputy Administrator asks whether, under section 520(a), of the Omnibus Crime Control and Safe Streets Act of 1968 (Pub. L. No. 90-351, 82 Stat. 197, as amended, 42 U.S.C. §§ 3701 *et seq.* (1970 & Supp. V, 1975)), as most recently amended by the Crime Control Act of 1976, Pub. L. No. 94-503 (October 15, 1976) the \$15 million authorized to be appropriated for fiscal year 1977, " * * * for purposes of community patrol activities and the encouragement of neighborhood participation in crime prevention and public safety efforts under section 301(b) (6) of this title * * *," may be expended for:

- a. Technical assistance grants, under sections 515(b) and 515(c) of the 1968 Act, as amended 42 U.S.C. § § 3763 and 3763(c) (Supp. V, 1975);
- b. Part C grants pursuant to section 306(a) (2) of the 1968 Act, as amended, 42 U.S.C. § 3736(a) (2) (Supp. V, 1975);
- c. Community anti-crime prevention programs fundable under section 301(b) of the 1968 Act, as amended, 42 U.S.C. § 3731(b) (Supp. V, 1975), as further amended by Pub. L. No. 94-503, section 109 (1976);
- d. grants to local community or citizens groups which are private nonprofit organizations; and
- e. Grants to local community citizens groups which have no status as private nonprofit organizations under Federal or State law.

Subsequently, we were asked in addition whether the 85 percent-15 percent apportionment between block and discretionary grants required by section 306(a) of the 1968 Act applies to funds appropriated pursuant to the authorization, in the second sentence of section 520(a), and whether the non-federal share, or "matching," requirement of section 306(a) applies to grants made from funds so appropriated.

(Hereafter, unless otherwise indicated, references to "the Act" are to the Omnibus Crime Control and Safe Streets Act of 1968, Pub. L. No. 90-351, 83 Stat. 197 as amended by Pub. L. No. 91-644, 84 Stat. 3701; Pub. L. No. 93-83, 87 Stat. 197; Pub. L. No. 93-415, 88 Stat. 1142; and Pub. L. No. 94-503, 90 Stat. 2407 (42 U.S.C.A. §§ 3701 *et seq.*))

Section 520(a) provides in pertinent part as follows:

"There are authorized to be appropriated for the purposes of carrying out this title not to exceed \$220,000,000 for the period beginning on July 1, 1976, and ending on September 30, 1976, not to exceed \$880,000,000 for the fiscal year ending September 30, 1977; \$800,000,000 for the fiscal year ending September 30, 1978; and \$800,000,000 for the fiscal year ending September 30, 1979. In addition to any other sums available for the purposes of grants under part C of this title, there is authorized to be appropriated not to exceed \$15,000,000 for the fiscal year ending September 30, 1977; and not to exceed \$15,000,000 for each of the two succeeding fiscal years; for the purposes of grants to be administered by the Office of Community Anti-Crime Programs for community patrol activities and the encouragement of neighborhood participation in crime prevention and public safety efforts under section 301(b) (6) of this title. * * *

In raising these questions the Deputy Administrator apparently makes a fundamental assumption that \$15 million has been appropriated, for use in fiscal year 1977, by Pub. L. No. 94-362 (July 14, 1976), for the purpose specified in the second sentence of section 520(a) of Pub. L. No. 94-503, *supra*. The 1977 appropriation for LEAA reads as follows:

"For grants, contracts, loans, and other assistance authorized by title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, and title II of the Juvenile Justice and Delinquency Prevention Act of 1974, including departmental salaries and other expenses in connection therewith, \$753,000,000, to remain available until expended."

LEAA's appropriation is a lump sum, to be used for purposes of the Act (and for title II of the Juvenile Justice Act of 1974), without further limitation as to purpose. There is, accordingly, no appropriation for fiscal year 1977 which is required to be expended only in accordance with the authorizing language of section 520(a). Accordingly, the questions raised are moot to the extent that they are based on the assumption that a separate sum of \$15 million was appropriated for fiscal year 1977 for the purposes stated in the 1976 amendment to section 520(a) of the Act.

We are aware that the Conference Report on the 1977 LEAA appropriation (H.R. Rep. No. 94-1309, at 7 (1976)) mentions that the \$753 million appropriation includes " * * \$15,000,000 for encouraging community participation in crime prevention." Certainly, LEAA, in keeping with the purpose set forth in the Conference Report, may program \$15 million of its lump sum appropriation for that purpose. Any sums so programmed, however, are not subject to the strictures which might have been applicable had the sums had been appropriated specifically pursuant to the Community Anti-Crime Program authorization in section 520(a) of the Act.

In this connection, the Conference Report reference to the \$15 million for encouraging community participation in crime prevention is compatible with the exercise of a variety of authorities under the Act. That is, to avoid the problem of whether grants for Community Anti-Crime programs, under section 301(b) (6) are limited to community service officer programs, LEAA could, for example, make Community Anti-Crime grants under the less restrictive authority of section 301(b)(14), as well as under section 515(b)(2). In addition, grants for Community Anti-Crime programs under sections 301(b) (6) or 301 (b) (14) may be made to local community or citizens groups which are private nonprofit organizations, as provided in section 306(a). The local groups would of course have to fall within the definition of private nonprofit organizations adopted by the Administrator, and would have to meet the applicable requirements of OMB Circular A-110, Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations, Uniform Administrative Requirements, 4 Fed. Reg. 32016 (1976).

We note that had there been a specific appropriation of the additional \$15 million exactly as authorized by section 520(a), there would have been considerable doubt as to whether the funds so appropriated could have been used in the manner proposed by the Deputy Administrator. We suggest that LEAA may wish to propose remedial legislation to remove this doubt.

Acting Comptroller General
of the United States.

ATTACHMENT D

1.217 COMMUNITY ANTI-CRIME PROGRAM

I. STATEMENT OF OBJECTIVE

The overall Program Objective of the Community Anti-Crime Program is:

"To assist community organizations, neighborhood groups and individual citizens in becoming actively involved in activities designed to prevent crime, reduce the fear of crime and improve the administration of justice."

Within this major objective, there are eight sub-program objectives:

Sub-Objective I

Provide financial support for the establishment of new community and neighborhood based organizations (Community Anti-Crime Centers) to conduct community anti-crime programs such as neighborhood watch, escort services for the elderly, community based rape crisis centers, neighborhood and tenant patrols, youth crisis counseling centers, crime prevention information centers, and other programs designed to meet the needs of the community in the anti-crime area.

This sub-objective deals only with the provision of organizational sustenance support. It is aimed at creating a stable focal point for community organization efforts, and supporting a full or part-time community leadership structure within communities by providing for staff, (program manager, community relations officer, and secretary), rent and normal office supplies.

The funding vehicle for these new centers will be the existing network of 900 Community Action Agencies (CAA) which receive their "core" support from the Community Services Administration, HUD supported Community Development Agencies (or the local housing authority which is the evolutionary organization of the CDAs), and/or selected national organizations which have viable organizational networks in the community, such as the Urban League.

Sub-Objective II

Provide financial assistance to *existing* community and neighborhood based anti-crime organization for organizational sustenance purposes.

This support is aimed at putting existing volunteer based organizations on a stable financial footing by providing basic operational expenses. It does not include funds for specific anti-crime projects.

Sub-Objective III

Provide a stable community/neighborhood based anti-crime organization (Community Anti-Crime Centers) that will include within their organizational and program development activities special emphasis on anti-crime programs for the elderly.

Sub-Objective IV

Provide financial assistance for the conduct of specific community anti-crime projects that are to be conducted by the program manager of the newly established Community Anti-Crime Centers and coordinated from the CAA, the CDA, or whichever local community agency is selected to be 'umbrella agency' for the community. Where community-wide anti-crime organizations exist, funding will be provided to that group for the full range of programs similar to but not limited to anti-crime programs included in Sub-Objective I.

Once a focal point for community organization is established in a neighborhood (Community Anti-Crime Centers) and/or organizational sustenance support is provided to existing neighborhood organizations, there are many volunteer based activities which can be conducted without additional financial support. These may include such projects as block mothers, for example. In addition there are projects which will require financial support, such as escort services for the elderly where mileage would be paid for the use of an auto, the manning of a youth crisis center, or a community rape crisis center. Or, an existing community organization may wish to expand its program to include new projects in order to provide a full array of anti-crime programs. Under this sub-objective specific anti-crime projects will be supported in contrast to the organizational sustenance support provided under Sub-Objective I and II.

Sub-Objective V

Provide support to national citizen and public-spirited organizations to conduct broadly based public education programs aimed at increasing the public

awareness of citizens about crime prevention methods and involve citizens in innovative demonstration programs with criminal justice agencies.

Sub-Objective VI

Establish a national clearinghouse for the collection and distribution of information on community-based anti-crime programs.

This clearinghouse will represent a comprehensive state-of-the-art repository of community based anti-crime programs and make that information available on an ongoing basis to community groups and appropriate government agencies throughout the country.

Sub-Objective VII

Provide on-site technical assistance to potential (CACCs) and existing community-based anti-crime organizations in developing and implementing community anti-crime projects.

Technical assistance will be provided to community and neighborhood groups wishing to establish CACCs as well as continuing assistance to community and neighborhood based organizations in developing and conducting volunteer and other projects. A detailed strategy for the achievement of this objective is included under Section IX, TA, Training Support Requirements.

Sub-Objective VIII

Improve the coordination of other federal programs designed to encourage and assist citizen participation in community anti-crime programs.

This objective will be primarily addressed through the creation of an Inter-Agency Counsel on Community Anti-Crime. Representatives from HUD, CRS, HEW, CSA, and ACTION will participate on the Council.

II. RESULTS SOUGHT

1. The mobilization of community and neighborhood residents into effective self-help organizations to conduct anti-crime programs within their communities and neighborhoods.
2. Improved cooperation among community and neighborhood residents and the criminal justice agencies serving the area.
3. Increased awareness of criminal justice agencies concerning the crime problems of communities and neighborhoods.
4. The integration of community and neighborhood-based anti-crime programs with other community improvement and neighborhood revitalization programs such as housing, employment, etc.
5. The broad-scale transfer of information about successful community and neighborhood-based anti-crime programs to other groups throughout the nation.
6. An increased level of knowledge about crime prevention techniques among the public at large.
7. A reduction in the fear of crime among community and neighborhood residents.
8. A reduction in the victimization of community and neighborhood residents, particularly among the elderly.
9. The development of a coordinated approach at the Federal level to programs aimed at revitalizing communities and neighborhoods.

III. RESOURCE REQUIREMENT ESTIMATES

The \$15 million allocated to the Office of Community Anti-Crime Programs will be spread among the program's sub-objectives.

A. Sub-Objectives I, II, III

Funding will be provided to the Community Action Agencies, the Community Development Agencies, or other selected umbrella organization in the community that are determined to be the most viable in terms of time in existence, managerial ability, and credibility in the community. This determination will be made through assessment of the organization's capability by the Regional Office, the Regional Planning Units, Community Relations Service, and the Community Services Administration, or HUD. Funds will be provided for a Community Anti-Crime Program Officer as an additional staff member of the agency, a secretary for support services, a Community Relations Officer to operate the neighborhood Community Anti-Crime Center, and rent and nominal office expenses for the Center. Grants will support 40 such Agencies for staff and for the

establishment of an estimated 200 neighborhood centers, at an average funding level of \$30,000, with a \$15K-50K range. 40 Track I grants: Total \$4 Million.

B. Sub-Objective IV

Funds for this objective will be to support a second phase program implementation effort for newly established Community Anti-Crime Centers and will be channeled through the community agencies such as the CAAs, CDAs, or others. These agencies will have the responsibility to assist the neighborhood Community Anti-Crime Centers in program development, avoid duplication of projects, and provide LEAA with a plan for the community that shows the number and kinds of programs in the community, how they relate to each other and with other federally funded projects, and how they comply with LEAA evaluation data gathering requirements. Funding in these instances will be made on a mini-block format.

Funding will also be provided for program implementation to existing community agencies that require further program support or that wish to expand their programs. Forty awards are contemplated ranging from \$75-200K, Track II. Total \$7 million.

C. Sub-Objective V

Funds under this objective will support national-scope public education efforts and innovative demonstration projects aimed at involving citizens in the criminal justice process. An estimated \$2 million will be identified for these efforts. Total \$2 million.

D. Sub-Objective VI

Approximately \$500,000 will be earmarked for the creation of the Community Anti-Crime Clearinghouse and the conduct of its technology transfer activities. One Track I grant: Total \$.5 million.

E. Sub-Objective VII

The technical assistance program is detailed in Section 9 of this program plan. It will be a major part of the Community Anti-Crime Program and will be characterized by its pro-active design. It will consist of several TA delivery systems and will be available to applicants from pre-application through program execution and program evaluation. Total \$1.5 million.

A total of 10 person-years will be required to conduct the program. Five central office person-years and ½ person-year per regional office is the minimum staff needed to administer the program.

IV. REGIONAL OFFICE PARTICIPATION

Grants awarded under Sub-Objectives I through III will be processed as Track I awards. Although the projected number of community and neighborhood-based anti-crime centers is approximately 200, the actual number of grants to be administered will be 40 as the program design envisions funneling funds to the "street" level through the existing network of Community Action Agencies (CAAs) and Community Development Agencies (CDAs) in a mini-block format. These agencies will also be expected to assume a substantial monitoring responsibility. The forty awards under this sub-objective will be made after Central Office review of the program.

ROs will be expected to work closely with the Regional Planning Units, and the relevant federal agencies in their region in the assessment of the umbrella agencies and their capabilities.

The Regional Offices are also expected to play a significant role in the program's technical assistance component. These responsibilities are detailed under Section IX, TA, Training Support Requirements.

V. MAJOR EVENTS

- a. Approval of program plan by new administration (March 15, 1977).
- b. Program guidelines drafted and circulated for internal and external clearance (April 1, 1977).
- c. RFP for technical assistance contracts issued (April 1, 1977).
- d. RFP for Clearinghouse issued (May 1, 1977).
- e. RFP TA bids received (April 30, 1977).
- f. Publication of program guidelines (May 10, 1977).

- g. TA contracts awarded (May 31, 1977).
- h. RFP Clearinghouse bids received (May 31, 1977).
- i. Provision of pre-application TA (June 1-July 15, 1977).
- j. Clearinghouse contract awarded (June 30, 1977).
- k. Deadline for submission of application (July 15, 1977).
- l. Award of OCACP applications (September 15, 1977).

VII. SUB-PROGRAM AREAS AND SUB-PROGRAM OFFICER NOMINEES

The sub-program areas can be tied directly to the sub-program objectives outlined in Section I.

Sub-program I.—Establishment of approximately 200 community and neighborhood-based anti-crime centers. (Sub-objectives I-III) Sub-program officer—Jim Hagerty.

Sub-program II.—Support of specific anti-crime projects (Sub-objective IV.) Sub-program officer—Staff.

Sub-program III.—National scope education and demonstration projects. (Sub-objective V.) Sub-program officer—Mike Dana.

Sub-program IV.—National Clearinghouse and on-site technical assistance. (Sub-objectives VI and VII.) Sub-program officer—Frank Vacarella.

Sub-program V.—Coordination of federal efforts. (Sub-objective VIII.) Sub-program officer—OCACP Director.

VII. MONITORING POLICY

The approximately 40 Tracks II grants will be monitored by the regional offices in accordance with the minimum criteria out-lined in the LEAA DF Guide-line Manual Augmenting this will be the indirect monitoring which will result from the on-site technical assistance program to community and neighborhood-based anti-crime centers. As noted earlier, grants will be made through CAAs and CDAs and these organizations will have monitoring responsibility for the 4-5 anti-crime centers within their purview. The major TA grants and/or contracts will be monitored by the Central Office staff through the normal reporting requirements as well as individual TA reports submitted for each assignment by the contractors/grantees and regular, scheduled meetings with these TA organizations.

Subject to the availability of travel funds, the central office program manager will also make visits to selected community anti-crime centers throughout the nation.

VIII. EVALUATION POLICY

Grants under this program will not be evaluated on an individual basis. The National Institute will be requested to develop an evaluation design which will attempt to measure the impact of community anti-crime centers on crime reduction, reductions in the fear of crime and improvements in the administration of justice. Evaluation sites will be chosen for this intensive "impact evaluation" through joint planning with the Institute and the results will be distributed by the community anti-crime clearinghouse.

IX. TA/TRAINING SUPPORT REQUIREMENTS

The technical assistance strategy is designed to respond directly to the mandate of the legislation which calls for LEAA to "provide appropriate technical assistance to community and citizen groups to enable such groups to apply for grants to encourage community and citizen participation in crime prevention and other law enforcement and criminal justice activities." It is a pro-active strategy, designed to function from pre-application through program execution to program evaluation. TA strategy will be consistent with LEAA technical assistance policy.

A. Direct assistance

Technical Assistance will be provided directly to all grantees under Sub-objectives I-IV through the use of TA grantee/contractors. Although this program does not have a data base upon which to base a pro-active strategy, certain assumptions are being made concerning the TA needs of community groups. Assistance will be needed in program and application development, fiscal and grant management, needs assessment, coordination with other programs, and project evaluation. These are areas that are common to all grantees regardless of the program area.

ORO is planning on conducting a series of public meetings with community groups in order to elicit input on problems and programs. In addition, the community groups will be requested to indicate their TA needs. The ROs will be requested to submit a TA plan on community anti-crime which will include input on needs assessment and resource identification from the SPAs and RPUs.

The Community Relations Service has been requested to provide TA through its field offices, and this is being pursued through an inter-agency agreement.

The program manager in the umbrella agency will be a prime source for TA needs assessment and for providing TA. Current LEAA grantees will be considered a source of TA.

B. Indirect TA

Indirect TA will be provided by the development of "how to" manuals, the use of existent prescriptive packages, the development of an annotated bibliography on community anti-crime, and on community organization and other relevant documents.

The establishment of a Clearinghouse and Technology Transfer center will be the major thrust in the indirect TA area. The Clearinghouse will be a comprehensive state-of-the-art repository which will conduct continuous information on programs and pertinent anti-crime materials to be made available to grantees and would be grantees.

Training in anti-crime program development, and in community organization will be provided to both Community Agency Program Managers and neighborhood Community Anti-Crime Center Officers through the expansion of the existing training program offered by the National Crime Prevention Institute, or on a regional basis by a contractor.

It is contemplated that the first year of the program should provide a substantial data base on TA needs, resource requirements, TA resources, and the development of a rational TA delivery system.

X. INFORMATION UTILIZATION

This activity is described in the earlier sections of this program plan dealing with the establishment of a Clearinghouse and Technology Transfer Center for information on community anti-crime programs.

XI. STATE/LOCAL ASSUMPTION POLICY

Although no requirements for state/local assumption will be imposed, it is an unstated goal of the program to institutionalize stable focal points for community and neighborhood-based anti-crime programs. This can occur in several ways:

1.) By using CAAs and CDAs as funding vehicles for this seed money, the potential exists for eventual assumption of the efforts by these already-established centers of community action.

2.) One of the objectives of the program is to create a cadre of community leaders who are skilled in crime prevention techniques, many of which are voluntary in nature. If these efforts are successful and results in a payoff to the community in terms of crime reduction, there is a good chance that they will be continued as long as community enthusiasm remains high.

3.) One of the aims of the program is to familiarize community groups with other avenues of funding, including non-LEAA state and federal sources as well as private sources which could continue to support anti-crime projects.

4.) If the program is successful in reducing crime, local criminal justice agencies may find it cost-beneficial to support such activities.

ATTACHMENT E

LEAA BRIEFING PAPER ON COMMUNITY ANTI-CRIME PROGRAM FOR REPRESENTATIVE JOHN CONYERS, JR., MARCH 16, 1977

LEAA participants: James M. H. Gregg, Assistant Administrator, Office of Planning and Management; J. Robert Grimes, Assistant Administrator, Office of Regional Operations; Stephen Boyle, Director, Office of Congressional Liaison; and Nick Pappas, Director, Special Programs Division, Office of Regional Operations.

ISSUES WHICH FRAME THE PROGRAM DESIGN

Congressional intent to get money to street level.
 Need to minimize administrative costs of fund delivery.
 Identification of credible neighborhood groups.
 Need to eliminate duplication of projects at community and neighborhood level.
 Desire for local decisionmaking in needs assessment.
 Maximization of chances for institutionalization.
 Coordination with other Federal programs at local level.
 Need to insure adequate data for evaluation.
 Financial accountability.
 Need to deflect political infighting at local level.
 Potentially unmanageable grant processing requirements.
 Potentially unmanageable grant monitoring requirements.
 Potentially unmanageable technical assistance requirements.

COMMUNITY ANTI-CRIME PROGRAM—OBJECTIVES

I. STATEMENT OF OBJECTIVE

The overall Program Objective of the Community Anti-Crime Program is:
 "To assist community organizations, neighborhood groups and individual citizens in becoming actively involved in activities designed to prevent crime, reduce the fear of crime and improve the administration of justice."

Sub-Objective I

Provide financial support for the establishment of new community and neighborhood based organizations (Community Anti-Crime Centers) to conduct community anti-crime programs such as neighborhood watch, escort services for the elderly, community based rape crisis centers, neighborhood and talent patrols, youth crisis counseling centers, crime prevention information centers, and other programs designed to meet the needs of the community in the anti-crime area.

Sub-Objective II

Provide a stable community/neighborhood based anti-crime organization (Community Anti-Crime Centers) that will include within their organizational and program development activities special emphasis on anti-crime programs for the elderly.

Sub-Objective III

Provide financial assistance for the conduct of specific community anti-crime projects that are to be conducted by the program manager of the newly established Community Anti-Crime Centers and coordinated from the CAA, the CDA, or whichever local community agency is selected to be "umbrella agency" for the community.

Where community-wide anti-crime organizations exist, funding will be provided to that group for the full range of programs similar to but not limited to anti-crime programs included in Sub-Objective I.

Sub-Objective IV

Provide support to national citizen and public-spirited organizations to conduct broadly based public education programs aimed at increasing the public awareness of citizens about crime prevention methods and involve citizens in innovative demonstration programs with criminal justice agencies.

Sub-Objective V

Establish a national clearinghouse for the collection and distribution of information on community-based anti-crime programs.

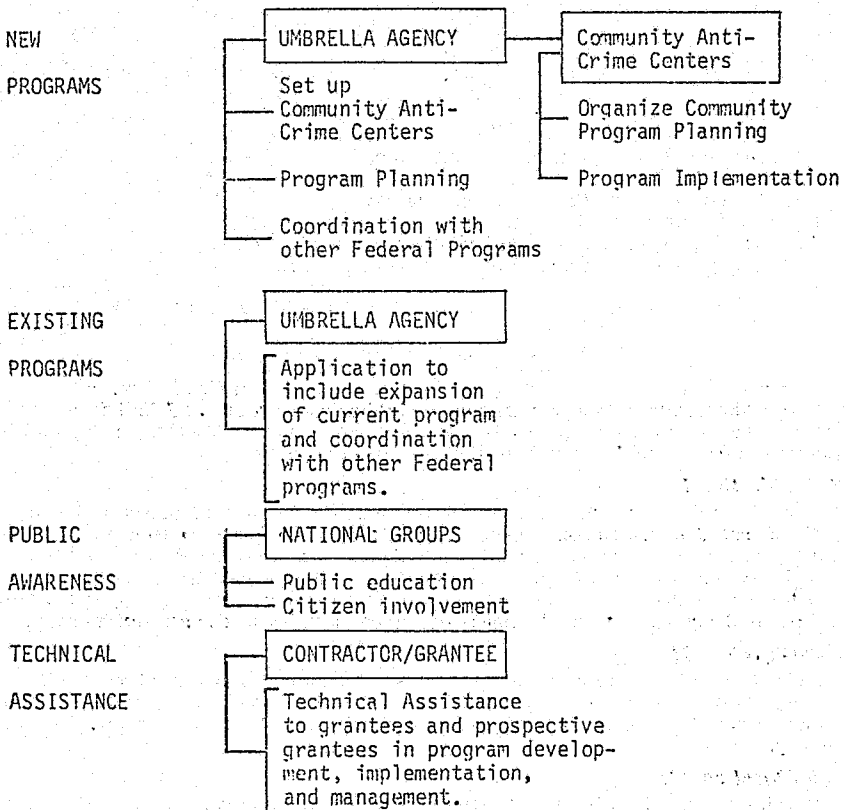
Sub-Objective VI

Provide on-site technical assistance to potential (CACCs) and existing community-based anti-crime organizations in developing and implementing community anti-crime projects.

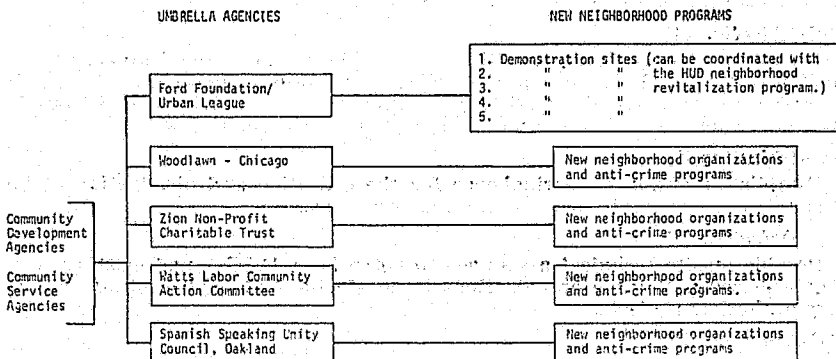
Sub-Objective VII

Improve the coordination of other federal programs designed to encourage and assist citizen participation in community anti-crime programs.

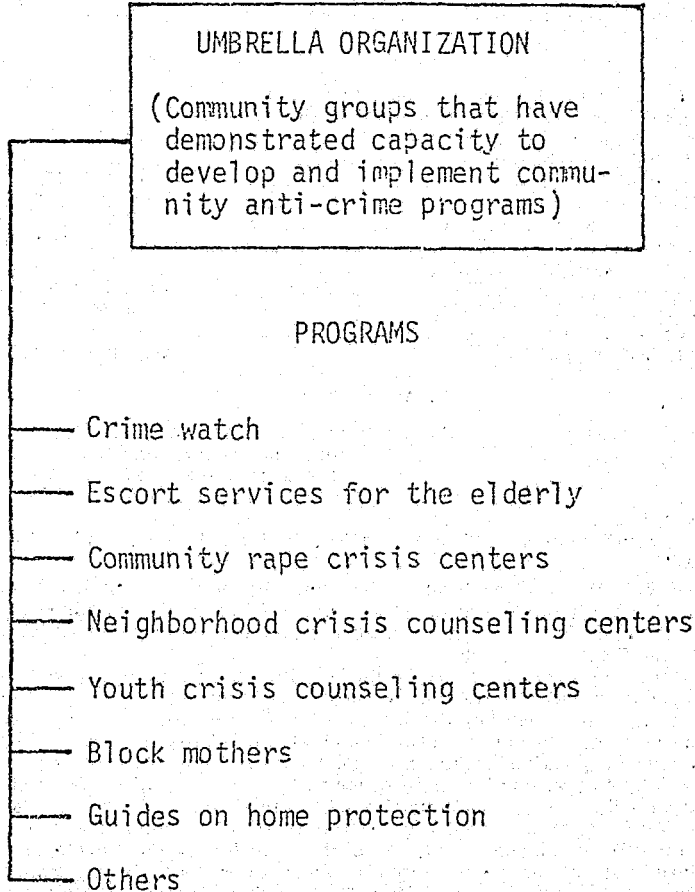
COMMUNITY ANTI-CRIME PROGRAM



PROPOSED MODEL FOR NEW PROGRAM DEVELOPMENT



PROPOSED MODEL FOR EXPANSION AND STRENGTHENING OF EXISTING PROGRAMS



RESULTS SOUGHT

The mobilization of community and neighborhood residents into effective self-help organizations to conduct anti-crime programs within their communities and neighborhoods.

Improved cooperation among community and neighborhood residents and the criminal justice agencies serving the area.

Increased awareness of criminal justice agencies concerning the crime problems of communities and neighborhoods.

The integration of community and neighborhood-based anti-crime programs with other community improvement and neighborhood revitalization programs such as housing, employment, etc.

The broad-scale transfer of information about successful community and neighborhood-based anti-crime programs to other groups throughout the Nation.

An increased level of knowledge about crime prevention techniques among the public at large.

A reduction in the fear of crime among community and neighborhood residents.

A reduction in the victimization of community and neighborhood residents, particularly among the elderly.

The development of a coordinated approach at the Federal level to programs aimed at revitalizing communities and neighborhoods.

MAJOR EVENTS

Approval of program plan by new administration-----	March 15, 1977.
Program guidelines drafted and circulated for internal and external clearance-----	April 1, 1977.
RFP for technical assistance contracts issued-----	Do.
RFP for clearinghouse issued-----	May 1, 1977.
RFP TA bids received-----	April 30, 1977.
Publication of program guidelines-----	May 10, 1977.
TA contracts awarded-----	May 31, 1977.
RFP clearinghouse bids received-----	Do.
Provision of pre-application TA-----	June 1-July 15, 1977.
Clearinghouse contract awarded-----	June 30, 1977.
Deadline for submission of applications-----	July 15, 1977.
Award of OCACP applications-----	September 15, 1977.

ATTACHMENT F

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE JUDICIARY,
Washington, D.C., November 23, 1976.

Mr. RICHARD VELDE,
Law Enforcement Assistance Administration, Indiana Avenue, N.W., Washington, D.C.

DEAR MR. VELDE: As a result of the conversation my subcommittee counsel had with Judge McQuade in Kansas City, I am writing to you to delineate what congressional intent for implementation of the new Community Anti-Crime Program in P.L. 94-503.

I understand the legislation may be unclear in parts particularly with reference to direct grant administration to community groups by LEAA. When the Comptroller General researches the intent of those sections, I will be prepared to tell him the interpretation we in the Judiciary Committee intended to be made of the sections in question. In the interim, however, I feel it necessary to explain more fully to you our intent in order to help you expedite the process of developing guidelines for the effectuation of the program.

Section 101(c) of P.L. 94-503 creates the Office of Community Anti-Crime programs directly under the Deputy Administrator for Policy Development. It was intended that this agency be separate from other discretionary grant programs to give it the attention and visibility it needs to succeed. We anticipated a small staff in Washington reporting directly to the Deputy would perform the enumerated tasks in the legislation, i.e. provide technical assistance, coordinate with ongoing programs and disseminated data on successful projects.

It is also expected that a director of this Office would be appointed from a group of suitably and uniquely qualified people in this field community organization. A person with a background in one of the functional components of the criminal justice field would not be as desirable as a person who has a capability of arousing community awareness of an issue. We have heard you intend to place personnel hired for the High Crime Areas Program in staff positions. I sincerely hope these people are only temporary and will make way for highly qualified community organization specialists.

Your staff has assured me they agree that the only way the program can be successful is to reach out and mobilize communities effectively. We received testimony which stated the operations manuals for exemplary projects exist. The program of making people aware of how to use them to prevent crime in their neighborhoods must be solved.

It was Congress' intent that this Office have grant-making authority for direct 100 percent funding to community groups without the necessity for match. Section 520 A of the Act was intended to convey this authority; the words "neighborhood participation in crime prevention and public safety efforts under section 301(b)(6) of this title" were meant to be examples of the types of programs which could conceivably be funded. The House Committee report 94-1155 presents other eligible projects such as: escort service for the elderly; guides on home protection; youth diversion projects; child protective services; block watch programs; block mothers; police neighborhood councils; youth advisors to courts; clergymen in juvenile courts, volunteer probation aides; advisory councils on community-based corrections and volunteers in gang control. As you can see, these projects do not necessarily involve hardware.

We did not anticipate that State and local governments would be eligible as grantees for such funds but that direct funding go to umbrella organizations or operative local groups which can coalesce already established local groups to prevent local in-fighting, and who would have fiscal responsibility for the federal funds to implement programs. The funds are anticipated to be administered by the Office created by the legislation and not by state planning boards or regional planning units.

The amount set aside for these programs is very small, \$15,000,000 a year for three years. The Subcommittee found that in one year, 1973, LEAA's discretionary fund allocations for community anti-crime purposes were \$23,000,000. This can be contrasted with the amount of \$25,000,000, which was expended over a period of eight years by the States out of block grant funds. Therefore, the \$15,000,000 is to be considered seed money, to develop operative programs in neighborhoods and to encourage state legislatures and state planning agencies to adopt such programs in the future.

Our Subcommittee received information about "victim prevention" projects, such as the Chicago whistle program, which have proven successful deterrents to crime and which cost very little money to institute. We expect such programs will be funded by the new Office. We expect additionally that projects which go toward the root causes of crime such as juvenile unemployment will also be attempted under the general heading of crime prevention.

The Subcommittee has been apprised of successful endeavors such as the FBI Crime Resistance program and the union initiated programs in communities. We feel LEAA should coordinate with and learn from these ongoing projects as well as with Community Relations Service and ACTION.

Finally, I suggest you take advantage of expertise existent in groups like the National Urban League or the Urban Coalition when soliciting suggestions for the framework for operation of the Office. They are aware of the extreme need in inner city minority areas for these types of projects. These neighborhoods suffer the most crime and would be most greatly assisted by this new emphasis on the community. Such organizations could later provide a workable mechanism or auditing, monitoring, evaluating and administering funds to neighborhood groups although I caution you to limit the amount of overhead funds that would go to such units because our main concern is getting the money directly to the groups which need it.

I hope this explanation has been helpful to you and appreciate your concern to get this new program operative as soon as possible. You may be assured I will do everything I can to assist you in this endeavor. It is my hope that the Federal Government will soon be able to reach the untapped resource of citizens who fear for their safety and work with them to create a safer climate for their everyday activities.

Sincerely,

JOHN CONYERS, Jr.,
Chairman, Subcommittee on Crime.

ATTACHMENT G

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE JUDICIARY,
Washington, D.C., March 17, 1977.

Mr. JAMES GREGG,
*Acting Administrator, Law Enforcement Assistance Administration,
Washington, D.C.*

DEAR MR. GREGG: Thank you and your staff for your presentation March 16, 1977, of the proposed guidelines for the community anti-crime program. As you know, the March 2, 1977, letter from AGO suggested LEAA has ultimate flexibility in creating the program. It was my intention by inviting you to my office to express my interest in working with you to create a program which will carry out as carefully as possible the will of Congress. I was happy to hear that you conceive of this program as one of direct funding to community groups without the need for match. I infer from your presentation that you will utilize your grant making authority for these purposes. I am concerned that the Office of Community Anti-crime may not yet have the high visibility and integrity Congress felt necessary to provide, but I am hopeful that the new administrator will cause this program to be conducted directly under the Deputy Administrator for policy development as stated in P. L. 94-508.

As you know, it was my intention to introduce a bill which would clarify the intent of Congress with regard to the community anti-crime program. There may be no need for such technical and clarifying amendments, if after I hear the details of your proposal I find Congress and the agency are planning along the same lines. To that end, and as promised, my staff has prepared the following questions on your proposal. I hope for an immediate response.

1. You state in your briefing material that the issues you addressed were the potentially unmanageable grant processing, monitoring, and technical assistance requirements. Under your plan who will process grants? Who will monitor the program? Who will perform evaluations?

2. What role will the LEAA Office of Community Anti-Crime play in technical assistance, grant review and approval, dissemination of information and administration of the program?

3. How much money will be spent on each of your subobjectives? Specifically, how much money will go directly to community groups for "action" funds and how much will go toward administrative costs?

4. What will be the role of the umbrella agencies? Will they be eligible grantees or will they be identifying eligible grantees? What role will LEAA play vis-a-vis these agencies? Who will select the umbrella agencies? (Reference: Your chart "proposed Model for New Program Development")

5. Will LEAA deal with CSA directly or will LEAA be isolating those of the 865 local community action agencies which have a crime prevention capability?

6. What will be the functions of the community anti-crime centers? Will they be grant recipients?

7. Who will conduct public education programs? LEAA or its contractors?

8. Why do you need a clearinghouse run by outside contractors? Why does LEAA not have the capability to collect and disseminate information on its crime prevention projects? Why are you not utilizing the Institute or the Criminal Justice Information System to perform this function? Do you not have any information from your now defunct Citizens Initiative Program to assist in this function?

9. Who specifically will provide on site technical assistance to community organizations? What will technical assistance entail?

10. Will LEAA operate this program awarding direct grants of 100 percent of the cost to incorporated or unincorporated community organizations, i.e. groups in which members of the community participate?

11. How will you ensure that this crime prevention money will not be utilized in existing programs like those that CSA administers, which have nothing to do with crime prevention? There is a tendency to use new public funds for old programs with new names. How can you avoid this?

12. What criteria will be used in awarding grants to ensure that groups which are not tied into the politics of the "umbrella agencies" and groups from unstable communities still get funded?

I urge you to respond as soon as possible so we can work together to make this proposal a reality.

Sincerely,

JOHN CONYERS, Jr.,
Chairman, Subcommittee on Crime.

ATTACHMENT H

MARCH 22, 1977.

Hon. JOHN CONYERS, JR.,
Chairman, Subcommittee on Crime, House Judiciary Committee, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your recent letter concerning implementation by the Law Enforcement Assistance Administration of the Community Anti-Crime provisions of the Crime Control Act of 1973, as amended.

I am pleased to provide the following information in reply to the questions posed in your letter. The items are enumerated to correspond with the twelve points raised in your correspondence.

1. Under the current plan, awards will be made to umbrella organizations and the applications, including the program plans, will be reviewed and processed by LEAA Central Office. The plans from the umbrella agencies must include documentation as to how they will work with neighborhood groups in problem identification, and the development of projects that meet the neighborhoods specific needs. The umbrella agency will have a coordination function, assist the neighborhoods in program development and program implementation. It will gather the data required for research and evaluation, assist the neighborhood groups in the development of a program reporting system, and be responsible for providing LEAA with financial reports. It will serve as the focal point from which LEAA can monitor the large number of small projects.

There are a number of evaluations that will need to be accomplished: project management evaluation which determines if the individual projects are meeting their schedules, and their management and fiscal responsibilities. This will be done by the umbrella agency and reports provided to LEAA. The National Institute of Law Enforcement and Criminal Justice is preparing an evaluation of the Community Anti-Crime program in order to determine the effectiveness of this anti-crime strategy. The evaluation is being developed in conjunction with the program plan.

2. The program will be administered by the Office of Community Anti-Crime which will have the responsibility for grant review, award recommendations to the Administrator, and for monitoring. It has been felt that LEAA cannot delegate those responsibilities to other groups or other agencies.

Given the lack of staff, and the projected needs for technical assistance, this agency has no option but to provide technical assistance through a few grants to organizations that have the experience in this area. It is also expected that the umbrella agency will provide TA to the participating groups since in many instances that expertise will be available in-house. It is felt that this will reduce the need for large expenditures for a TA program.

The Special Programs Division is currently reviewing existing materials developed by LEAA and by other community groups on community organization and anti-crime programs and plans to develop a bibliography in this topic area to be disseminated by the National Criminal Justice Reference Service. Material now available to LEAA will also be available to individuals and community groups through the NCJRS. The Public Information Office is also coordinating its efforts in publicizing the program.

3. Program allocations include \$11-\$12 million for the program with the remainder to be allocated for evaluation, technical assistance, public education, and dissemination of information. Since the program will be funded at a one hundred percent level, LEAA will allow a minimum of overhead costs. Because the organizations will have an administrative structure, there will be a minimum of start up costs or the need for the creation of an organization. It is not expected that more than ten percent will go toward administrative costs. The Ford Foundation has indicated an interest in participating in the program and to that end may contribute funds toward the program thus absorbing some of the administrative costs.

4. The umbrella agencies will be eligible grantees with the responsibility of identifying neighborhood groups to participate, or, where none exist assisting

in the organization of the neighborhood and support of these neighborhood groups for program implementation. The umbrella organizations will be selected by LEAA, based on their response to a call for applications. It should be noted that these umbrella agencies will include existing community organizations with long standing in the community and anti-crime program experience. Although Community Development Corporations and Community Service Agencies may be applicants, the program is not limited to these groups.

As indicated above, LEAA will monitor the program through these umbrella organizations, since much of the information concerning the projects will be available through the umbrella agency. The provision to LEAA of reports and other data will be a requirement of the grant.

5. LEAA will deal with CSA and HUD and any other federal agency in terms of coordinating the program. It will be necessary for each federal agency involved to know what the other is doing. However, since the umbrella agencies are autonomous, or relatively so, LEAA would be dealing directly with the organization to which an award has been made.

6. In those programs where anti-crime centers are established, they would be included in the umbrella organization grant. The purpose of the anti-crime centers would be to provide a focus for community organization and project development on the local level. The umbrella agency would provide funding through the LEAA grant to support the programs in the neighborhood.

7. Public education programs have been funded in the past by LEAA through the Citizen Participation Program. Although LEAA can do a limited amount through its own information dissemination programs, a significant part of this activity requires the use of media and public meetings that can be more effectively utilized by national organizations.

8. The National Criminal Justice Reference Service will be used to disseminate publications, program final reports, and other material developed by LEAA. However, it does not have the capacity to gather information about the many projects now in operation, many of which are not LEAA funded. A thorough job will require a contractor with the ability to actively search and find programs, to develop a mechanism for volunteer participation in program information. LEAA does not have the personnel resources for this purpose.

9. Technical assistance will be provided by a grantee with experience in community organization, program development and implementation, project management, fiscal reporting, and the like. It is anticipated that some of this expertise will be available from the umbrella organizations, but in many instances, the kind of expertise required may not be available and will need to be provided through consultants.

10. Grants will be made at one hundred percent of cost to incorporated community organizations.

11. LEAA does not intend to fund existing programs that are not focused on anti-crime. Any umbrella agency selected will be required to document the programs for which funding is being requested. Since LEAA will be monitoring the activities of these agencies, it will be possible to ascertain if old programs that are not relevant to the Community Anti-Crime program are being supported by LEAA funds.

12. The problem of avoiding local political competition and tensions has been most troublesome. How can a determination be made that a particular group in a neighborhood is in fact representative of the community? It is the position of LEAA that such a determination can only be made on the local level. Every attempt will be made to ensure that neighborhood groups are actively involved in the problem definition and program development. Specifically, where funding is to be made to an umbrella agency to develop new programs in an unstable neighborhood, it will be necessary for basic organizational work to be done and groups in that neighborhood organized. In these instances, there is likely to be no more than small nuclei of interested persons in the neighborhood upon which to build an organization. If, as these groups develop, they are considered connected to the umbrella agency, it should not be a problem. The difficulty will arise if, stimulated by the organizing activities of the umbrella organization, other community groups develop without assistance by the umbrella organization and feel that they should have equal eligibility for funds. Frankly, we will need to depend on the umbrella agency for guidance on such matters and will involve the LEAA staff in overseeing the group development and group selection function. It may be necessary to build into the grant process the flexibility for LEAA participation where organizational conflict becomes an issue.

There is little doubt that there will be competing groups and a potential for overlap of programs. The umbrella agency concept appears to be the most rational approach to addressing these problems.

I sincerely appreciate your constructive interest in the design and implementation of this program and assure you of LEAA's determination to effectively comply with both the letter and spirit of the Community Anti-Crime amendments.

Sincerely,

JAMES M. H. GREGG,
Acting Administrator.

ATTACHMENT I

UNITED STATES
DEPARTMENT OF JUSTICE

LAW ENFORCEMENT ASSISTANCE
ADMINISTRATION



Change

M 4500.1E CHG-2

Subject: Community Anti-Crime Discretionary Grant Guidelines Cancellation Date: After Filing

1. PURPOSE.

This Change transmits supplementary pages to the Guide for Discretionary Grant Programs (M 4500.1E) consisting of program guidelines for the new Community Anti-Crime Program.

2. EXPLANATION OF CHANGES.

The new Community Anti-Crime Program Guidelines implement the amendments to the LEAA authorization legislation (the Crime Control Act of 1976, P.L. 94-503) which create an Office of Community Anti-Crime Programs within the Agency. This new funding authority replaces the crime prevention and crimes against the elderly projects formally funded under the Citizen Participation Program.

3. PAGE CONTROL CHART.

The chart below can be used to assist in filing page changes into M 4500.1E.

PAGE CONTROL CHART

Remove Pages	Dated	Insert Pages	Dated
Table of Contents v and vi	1/21/77	Table of Contents v vi	1/21/77
57	1/21/77	57	1/21/77
58	9/27/76	58-1 to 58-9	

JAMES M. H. GREGG
ASSISTANT ADMINISTRATOR
OFFICE OF PLANNING AND MANAGEMENT

Distribution: Special by Initiator

Initiated By: Office of Regional Operation

c. Dollar Range and Number of Grants.

(1) Community crime prevention. Three grants ranging from \$250,000 to \$500,000.

(2) Crimes against the elderly. Three grants ranging from \$250,000 to \$500,000.

All grants will be for periods of 12-18 months. Refunding consideration will be based on an evaluation of the progress made in achieving objectives and on increased matching contribution by the grantee.

d. Eligibility to Receive Grants.

(1) Community crime prevention. Incorporated, non-profit community organizations, community social agencies, state or national agencies with a strong community representation.

(2) Crimes against the elderly. Incorporated, non-profit community organizations, community social agencies, state or national agencies with a strong community representation.

e. Submission and Processing Procedure. Track I. (See App. 2, Par. 6)

f. Deadlines for Submission.

(1) Community crime prevention. Applications must be submitted by January 31, 1977. The Panel Review selection process (App. 2, Par. 8) will apply.

(2) Crimes against the elderly. Applications for this program must be submitted by February 1, 1977.

g. Criteria for Selection of Projects.

(1) Clearly defined objectives.

(2) Crime analysis data on the community that demonstrates a need for the program.

(3) Endorsement of the proposal by the local police department.

(4) Demonstrated coordination and involvement of the police in the program.

(5) Specific qualifications of applicant to perform the projects.

h. Evaluation Requirements. Some projects in this program will be selected for intensive project evaluation. In addition to the self-assessment and monitoring requirements of Appendix 4, Paragraphs 3, 4, and 5, applicants must meet the project level evaluation requirements specified in Appendix 4, Paragraph 8.

25. Community anti-crime program.

a. Program Objective. "To assist community organizations, neighborhood groups and individual citizens in becoming actively involved in activities designed to prevent crime, reduce the fear of crime and improve the administration of justice."

Sub-program Objectives

(1) Establish new community and neighborhood based anti-crime organizations.

(2) Strengthen and/or expand existing community and neighborhood based anti-crime organizations.

(3) Provide a community/neighborhood-based focus to crime prevention activities including programs for the elderly.

(4) To integrate neighborhood anti-crime efforts with appropriate community development activities.

b. Program Description.

(1) *Problem addressed:* Several problems are addressed by this program:

(a) The increasing social isolation of neighborhood residents, resulting from a fear of crime, which has destroyed the feeling of community necessary for social control.

(b) The lack of a stable organizational vehicle for organizing community residents into groups which can conduct effective anti-crime programs.

(c) The increased victimization of the elderly, a problem which is particularly amenable to community and neighborhood based amelioration.

(d) The lack of coordination among community development efforts and anti-crime programs.

(2) Results sought.

(a) The mobilization of community and neighborhood residents into effective self-help organizations to conduct anti-crime programs within their communities and neighborhoods.

(b) To encourage neighborhood anti-crime efforts that promote a greater sense of community.

(c) Improved cooperation among community and neighborhood residents and the criminal justice agencies concerning the crime problems of communities and neighborhoods.

(d) Increased awareness of criminal justice agencies concerning the crime problems of communities and neighborhoods.

(e) The integration of community and neighborhood-based anti-crime programs with other community improvement and neighborhood revitalization programs such as housing, employment, etc.

(f) The broad-scale transfer of information about successful community and neighborhood-based anti-crime programs to other groups throughout the nation.

(g) A reduction in the fear of crime among community and neighborhood residents.

(h) A reduction in the victimization of community and neighborhood residents, particularly among the elderly.

(3) Hypotheses to be tested.

(a) The provision of financial and technical assistance will mobilize community residents into effective organizations which can conduct anti-crime programs which will prevent crime, reduce the fear of crime and improve the administration of justice.

(b) The integration of anti-crime efforts at the community level with other community improvement efforts (housing, jobs, etc.) will produce a "multiplier" effect and enhance the effectiveness of anti-crime programs.

(4) Assumptions underlying program.

(a) Many citizens have a high fear of crime.

(b) Fear of crime can motivate citizens to interact with each other and engage in anti-crime efforts.

(c) The establishment of community organizations for crime prevention can be an effective crime deterrent.

(d) The increasing trend toward isolation within communities contributes to increased criminal activity and greater fear of crime.

(e) The formal criminal justice system by itself, cannot control crime without help of the citizenry in restoring social order.

(f) The criminal justice system will actively support community involvement in crime prevention and control.

(g) Elderly community residents are more vulnerable to street crime and crimes against the elderly are particularly amenable to community based crime prevention efforts.

c. Program Strategy.

(1) The program strategy is designed to accommodate newly forming community and neighborhood-level anti-crime groups as well as existing community groups involved in other community improvement efforts which want to expand their efforts to include crime prevention activities. It is aimed at providing minimum staff and basic operational support and funds for specific anti-crime projects. The emphasis of such effort must be at the neighborhood level. The predominant mechanism for fund delivery and project monitoring at the neighborhood level will be the utilization of existing community organization networks that will be required to funnel funds to neighborhood groups. Newly forming neighborhood groups will be required to join together in a consortium under the sponsorship of an established community level organization which will be the grantee and be responsible for coordinating neighborhood efforts within the community.

Priority will be given to programs and activities that are public minded in the sense that they are designed to promote a social or collective response to crime and the fear of crime at the neighborhood level in contrast to "private minded" efforts that deal only with the actions of citizens as individuals or those that result from the provision of services that in themselves do not contribute to the organization of the neighborhood.

Priority consideration will also be given to neighborhood efforts that are coherent in the sense that the anti-crime activities complement and reinforce each other, and can be related to other community/neighborhood development efforts.

(2) Project elements. Projects will generally be of two types:

Category I—Programs that emphasize reduction of crime opportunities such as:

- Neighborhood patrols.
- Block watch programs.
- Tenant security programs.
- Escort services for the elderly.
- Child protective services.
- Residential security education.

Category II—Programs addressing factors that have causal relationships to crime such as:

Youth crisis centers.

Community-based victim assistance programs.

Juvenile counseling services.

Volunteer-based recreational programs, e.g. night-time supervision of available facilities.

It should be noted that the above projects are cited only as examples. The program encourages applicants to develop innovative crime prevention projects, many of which need only the leadership of the community. Education efforts to encourage community residents to direct-deposit checks; the provision of credit or personal check acceptance by local merchants; bank payment of bills; etc. are just a few of the things which can be done by a mobilized community and which do not require a great deal of money.

(3) Data and information required in applications. All proposed activities must include the following:

(a) Consist of a planned approach with evidence of substantial input from community residents in problem identification and needs assessment.

(b) Include a detailed statement of the goals and objectives of the project and a detailed workplan including critical milestones and the proposed dates for milestone achievement. Items to be covered are included in Appendix g, pp. 3-5.

(c) Consists of a program design which includes making funds available to neighborhood groups within the community, (include amounts to be provided neighborhood groups) and a detailed plan demonstrating how this will occur.

(d) Include *multiple* activities and not be limited to a single crime prevention activity such as security patrol.

(e) Include a geographic definition of the community and its neighborhoods to be served and, to the extent possible, a community profile including but not limited to such factors as crime rates, general economic conditions, percent of elderly residents, etc.

(f) Consists of an action orientation, involving volunteers in anti-crime projects. The conduct of meetings and conferences alone will not be considered sufficient.

(g) Include a description of all current volunteer-based anti-crime programs operating in the community.

(h) Demonstrate that the proposed activities are "new" efforts, not currently funded by other LEAA sources.

(i) Demonstrate a membership which consists of community and neighborhood residents.

(j) Demonstrate a coordinated approach with other federally and state/locally funded community-improvement efforts.

(k) Include evidence that the local criminal justice agencies in the community have been consulted regarding the proposed activities.

(l) Include, as an integrated part of the project, a component which will deal specifically with crime problems related to the elderly and the handicapped.

(m) Include the designation of a full-time project director at the community group level.

d. Dollar Range and Number of Grants.

The program design envisions both staff and project support. Grants will be awarded to community-level groups which will be expected to make funds available to neighborhood groups within the community:

(1) Approximately 50 grants ranging from \$50,000 to \$250,000. There is no match requirement in this program. A major portion of these funds, in turn, must be made available to neighborhood-level organizations within the community. Funding at the neighborhood level may range from \$500-\$25,000 with a 30% funding reduction for continuation.

(2) All grants will be for periods of 12-18 months.

(3) Refunding consideration will be based on an evaluation of the project's success in mobilizing community residents to engage in anti-crime activities and where measurable, its impact on deterring crime, reducing the fear of crime and improving the administration of justice. Continuation funding will also be based on the degree to which LEAA funds have been successful in leveraging other funding sources, thereby multiplying the effectiveness of LEAA support.

e. Eligibility to receive grants.

(1) All applicants must be incorporated non-profit organizations. Neighborhood groups that will be associated with the applicant need not be incorporated.

(2) Grants will not be awarded directly to state or local units of government or their agencies.

(3) Eligible grantees include:

- (a) Locally based organizations involved in community improvement efforts.
- (b) Community based organizations (no national affiliation) currently conducting community improvement efforts. These might include Community Action Agencies, Community Development Agencies, Community Based Economic Development Corporations, etc.

(c) Existing Community Anti-Crime Organizations.

f. *Submission and Processing Category.*

All grants will be processed as Track I applications and should be submitted with an original and 5 copies directly to the Grants Contracts Management Division, Office of the Comptroller, 633 Indiana Avenue, N.W., Washington, D.C., for logging and referral to the Office of Community Anti-Crime. Copies of the application should also be sent to the appropriate State Planning Agency listed in Appendix 6, to the cognizant LEAA Regional Office listed in Appendix 5, and the local/regional criminal justice planning units. These agencies will be invited to review applications and provide advice on applicant integrity and program content.

g. *Deadline for submission of applications.*

July 15, 1977. Applications postmarked after that date will not be accepted.

h. *Criteria for selection of projects.*

(1) Programmatic. Projects will be judged on the extent to which they include the project elements outlined in Section C., *Program Strategy*. In addition to these programmatic substance requirements, applicants will be judged on their organizational qualifications to conduct the proposed projects. These selection criteria will include:

(2) Administrative

- (a) Physical location of the organization within the community to be served.
- (b) Organization membership consisting of community residents.
- (c) Experience in community organization efforts.
- (d) Experience in crime prevention efforts.
- (e) Experience in managing other federal/state/local programs.
- (f) Experience in conducting volunteer programs.
- (g) Evidence of a sound financial management capability as shown by an explanation of the organization's capability to plan and administer federal funds.
- (h) Soundness of organizational structure, including such officers as president, secretary-treasurer, etc.

(i) Low administrative and program costs that will enhance the possibility of local assumption of costs. Priority will be given to programs that have a high ratio of volunteers to support/administrative staff.

(j) Applications will be judged on completeness and the ability of the applicant to comply with all requirements for providing program and budget information.

(3) Other

(a) LEAA will not assume costs for the continuation of programs currently funded by other state or federal agencies.

(b) Indirect costs will be limited to not more than 10% of total project costs. A lower indirect cost rate may be negotiated, if appropriate.

(c) Staff salaries must be consistent with local salary levels and/or with the tasks to be accomplished.

(d) All applications within this program category will be subject to panel review.

i. *Evaluation Requirements.*

An independent national process, impact, and cost-benefit evaluation of this program is planned. To support this, each grant applicant must comply with the evaluation requirements set forth in paragraphs 1 to 7 of Appendix 4, Guideline Manual M 4500.1B. Paragraph 8 of Appendix 4 does not apply.

All grant recipients may be required to modify their proposed specific project evaluation plans in order to be integrated into the national level program evaluation design to be developed by the independent national contractor.

All grantees must indicate in advance their willingness and capability to cooperate fully with the national contractors by furnishing required data and reports on specified schedules and by allowing the contractor access to project data and operations.

26. *CRIMES AGAINST BUSINESS PROGRAM. RESERVED.*

27. *RESERVED.*

ATTACHMENT J

CONGRESS OF THE UNITED STATES,
COMMITTEE ON THE JUDICIARY,
HOUSE OF REPRESENTATIVES,
Washington, D.C., April 28, 1977.

MR. JAMES GREGG

Acting Administrator, Law Enforcement Assistance Administration, Indiana Avenue, NW., Washington, D.C.

DEAR MR. GREGG: Thank you for forwarding to my office a copy of the new "Community Anti-crime Discretionary Grant Guidelines." I have studied the regulations very carefully as you requested in light of the intent of Congress in creating the new program and have developed the following assessment.

1. You refer to the program as a "discretionary grant program." The legislative history clearly indicates an intent that this not be a discretionary grant program under 306(a) (2) of the Act, but rather a separate activity under Sec. 101. As you know, this is a legal interpretation which would not force the stringent requirements of match and definitions of eligibility upon grantees of the community anti-crime program. These requirements would exist if this was named a "discretionary" grant program.

2. In paragraph 2 of the introduction to your guidelines you state, "This new funding authority replaces the crime prevention and crimes against the elderly projects formerly funded under the Citizen Participation Program." What has happened to those programs? I am aware that you had planned to expend approximately \$2.5 million on those programs. Will you offer grants under the new community anti-crime program? If so, will the \$25 million be subtracted from the \$15 million appropriated? My concern is that although these programs may be worthwhile, the criteria for selection of grantees are not applicable to the new community anti-crime program. Certainly, "endorsement of the proposal by the local police department" or "demonstrated coordination and involvement of the police in the program" are not requirements to be placed upon grantees in the program we are discussing. I urge you strongly not to fund such projects under the community anti-crime program. Particularly, I call to your attention your statement that "grants will not be awarded directly to state or local units of government or their agencies." This would preclude local police departments or government agencies being considered for grants. Yet in your former community crime prevention and crime against the elderly projects, these groups would be eligible. I do hope you will avoid this potential distortion of congressional intent.

3. Your program objectives are laudable. However, I do have concerns about two provisions, C(2) (h) and C(3) (a). Will you be using as a benchmark of success or failure of a program whether it "prevents crime" and "reduces victimization"? As you know from your experience in Impact Cities, crimes specific planning has not proven to be a viable concept. I expect that these projects will do much to change the environment from which crime arises, but I am sure you would not want to require that a grantee show crime reduction as a condition of refunding. I submit that your Hypothesis to be tested, Sec. (3) (a), be changed to omit reference to crime prevention. In addition, please define the term "multiplier effect" in Sec. (3) (b).

4. I am specifically concerned with your section on Program strategy. Section C (1) states, "the predominant mechanism for fund delivery and project monitoring at the neighborhood level will be the utilization of existing community organization networks that will be required to funnel funds to neighborhood groups." I will address that concept at length later in this letter, but my question at present is, what other mechanisms in addition to the "predominant" one will be used? I have received disturbing information that you intend to fund the Ford Foundation or other national organizations at a level of \$1 million or \$1.5 million to develop a community crime prevention program. There is so little money available and so many emerging neighborhood groups who could use the money. I wonder what is your justification for funding a national organization under this program. Would not a better approach be to fund the Ford Foundation as part of your regular discretionary grant program? I point out to you language in Sec. e (3) (a) captioned "Eligibility to receive grants," which states eligible grantees include "locally based organizations involved in community improvement efforts." I can understand that the National Urban League could comply with this requirement, because although it is a national group,

each local organization is autonomous and differs in approach. How would the Ford Foundation qualify as being a local organization? Similarly, how could such an organization meet the project selection criteria of Section h(2) (a)-(d)?

5. Grant applicants have to comply with certain listed criteria found in your sections C (3) (a-m) and e (1-3). I make the assumption these criteria apply to community level groups which will be conduits of grants to neighborhood groups. My questions about these "umbrella organizations" are as follows:

(1) Will they be receiving action funds to run their own programs or will they be simply administrative?

(2) Will there be a limit on how much money may be kept in the hands of the larger groups rather than be funneled to smaller groups?

(3) Won't the community groups be competing with their own neighborhood groups for a share of the action money? Why don't you put a 10%-20% limitation on funds which may be used by the community level groups for their own purposes?

(4) Reference is to Section C (3) (c) on your applications requirements. Does this requirement contemplate each neighborhood program will be named along with its projected amount of funds? After LEAA approval, will the contracts then be fixed and no change be made in allocations? Will LEAA be more apt to approve plans in which most of the money goes to the neighborhood groups rather than being kept in the community level organization? In Section d(1) you state "a major portion" of these funds must go to the neighborhoods. Please define "major portion."

(5) Reference is to Section C 3(h). Please clarify the definition of "new." Does this mean that if there is in a particular neighborhood a project already funded by LEAA that same project cannot be picked up under this program?

(6) How do you determine the size of a geographic area a community level organization must represent?

(7) Reference is to Section C 3(1). You seem concerned with crime problems related to the elderly and rightfully so. I want to share with you the experience the Judiciary Committee had in mandating that every state plan contain a program to deal with crime against the elderly. Some states have no significant elderly population and no problem of crime against the elderly. Therefore, the public law states: [P.L. 94-503, 303(a) (16)] "provide for the development of programs and projects for the prevention of crimes against the elderly, unless the State Planning agency makes an affirmative finding in such plan that such a requirement is inappropriate for the State;". I suggest you use the same rationale in your Community Anti-crime Program and include Section (1) only where appropriate.

6. Will the evaluation program be funded from the \$15 million? Will the Institute contract be competitive?

7. How will technical assistance be performed and by whom? Do you anticipate developing guidelines for the technical assistance effort?

8. My remaining concern is that those neighborhood groups which have legitimate projects but who are overlooked by the umbrella organizations for political or other reasons will not have an alternative approach to be funded. As you know, it was the intent of Congress to allow for direct funding to communities. I know the Justice Department has suggested to you a "safety valve" be used. An applicant should be able to come directly to LEAA for approval when rebuffed by an umbrella organization. The opportunity for LEAA review should be present. That does not mean the applicant has the right to be funded. This is my most important criticism. The vehicle you have chosen for expending the funds, i.e. umbrella groups, is not inherently objectionable, but safeguards must be incorporated into the program to allow the "little people" adequate access to funding.

9. Finally, I object to section d(3) which seems to imply the degree to which crime has been reduced will be an influencing factor on refunding.

I appreciate in advance your consideration of my remarks. They are in the form of comments and questions. I believe the answers to the questions posed will benefit Congress and the agency to assist in developing better guidelines for the new programs. As I have said in the past, I am eager to work with you to make this new initiative have the potentially far-reaching effect Congress envisioned.

Sincerely,

JOHN CONYERS, Jr.,
Chairman,
Subcommittee on Crime.

U.S. DEPARTMENT OF JUSTICE,
LAW ENFORCEMENT ASSISTANCE ADMINISTRATION,
Washington, D.C., May 10, 1977.

HON. JOHN CONYERS, JR.,
Chairman, Subcommittee on Crime, Committee on the Judiciary, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your letter of April 28, 1977, transmitting your comments on the draft Community Anti-Crime Program guidelines. We appreciate the opportunity to respond to the points you raised and offer the following comments:

POINT 1

You are correct in noting that the program is not a discretionary grant program. Section d. (1) of the draft guideline, Dollar Range and Number of Grants, states specifically that "There is no match requirement in this program." All references to the Community Anti-Crime Program as a discretionary program will be deleted.

POINT 2

The Citizen Participation program was allocated \$1.2 million in Part C funds and \$1.5 million in Part E funds for FY 1977. This allocation was a reduction from the FY 1976 level and represented a phasing out of this discretionary program. The FY 1977 funds have been used primarily to support the continuation of worthy projects funded in prior years and all funds have been obligated. The criteria for selection noted in your letter, "endorsement of the proposal by the local police department," applied to the FY 1977 Citizen Participation Program and will not apply to the Community Anti-Crime Program. The only related requirement in the new program as included in section c. (3)(k), Program Strategy, which states that proposed activities must "include evidence that local criminal justice agencies in the community have been consulted regarding the proposed activities." It is our belief that a cooperative relationship with local criminal justice officials can multiply the program effectiveness, but endorsement will not be required.

POINT 3

The reference to crime reduction you note are included under the Results Sought and Hypotheses to be Tested sections of the Guidelines. LEAA is interested in finding out what impact community and neighborhood based anti-crime programs have on the frequency of victimization among residents. Indeed, the Crime Control Act of 1976 mandates that LEAA "evaluate the impact and value of programs developed and adopted pursuant to this title." Such an evaluation must be an underlying factor in the program but it will not be used as the principal factor in refunding consideration. The requirements for refunding are contained in d. (3):

"Refunding consideration will be based on an evaluation of the projects' success in mobilizing community residents to engage in anti-crime activities and where measurable, its impact on deterring crime, reducing the fear of crime, and improving the administration of justice. Continuation funding will also be based on the degree to which LEAA funds have been successful in leveraging other funding sources, thereby multiplying the effectiveness of LEAA support."

The evaluation plan will attempt to gather data on the reduction of crime in the community, however, it is recognized that this may be difficult to accomplish. It should be possible to measure the reduced victimization of program participants, and also measure whether or not the fear of crime has been modified. The language does not provide that a reduction in crime will be the sole criteria for refunding, since in some instances this reduction may not be measurable.

The use of the word "multiplier" effect relates to the potential of this program to serve as a catalyst in achieving a broader impact on the crime problem by influencing other neighborhood revitalization programs such as housing and employment.

POINT 4

Discussions with the Ford Foundation were held during the program development stage. Although the draft Guidelines preclude their being funded for any active program, any national organization such as Ford, Urban League, National Organization of Black Law Enforcement Executives, and others, may be considered for participation in the technical assistance effort if their expertise is relevant to the program. No funding commitment for this purpose has yet been made to any organization.

POINT 5

(1) If a community organization wishes to conduct programs of its own, it would be required to stipulate that these programs are not currently funded by LEAA. In addition, it would be required to meet the criteria of sections c.(3) (a-m), e.(1-3) and h.(2)(a-j). Therefore, since any program would require neighborhood representation in its program structure, an existing community level organization which wanted to expand or strengthen current activities would be required to include within its program structure neighborhood programs not conducted by its own staff. We anticipate a mix of programs. In some instances a community organization may be primarily interested in organizing new neighborhood groups and thus assume an administrative and program development responsibility. In other instances there will be a mix of community agency projects and new neighborhood organizations.

(2) No limit has been placed on the amount of funds that can be kept in the hands of the community organizations. This is discussed more fully in response to questions (3) and (4).

(3) (4) According to the Guidelines section d.(1), a maximum of \$25,000 has been set for neighborhood level funding. This may be revised based on comments that will be received from the organizations reviewing the Guidelines. We feel that there must be some flexibility in revising the amount within the maximum, and there are administrative provisions for budget adjustments in the LEAA procedures. It is expected that some neighborhood groups may require less than the maximum, and unquestionably there will need to be budget adjustments as the programs are implemented. However, all community groups will be required to work within the amount of the award.

The program design calls for the community level organizations providing leadership, some technical assistance, and accountability for neighborhood conducted efforts. The Guidelines are designed to ensure that the bulk of the monies will get to the "street level." We do not feel that it is desirable or feasible to set percentage limitations because the unique characteristics of neighborhoods and communities may require flexibility in this respect.

Existing neighborhood organizations will be listed in the program plan submitted to the community organization. Where none exists the applicant would be required to indicate the number of neighborhood projects that will be developed. In reviewing applications LEAA would give priority consideration to those which offer the greatest potential for project activity at the neighborhood level. Placing a percentage limitation in order to define what constitutes a major portion of the funds would impose an artificial constraint on the program and may limit innovative program design at the local level.

(5) We do not feel that the limited Community Anti-Crime monies should be used to replace similar efforts which have heretofore been funded by LEAA or by State Planning Agencies with block grant funds.

(6) We have purposely not provided a rigid definition of the terms of neighborhood and community in order to maximize the chance for program eligibility. Our conception is that a neighborhood group might be as small as a 5 block square area and a community group might represent several such neighborhoods or be as large as a section of a city, e.g., Anacostia.

(7) We have not included the suggested language because we feel community groups may use it to avoid addressing the crime concerns of the elderly in communities and neighborhoods. It is our feeling that virtually all of the prospective groups which will be applying are located in neighborhoods and communities with significant elderly resident populations and this program offers a unique opportunity to rally community residents around the issue.

POINT 6

The evaluation will be funded by the National Institute of Law Enforcement and Criminal Justice. Any contract will be awarded according to standard government competitive procedures. LEAA has considered the possible need to provide additional funding for evaluation, however, we believe that the funds currently set aside will be sufficient.

POINT 7

We are currently developing a detailed technical assistance plan which will consist of tying together LEAA personnel and information resources, other federal agency resources, and national scope grants to provide information clearinghouse,

training and on-site technical assistance from the pre-application stage through program implementation.

The need to develop technical assistance capability prior to the application stage precludes the development of Guidelines for technical assistance grants. We are, therefore, requesting concept papers and pre-applications in order to make a determination as to their technical assistance capability. We are planning to have these grants awarded and technical assistance available to community groups and neighborhoods in June 1977.

POINT 8

The problem of attempting to fund all worthy projects is limited by the availability of funds. LEAA accepts the fact that it cannot make a determination as to the validity of local requests for funding but that primary programmatic evaluation rests with LEAA. There is no doubt that there will be some groups which may not be able to enter into the program for many reasons, including duplication of effort in a neighborhood, claims of prior effort or representation of the neighborhood. We feel that those determinations can best be made on the community level. We will make every effort to be flexible in negotiating with the community groups prior to award so that the selection of neighborhood groups included in the program will be fair and equitable.

If a safety valve is included in the Guidelines so that groups are funded outside of the proposed program structure, we may be opening the door to the single program funding of individual groups that we are attempting to avoid. If there are unusual instances where a case can be made for such funding LEAA may entertain application. Any such consideration should be done sparingly, and only where it is not possible to include the groups within the community program.

The decision to use community-level organizations as a coordinative mechanism for neighborhood efforts is based on three fundamental premises:

1. The need to ensure that grantees have the managerial capability to plan and administer federal funds;
2. The potential which exists to influence other community improvement monies in ways which can alleviate neighborhood crime problems; and,
3. A strong desire to maximize the potential for institutionalization of anti-crime programs. We are committed to developing a sound foundation so that such programs have a chance of survival when, as is eventually inevitable, LEAA funding must be reduced in order to support programs in new locations.

POINT 9

Reducing crime will not be the principal criterion for determining continuation funding. However, it must be a consideration in a total evaluation of a project's success or failure which will include among other things, a reduction in the fear of crime and its effect on the improvement in the administration of justice as stated in the Program Objective of the Community Anti-Crime Program.

Your continuing interest in this matter and the programs of the Law Enforcement Assistance Administration is appreciated.

Sincerely,

JAMES M. H. GREGG,
Assistant Administrator,
Office of Planning and Management.

Mr. CONYERS. Well, thank you very much. What we are trying to do, of course, is, take another look at some of the considerations in the guidelines; and I hope that you will be making that examination with us, which brings us to the main point, I suppose. Do you think we may, before these hearings are over, want to reconsider whether we want to close off applications on July 15?

Mr. GREGG. The purpose of the external review period is to receive comments from outside the agency that can be utilized in effectively refining the guidelines. It is quite possible that we will reconsider that date in light of the comments received. The deadline is not inflexible. Nothing in the guideline is set in concrete at this point.

Mr. CONYERS. Is there any way that we can cooperate with you in determining what kind of responses that you are getting?

In other words, we are going to make our responses available to you—no reason why we shouldn't. But is there any way that we can become the beneficiary of constructive criticism that is forwarded to you?

Mr. GREGG. Absolutely; we would be very pleased to provide you with the comments that we receive.

[Information may be found in appendix at p. 91.]

Mr. CONYERS. Then we will open up our doors both ways. Very good. How soon can we begin receiving the benefit of that kind of—

Mr. GREGG. We have not received any comments yet, but we should be shortly. As soon as we do, we'll be happy to share that with you.

Mr. CONYERS. Now, do you have any really big problems with a couple of notions that have already surfaced?

And I want to make it clear that I'm not trying to push you toward any conclusion, because I'm not firm in it myself. The CAP agencies are, at once, the most attractive and, of course, suspect politically. That's one problem.

Two, the big national organizations—the so-called “umbrellas”—and what kind of role they are going to play, is clearly another problem that we're going to have to continue to look at as these hearings go on.

Three, the restrictive nature of the guidelines, may be foreclosing areas of activity that may, otherwise, be open.

We can't go back and rewrite the pamphlet, but there seems to be at least some validity in the notion that maybe we're excluding creative programs that might otherwise, I think, win the approval of everybody by the guidelines themselves.

Maybe we need fewer of them, and maybe we need to surround them with less restrictions, quite frankly.

Now, the other problem that occurs to me is the whole question of whether we're really going to get people with a community background orientation in this. Or are we going to get people who contract out, or call in other people, so that there will begin to be the kind of delegation that will preclude this from having community level organization, grassroots type people. And will this kind of person staff the Office of Community Anticrime Programs?

I'd like to dare to suggest to you that we can find people and put them in at LEAA—and I'm not excluding the possibility that there may be people in LEAA already—who would be able to determine in Chicago, and Detroit, and the large metropolitan areas, those other community people that we could be using as a basis for screening the applications that will be coming in under our Community Anti-Crime Prevention Law.

Clearly, we're not going to be able to fund all of them, but if we had community people there, it would relieve the whole thing that a lot of people are worried about; namely, that there's going to be a tremendous layer of technical assistance and all of these intervening kinds of people who may miss the whole point, and miss the heart of the community activity, and, of course, thereby create a reaction and, to some extent, predict the failure of the program.

So, it seems to me that these are the kinds of considerations that have been brought to our attention collectively so far. Can you expound on any of them?

Mr. GREGG. Yes, let me respond briefly to each point. Then, I would like Mr. Pappas, who has been most directly involved in this program, to also respond.

Each point that you mention is significant.

First, the guideline, as drafted, only suggests these various community agencies might be appropriate, and does not indicate that they are the exclusive type of agency with which we will deal. These might include community action agencies, community development agencies, community based economic development corporations, and others.

What is meant by "others" is one of the points that you are raising. The witness that preceded me mentioned certain networks might be recipients of the funds.

We clearly did not intend to exclude other organizations. If that is still in doubt, we will make every effort to clarify it further.

These program descriptions are intended to be suggestive. We would be open to extending the type of activity suggested as eligible under this program.

Some of the comments that we will be receiving and some of the applications that will follow will certainly suggest very legitimate activities beyond those mentioned in this guideline. We do not want to leave the impression that these are exclusive categories. The description is preceded by the term "such as." Further language indicates: "It should be noted that the above projects are cited only examples."

We would be very open to making that more explicit and expanding the scope of activities that might be involved in this program.

The last point that you make is very important, and very difficult for us to deal with. Mr. Pappas has thought a great deal about this. Using the management structure that we suggested, we hope to promote community involvement, knowledge, and understanding, while keeping the bureaucracy of the program to an absolute minimum. Through careful monitoring of community organizations or networks of organizations we will make every effort to assure that this is, in fact, happening.

Again, we are very open to suggestions as to how the program might be implemented more effectively and still be manageable for LEAA.

Because, as we discussed in the briefing, we want to carry out this program well. We have got to proceed in a way that we can manage the program and recognize some of the constraints under which we are operating.

Let me ask Mr. Pappas if he has further comment on any of those three points.

Mr. CONYERS. Please do.

Mr. PAPPAS. The question of identifying community groups can be a difficult one in drafting the guidelines.

The reason we mentioned agencies such as CAP and human development agencies was that it would have been impossible to have named other existing community groups while indicating that we weren't leaning toward any particular group. There are quite a few groups in existence. It is surprising how vast a network there is.

We have received many inquiries from existing community organizations. We should perhaps more clearly define what we mean by community groups or "umbrella" organizations.

We are talking about groups that are now in existence. We are not talking about government agencies, groups like Woodlawn, like New Detroit are examples of organizations that have been in existence, that have previously run programs. They are aware of problems in the community.

We would not seriously consider the funding of national organizations for programatic purposes, unless those groups, as we indicated in the guidelines, have representation in the community.

That is an important point that we tried to make in drafting the guidelines. We do not want to restrict applications, but rather to be as flexible as possible. We hope to provide instructions to those groups interested in the program on how they can apply and what the parameters are. We hope for maximum participation on the part of neighborhood groups.

Under the current guidelines, it would be impossible for an organization to represent itself as being a part of a community when, in fact, neighborhoods are not included. They would have to show that they include specific neighborhood organizations—that these organizations have, in fact, been involved in development of the program.

Mr. CONYERS. Let me just ask—get to the one thing that I guess underlies this whole oversight hearing.

There are so many small groups out there that don't have a prayer of a chance, seriously, of ever qualifying for a grant to get in. They don't have a lawyer, et cetera.

So, with all due respect—you mentioned New Detroit—I really didn't envision them to come in and pull off \$1 million out of a program that's only \$15 million a year. I mean, we couldn't take it.

Mr. PAPPAS. We don't envision that, Mr. Chairman.

Mr. CONYERS. You mentioned them though. That's what bothers me. They can apply through every other possibility, which are very numerous, and probably already are doing quite well.

So we get down to the question, Mr. Pappas, of an infinite number of small groups with a relatively finite amount of money. The only way we're going to allow a lot of them to do a little bit is to grant the money and have it structured so that the little people would be able to get a chance at this.

Now, if we're talking about \$1 million to the Ford Foundation, and God knows how much to New Detroit, once you do that on a national basis, you're gone—we're done for.

And I guess the problem—just restating it—comes down to, "Well, if we're going to send money to a CAP agency in Chicago or Detroit—even as much as \$1 million—how on Earth is it ever going to get to the little people themselves?"

And the question we're probably wrestling with is, would it not be better to have community people in the office of community anticrime programs who can make and bear the responsibility of those judgments. To decide who gets what on the northwest side of Detroit, and on the east side of Detroit, base on their own experience, rather than having to send it through the CAP program and the city or the New Detroit program, which might or might not pick up all of these little people?

Mr. PAPPAS. First of all, the maximum amount that we envision awarding to any one group is \$250,000.

Second, we are setting a maximum for each neighborhood of \$25,000, and we were wondering whether that might be too much.

We are trying to keep the decisionmaking down at the city level in the community. The Federal Government should not identify the neighborhood groups. We want the people on the scene to do that.

Mr. CONYERS. Let's recess for a few minutes.

Mr. PAPPAS. All right.

[Recess.]

Mr. CONYERS. The subcommittee will come to order.

We were in the process of a discussion with Mr. Pappas, which we can resume.

Mr. PAPPAS. I would like to expound on the use of the community agencies as indicated by our guidelines. Only 10 percent of direct costs would be allowed for administrative purposes, restricting the amount of money available to the community group. The community group would be required, according to the guidelines, to pass the money on to the neighborhood groups.

We are setting a ceiling of \$25,000 so that the community organization would not be the recipient. We are trying to cut down the amount of indirect costs and limit money spent for administrative purposes.

One of the attractions of going to existing organizations for the program is a reduction of start-up costs and limitation of the development of a new administrative structure each time a grant is awarded. A community organization, for example, that already has a project director and secretary, could very well manage this program without requiring any additional staff.

We have tried to avoid expending a lot of money for administrative costs. This is one of the ways of doing it. There may be others that are as efficient. Certainly, taking an organization that exists and adding a little bit to it would make the program more effective in terms of management than building a new organization with additional people.

Mr. CONYERS. Have you developed a procedure by which you will review and evaluate the applications for grants and the way that you will grant applications for funding purposes?

Mr. PAPPAS. Not at this point, Mr. Chairman. We are going to do that. We will be developing criteria for selection.

We will utilize a panel review process. People from other Federal agencies who have had experience in this area will take the criteria, apply them to the applications received, and make recommendations to us as to which ones are the best quality.

Mr. CONYERS. Will you make that procedure available to myself as subcommittee chairman here?

Mr. PAPPAS. Yes, sir, as soon as the criteria are developed we'll be happy to.

[Information may be found in the appendix at p. 91.]

Mr. CONYERS. OK, then in it you will contain some factors that will weigh in the evaluation of these grant applications?

Mr. PAPPAS. That's right.

Mr. CONYERS. Maybe your percentages of what the most important things—

Mr. PAPPAS. There are a number of things that come to mind. For example, a heavy administrative structure would be a negative factor.

The need to purchase a great deal of equipment, such as desks or file cabinets, would be a factor that we would want to look carefully at.

One of the more important factors would be the inclusion of a large number of volunteers in the program. We want to discourage paying people to do what volunteers could be doing.

Mr. CONYERS. So you would be using community-based agencies and people who have community experience in developing the guidelines that you are going to use?

Mr. PAPPAS. The criteria? Yes. We'll use whatever expertise we can find to help us make these as clear as possible. We'll be happy to share these criteria with you when developed.

[Information may be found in the appendix at p. 91.]

Mr. CONYERS. If you happen to find that it's going to take beyond your July proposal, will you have any reluctance in extending the date for applications to be made?

For example, if we are at this stage now, someone might suggest that it's going to be awfully hard for us to come up with all of our ranking and procedures and weighting, and still do all of that. It might be just as easy to leave it open a little longer.

By the way, how many applications do you have now?

Mr. PAPPAS. We have received no applications yet. We have had quite a few inquiries, however.

I would like to clarify the fact that we are discussing two points—publishing the guidelines and developing selection criteria.

We can publish and send the guidelines out as soon as they are revised. This will permit adequate lead time for program development.

During that time, we can be developing the criteria. There is no need to hold one until the other is completed.

Mr. CONYERS. Can you tell me a little bit about the background of the pamphlet that advertised the Community Anti-Crime project—how it was developed, how it was disseminated, how many copies—

Mr. PAPPAS. I'm not sure of the date on that. I believe that the pamphlet was published prior to the work that we are doing on this program. It might have referred to past efforts such as the Neighborhood Watch program.

Mr. GREGG. I'm not certain about that either, Mr. Chairman. I believe it may be material prepared in connection with a Kiwanis effort to get information out regarding crime prevention activities. It has nothing to do with this program.

Mr. CONYERS. Well, do we have any information on literature out that does bear on the Community Anti-Crime program?

Mr. GREGG. I don't believe so.

Mr. PAPPAS. Our office has not developed anything on this new program as yet. We have concentrated on program development and the guidelines.

Mr. CONYERS. Well, then, how are the thousands upon thousands of community organizations going to be advised if there's nothing put out on it?

Mr. PAPPAS. As soon as the guidelines are published, we will be sending them to the people who have made inquiries to us and left their addresses.

We have our own distribution system, which includes State and regional planning organizations, our regional offices, and public interest groups. We have also received indications from HUD, HEW, CRS, and ACTION, that they would be very happy to distribute the guidelines.

In addition, a lot of community groups have asked us for material. We will send multiple copies that can be distributed to neighborhoods.

Mr. CONYERS. Well, of course that really is the problem. If we don't have the literature printed yet, and the cut-off date for applications is July 15—

Mr. PAPPAS. That date is not set, Mr. Chairman.

Mr. CONYERS. I see; that is a proposed date.

Mr. PAPPAS. Yes, it was included for the purpose of comment in the guidelines.

We want to avoid delaying the program too long. We are "caught between a rock and a hard place." We need to get the program out. There are a lot of inquiries and there is a lot of pressure from the communities for the program. At the same time, we are trying to develop a program that is workable.

Somewhere there is a middle ground. We will hopefully develop an agreeable date. It might be the end of August. We are very flexible on that.

Mr. CONYERS. Well, why don't you follow along with these hearings. We'll be having a number of other people that will be testifying, and, perhaps, that will give us some information.

Now, is anyone in the process of creating a pamphlet that would advise us about the office?

Mr. PAPPAS. We're working with our public information office in developing some kind of a brochure that will capsule the program, and give some information in support of the guidelines when they're published.

There are some things we can say now, but there are some items still to be determined. It would be difficult to publish anything right now.

It is interesting that there is a network, even greater than we realize, that knows what's happening. People communicate with each other. Sometimes, only two or three calls to various community groups will be sufficient to spread the word sufficiently.

(Pause.)

Mr. CONYERS. Our counsel has a few questions we would like to get on our record.

Mr. GREGORY. We've had some discussion today of technical assistance. Of course, technical assistance usually refers to assistance in carrying out a program or putting together a program; but the statute mandates a special type of technical assistance here, and that is assistance to community groups in applying for funds.

And my question is—the chairman has asked this in a general sense, but specifically: What are you doing in that regard, particularly in light of the fact that, under the existing guidelines—the draft guidelines—the neighborhood would, in effect, have to line up a sponsor before they are going to get any money?

Mr. PAPPAS. We have had discussions with a number of community organizations that have had extensive experience in providing technical assistance.

There are legislative requirements to provide technical assistance. We can't do that ourselves because there is not enough expertise in our one office to adequately provide that kind of service. We are discussing with a number of large community organizations that specialize in technical assistance the provision of technical assistance through program orientation.

We would like to see that initiation before, or soon after, the guidelines are out. It will be needed.

We've had discussions with a number of community groups that have told us that the problems are in two major areas: the preapplication stage, and the implementation stage.

Mr. GREGORY. What would that be, grant contract money or what?

Mr. PAPPAS. We envision grants. That is the most expeditious way of proceeding.

Mr. GREGORY. I still have some questions.

I've read your attachment to your prepared statement, in which Mr. Gregg responds to the questions of the chairman in the April 28 letter.

The question still exists in my mind about the fact that the community organization is both the "umbrella" and, in effect, the funding organization for neighborhoods, and also an action organization competing for funds.

I know you responded that you don't consider it appropriate to limit, as you have in the case of administrative costs, the amounts of action funds that the "umbrella" can keep.

Why is that so? Why do you feel that is not appropriate?

Mr. PAPPAS. Because it is very difficult to predict what is going to happen. We could, for purposes of simplification, say that a certain percent of the funds could be kept by the community organization. But if we did that, then we would be restricting the number of neighborhood groups that could participate.

Mr. GREGORY. Excuse me. I don't see how restricting the amount of money the larger organization can keep—it's an upper, not a lower. How would that limit the possibility of smaller ones getting money?

Mr. PAPPAS. Because we are limiting the funds for any one particular grant to \$250,000. A community organization might say, "We have five programs, and they're going to require a certain amount of money; we're also going to include five neighborhood groups." Two or three groups might not get included because of the maximum amount. Therefore, we're trying to be flexible. I can't foresee funding a community organization that comes in without any neighborhood groups included in its program.

Mr. CONYERS. Well, what counsel's working at—and I think this is the point that I want to emphasize—we would like to suggest that maybe there should be a proposal in which the action group cannot function as the "umbrella" group also.

In other words, you have a CAP program—that they wouldn't be out there in the field with their own—with some program also, working as they're doing the funding, because then they would, obviously, be competing.

And the next notion that comes about is, "Well, we could handle all of these programs." And someone could also, chiming in, say,

"much more efficiently than the community, so why do we need them at all."

The questions we're raising is that if you have a CAP type agency which would be helping to disseminate this program to action groups—to small community neighborhoods—that they would not be able themselves, then, to participate as a recipient of a grant under this operation.

Otherwise, it becomes rather incestuous. They would, obviously, conclude that they could do it better than anybody, so why give it to anybody. "We can handle the whole thing."

Do you see the point there?

Mr. GREGG. Yes.

Mr. CONYERS. And I think that's the thrust of counsel's comment, which we think is very critical.

Mr. PAPPAS. The only point that I can make on that is that the guidelines require neighborhood participation.

Mr. CONYERS. Yes.

Mr. PAPPAS. There would be no possibility of any organization coming to us, supporting its own program, without meeting the requirement that there be neighborhood participation and neighborhood involvement.

Mr. GREGG. We understand the point you're making, Mr. Chairman. It does present a conflict in the nonlegal sense.

We will consider that point and whether we should want to mix the functions in these organizations.

Mr. CONYERS. You know this problem has occurred in many, many programs. One operation starts off as the "umbrella" group, and then, pretty soon, it starts absorbing all of the functions. There's nothing left of anybody else, so it seems to me to be pretty important.

Let me make the example using our friends, New Detroit. They got into it, and I'm not at all by this example suggesting that they aren't worthy but they're already getting LEAA funds, as you all know. There would be no reason for them to even get into the new program.

But if it came to that, they would be operating in an "umbrella" capacity to get grant money out to deserving community organizations—block clubs and other more or less indigenous groups of citizens who will then come to them for money.

They would not be also charged, at the same time, to run a program of their own under this part of the LEAA operation. That's clear enough, isn't it?

Mr. GREGORY. In your response——

Mr. CONYERS. Did you want to——

Ms. HOLTZMAN. I have a number of questions about these guidelines.

I'm concerned about setting a \$50,000 minimum amount for a grant. I don't know why we are requiring groups to spend more money than is necessary to deal on a local neighborhood level with crime.

I can envision precinct community council—and I must have 7 of them in my district—that couldn't possibly use \$50,000. Would that preclude them from getting any assistance under this program?

Mr. GREGG. Ms. Holtzman, our concept is to fund 50 grants to "umbrella"-type organizations.

Ms. HOLTZMAN. We'll get to the "umbrella"-type organization later, but is there a minimum amount which must be spent?

Mr. GREGG. No, there really isn't. That is no problem. We indicated a minimum limit to facilitate the function of passing on funds to neighborhood groups. Realistically, it could take a fairly substantial amount of funds.

If this can be achieved effectively with less funds, obviously we would have no objection. In our guidelines we generally don't establish any kind of minimum amounts.

Ms. HOLTZMAN. I'm not sure that a nonprofit corporation, such as a precinct council—which has a long history of involving neighborhood community people in crime fighting, would be ineligible under this program for a grant.

Now, I want to know whether they would be eligible for a grant, and if so, whether they would have to apply for \$50,000 as a minimum.

Mr. PAPPAS. They would be eligible. There is no real minimum. Some dollar amount ranges are indicated, but that doesn't mean that a community group cannot seek and receive less.

Ms. HOLTZMAN. OK, I just wanted to make that clear.

Secondly, what are these "umbrella" groups? Where is your authority in the legislation to channel money through so-called umbrella groups that your agency designates?

Mr. GREGG. Let me ask Mr. Madden to respond to your question regarding the legal authority. This is an issue with respect to interpreting the legislation which was addressed in the Comptroller General's decision.

Ms. HOLTZMAN. I read that decision. I don't recall the word "umbrella group."

Mr. GREGG. No; but such groups ordinarily would be considered within the category of organizations that could be funded.

Ms. HOLTZMAN. Yes; but I'm asking for the legislative authority for a tier operation.

Mr. GREGG. No; this isn't specified in the 1976 legislation or in the Comptroller General's opinion.

Ms. HOLTZMAN. Where is the authority, then, to create this kind of two-tier system?

Mr. MADDEN. Ms. Holtzman, the authority comes from the statutes generally authorizing LEAA to make grants.

Under the Comptroller General's opinion, \$15 million may be used pursuant to the various existing authorities that LEAA has.

We have three basic areas of authority under which we can make categorical kinds of grants. One would be section 306(a)(2) of the Crime Control Act, under which we make discretionary grants. We do not intend to use that for community anticrime because a 10-percent cash match would be required.

The two other areas of authority are section 402(b)(1) of our statute, which is the general National Institute authority, and section 515 of the act.

Section 402(b)(1) authorizes the National Institute of Law says Enforcement and Criminal Justice to make grants to and enter into contracts with public agencies, institutions of higher education, or private organizations. An "umbrella" organization could be a private organization.

Ms. HOLTZMAN. Does that give authority to those grantees to grant to others?

Mr. MADDEN. They have authority to relay grants—particularly those for a program such as the one contemplated. There are other areas where we have made grants to larger organizations, and they, in turn, have made funds available to organizations underneath them.

Ms. HOLTZMAN. Could you give me an example?

Mr. MADDEN. I don't have an example which immediately comes to mind.

I certainly could supply you, for the record, an example. I can provide you more than one example of a situation where we made that kind of authority for making that kind of grant.

[Information to be found in appendix at p. 91.]

Ms. HOLTZMAN. So, you have the authority—you say you have the authority—in those existing precedents to make grants to so-called public institutions—that will make grants.

Mr. MADDEN. Not public insitutions. I'm sorry if I indicated public institutions.

Section 402(b) (1) says that we can make grants to public agencies, institutions of higher education, or private organizations.

Ms. HOLTZMAN. I'm sorry, private organizations.

Mr. MADDEN. Also, section 515 of our act authorizes us to cooperate with and render technical assistance to States, units of local government and combinations of such units and public or private organizations or institutions.

Ms. HOLTZMAN. I want to know where the power lies for LEAA—

Mr. MADDEN. Ms. Holtzman—

Ms. HOLTZMAN. Wait a minute—to select another organization, provide it with money, and then provide it with the power to make grants to other organizations.

Have you found me the statutory authority for that?

Mr. MADDEN. It would be the section 402 authority that I mentioned.

Ms. HOLTZMAN. It doesn't, in any way, talk about "umbrella" organizations or mention the power to make a grant.

Mr. MADDEN. From a legal standpoint we would be making a grant to the private organization. That private organization, in turn, would make funds available.

Ms. HOLTZMAN. What are the standards under which these "umbrella" organizations, in turn, can make grants to others?

Mr. MADDEN. When we use the word "grants," I contemplate the use of the "umbrella" organizations. They are not going to be making "grants" to those other organizations; they're going to be making funds available that that organization can use to carry out—

Ms. HOLTZMAN. All right, let's not use the word "grant," let's use the word "money."

What standards are in your guidelines for "umbrella" organizations to provide money, whether a grant or funds just plain money, to other organizations?

What is the basis for that?

Mr. GREGG. Let me ask Mr. Pappas to respond to that. It is my understanding that this would be a part of the grant application. The guideline standards would be used by the "umbrella" organizations in making these decisions.

Mr. PAPPAS. For example, a community agency might indicate that it had a certain area to develop into a program center. In their area

there could be five neighborhoods. These five neighborhoods come to the agency and say: "We want to be part of this application and we have an anticrime program."

For example, the program might be escort services for the elderly. The neighborhood group would tell the community agency, "This is our program and we want that to be part of constellation of programs that are implemented under the application that you submit."

The five neighborhoods that come in together would have five kinds of anticrime programs. They would describe the problems that they are addressing and what they intend to do about them.

The award would be made to the community organization. The grant would include the five neighborhoods as part of the program.

Ms. HOLTZMAN. Well, suppose the neighborhood group—let's say a precinct council—but it wants to get money under this program. It would have to go to an "umbrella" organization and say, "I want to be funded."

Suppose the "umbrella" organization says, "No, I don't want to give you any money;" how does it get funded? What are its rights? What are the standards for the "umbrella" organization?

Mr. PAPPAS. It's an incorporated community group—nonprofit community group.

Ms. HOLTZMAN. You don't need to have an "umbrella" organization; just have any nonprofit group in any neighborhood in any city in any rural area in this country applying directly to LEAA, and it would be entitled to receive funds.

Mr. PAPPAS. This is what we're talking about when we say an "umbrella" group—the organizations that can function as a group—

Ms. HOLTZMAN. An "umbrella" has a different connotation; I'm just trying to get straight in my mind exactly how this is going to operate.

Mr. CONYERS. Will the gentlewoman yield, please, because I'm very sympathetic with the point that she is making. Before you arrived there had been a discussion about what is, and what is the necessity of, this "umbrella."

And we have not at all agreed that there are even going to be any "umbrella" organizations. We've been talking in terms of possibility.

These guidelines are merely proposed. They are not inflexible.

And if I'm incorrect, gentlemen, I would need you to give some different assurance.

So, in other words, the "umbrella"—part of this, I don't think, has been locked in at all. I think your questions are quite appropriate.

Ms. HOLTZMAN. I appreciate the chairman's comment, because I just don't understand exactly how this can operate.

First, I'm told that a local, nonprofit, incorporated community organization can apply directly to LEAA for money. It doesn't have to apply for \$50,000; it can apply for \$3,000 to run an escort program, or buy additional equipment for its block watch operations, and the like.

Mr. PAPPAS. Right. We anticipate the applicants will include more than one single program. There would be three or four different kinds of anticrime programs within each.

Ms. HOLTZMAN. Each group has to propose to do any number of different things in order to qualify for the funds?

Mr. PAPPAS. I'm not sure I understand.

Ms. HOLTZMAN. Well, let's just say the precinct council says, "Look, the only thing we think we can really do effectively in crime fighting is run an escort operation for senior citizens, and we want to apply for—let's make it \$1,000.

Can they apply directly to LEAA, saying, "You know, we've had a lot of experience in the past with running these things. We've got a lot of volunteers. It'll cost \$1,000 for 12 months, and that's the only program we can operate, and we're going to apply directly to you."

Can that group do it?

Mr. PAPPAS. As the guidelines are structured, no; we would not entertain that.

Ms. HOLTZMAN. All right, how does that group get money? Would it have to run another program, too?

Mr. PAPPAS. No, what we're saying is that we're trying to pull together a number of neighborhood groups in order for them to come in for an award.

Ms. HOLTZMAN. Well what do you mean, "a number of neighborhood groups"?

Mr. PAPPAS. Well, there might be a group in addition to one you're referring to, or two or three more, that would also be interested in receiving funds.

They could coalesce and become what we would call a community group. They would be eligible for funds as soon as they incorporated.

Ms. HOLTZMAN. So, you would require a variety of precinct councils, possibly representing close to a million people, and they would have to incorporate in order to get a grant from you for \$3,000?

Are you going to provide them the money to hire a lawyer and get the corporation papers drawn up, et cetera?

Mr. PAPPAS. I don't think the applications coming in that kind of a program would be for \$3,000.

Ms. HOLTZMAN. So, now you say that a single organization can't directly apply; it's got to consist of a constellation of subgroups.

Mr. PAPPAS. Right.

Ms. HOLTZMAN. And each one of the subgroups could do something different.

Mr. PAPPAS. Right.

Ms. HOLTZMAN. And you have several so-called "umbrella" organizations; they aren't really "umbrella" but they consist of these groups that have come together.

Do several of those operate in the same territory?

Mr. PAPPAS. In the same territory?

Ms. HOLTZMAN. Yes.

Mr. PAPPAS. Conceivably you could, but not overlapping.

Ms. HOLTZMAN. Geographically or in terms of function?

Mr. PAPPAS. Geographically. In other words, we wouldn't want—

Ms. HOLTZMAN. So, it's the first constellation of organizations that comes to you that gets funded?

Mr. PAPPAS. No, we operate this program under a cutoff date for applications. We will wait until a certain date for all applications to be in, and will review all of the applications received at one time.

Ms. HOLTZMAN. I see in the criteria here, that you also include as a criterion, long-term existence. Isn't there a requirement that they have been in operation for some period of time?

But if these precinct councils must suddenly join together to apply for funds, aren't they going to be excluded because they just came together as an "umbrella" group for the purpose of applying for a grant?

Mr. PAPPAS. No.

Ms. HOLTZMAN. Well, aren't long-time existence, past experience, and experience in handling federal funds among the criteria or standards for acceptance?

Mr. PAPPAS. Some of these groups may very well have had programs in the past, or have had experience in running anti-crime programs.

Ms. HOLTZMAN. Yes, but they haven't had any Federal funds. They haven't had any experience handling Federal funds.

Mr. PAPPAS. That's only one of the criteria. Not meeting one wouldn't necessarily exclude a group.

Ms. HOLTZMAN. Well, the thing that troubles me is that you now require groups to come together that have not necessarily worked together in the past. Is the purpose of this just to facilitate the grant application process?

Mr. GREGG. If I may back up and discuss a little of the background for why we've taken this approach in the guidelines: It seemed the intent of Congress in enacting this program that, to the greatest extent possible, neighborhood groups be involved. It could be a broad effort, involving many jurisdictions and many neighborhood groups.

The challenging problem for us is in administering a program of this kind with a very limited staff. To date, the agency has been provided no staff positions to carry out this program.

We are now implementing the program with staff reprogrammed from other parts of the agency. We don't anticipate the provision of additional staff for this program in the future. In fact, we probably will be experiencing some employment freezes or at least new personnel ceilings within the Federal Government.

We are trying to devise a way of realizing the intent of Congress for this program of getting the funds down to neighborhood groups in a way that will be manageable for us. We do not want to create bureaucratic snarls and paperwork backups that we couldn't possibly cope with because of the limited staff available to administer this program.

We have devised this approach as the best possible way that we can conceive of. And as I stated to the Chairman, we are certainly open to suggestions of better ways of proceeding.

We feel this approach is the most feasible way of carrying out the intent Congress, considering the constraints that we are operating under with this program.

Ms. HOLTZMAN. Well, all I can say to you is—if the Chairman will grant me some time—is that I think we've built in an incredible bureaucracy in requiring the inclusion of a full-time project director.

You haven't provided neighborhood groups flexibility to deal with small projects in their own area. Some of these projects could be big projects; they could be coordinated projects. But some of them would be small, modest.

I don't know what kind of programs some groups may have had experience with, but you mandate that they develop projects for which they may have absolutely no expertise, interest, or ability.

You don't allow them to draw on their strengths and their past experience. Some of these requirements are unduly bureaucratic and not necessarily built on the strengths and experiences of these groups.

Mr. GREGG. We certainly want to streamline the process. Our assumption is that there are a lot more worthwhile groups and activities that could be funded than we have funds to take care of. That means choices and decisions have to be made. A significant effort has to go into making those choices and decisions.

Our feeling is that, to the greatest extent possible, the people closest to the problem should share in making those choices and decisions.

We are very reluctant, even if it were feasible—and I'm not sure that it is—to create a large additional Federal staff or bureaucracy to make some of these very sensitive and difficult choices.

This is our best conception regarding how we can decentralize some of the decisionmaking and effectively administer the program. We are however, very open to suggestions as to a better way to do it.

Mr. CONYERS. Well, I think the gentlewoman has raised a question that hasn't, heretofore, been put into direct analysis.

Now, let me tell you what the intent of Congress is. I think I know it as well as anyone here in this room.

And if you're suggesting, in your response to her—to the gentlewoman from New York—that a small neighborhood group cannot apply directly to LEAA for a small amount of money, without being required to submit multiple applications or anything else, then you are flying directly in the face of the congressional intent that has been built up in this subcommittee, gentlemen, for 4 solid years.

And any guidelines that would preclude that one central fact from happening would be directly flying in the face of congressional intent.

In other words—let me say this again, and I almost thought that I had said it too many times this afternoon, that this is for small neighborhood, unincorporated, indigenous groupings of citizens who do not have a lawyer—who are not prepared to deal with this matter on a full-time, or even part-time, basis—analogous to the kind of organization that the gentlewoman from New York cited in her district.

I'm talking about block club organizations that I'm familiar with in Detroit. And they're comprised exactly of people who live in the block or are automatically members. They elect a president. They may pay dues of \$1 or \$2 a year. It is totally voluntary.

They meet on a whole range of problems that they are involved in. And if several of those block clubs organize, then we have a larger grouping of block clubs.

This group block club organization should be able to make an application directly to the LEAA funding source. We think it might be endangered if it had to go through an "umbrella" operation, because who knows what the "umbrella" organization might decide.

If we have community-oriented people in the office of the community anti-crime program, then you can make that decision. Otherwise, you're going to fly in the face of what we intended to do, because you would be requiring more professional, more national, more incorporated organizations to participate.

So, any guidelines that you come up with that precludes a block club organization from making a direct and small application would be contrary to what we've been working on.

Now, can that be stated any clearer or simpler?

Mr. GREGG. No, sir. But I'm not sure that it can be done. There's no question that we understand, support, and will make every effort to see that this kind of block organization—neighborhood organization—is the recipient of these funds. Under our plan, it would be done through these “umbrella”-type organizations.

But if we were considering receipt of applications that would, ultimately, result in six or seven awards to neighborhood groups that would otherwise be included in one “umbrella” organization—perhaps selected from many thousands of applications—I have to, in all candor, assure you that this cannot be accomplished within our existing structural and staff constraints.

We want to try to get the job done. We're making every effort to find a way.

Mr. CONYERS. But if you do, you're the one that would be violating the laws, and you would be in violation of the intent of Congress if you don't do it the way that we've written it in the law and stated it in, literally, hundreds of instances.

Mr. GREGG. If we do it in a way that is inevitably going to fail, I don't think we would be carrying out the intent of the Congress either.

Mr. CONYERS. If it fails, we're going to have more oversight as to why it failed, but you can't—well, I won't say you can't come here and tell me you're not going to apply this to small groups. You've already told me you won't.

And if you don't do that, then that defeats the precise purpose of setting up an office, allocating the funds, holding hearings for two Congresses, having clarifications from everybody in Washington, having meetings with you.

And now we come to the gentlewoman of New York's very simple question—which I was confident of a good response—and she says, “Can a small neighborhood group apply for a very tiny grant directly to LEAA?”

And the answer from the Acting Director—in all candor, which I respect—is that it can't be done.

Now, the question then becomes: “Is it that it can't be done because of feasibility?” Is that what you're suggesting?

Mr. GREGG. I'm saying that it can't be done within the existing staffing constraints of LEAA.

Mr. CONYERS. You mean you don't have enough staff?

Mr. GREGG. Let me now point out, Mr. Chairman, that included in the reauthorization legislation—in which you and other members of the committee were directly involved—enacted last fall, were at least three new major areas of responsibility for LEAA.

There were extensive revisions to the civil rights enforcement requirements of the law. Considerably more demand was placed on LEAA for assuring compliance with civil rights responsibilities.

There are extensive new requirements for evaluation in connection with the block grant program, as well as other parts of the LEAA program.

There was also the Community Anti-Crime program. Coming at the same time, was another new LEAA responsibility for the Public Safety Officers' Benefits Act.

These are just some of the major new responsibilities added.

LEAA has not been provided one additional staff member to carry out these new undertakings, notwithstanding the substantial responsibilities that the agency previously had.

Mr. Chairman, we want this program to succeed and work. We want the money to get to the neighborhood groups to be used effectively. But we want to try to carry it out in a way in which we can accomplish that objective, and not try to carry it out in a way which would, frankly, be impossible.

Mr. CONYERS. Well, let me ask you this, before I get back to my original question: How many employees do you have?

Mr. GREGG. We have 797.

Mr. CONYERS. And how many people on contract or other special arrangement—directly employed?

Mr. GREGG. I don't have that specific number—all personnel under grants and contracts. I couldn't give you that figure right now.

Mr. CONYERS. Well, then, in other words, you're suggesting that you have to use the "umbrella" method; is that the thrust?

Mr. GREGG. All factors considered, that's the most feasible way that we can determine to reach the objectives of this legislation.

If we can find a better way, or a better way can be suggested which is realistic and feasible, we would be happy to consider it.

Mr. CONYERS. Well, I guess we're going to have to join in with you, then, since we have your invitation—which we welcome—to help develop a better way, because I'm not at all sure this plan is going to work either.

So, if you're going to be called before this committee on oversight for why it didn't work, I would think that you and I both would rather you be coming in on a plan that was recommended by the committee that failed, rather than some other plan, procured from I don't know where.

Mr. GREGG. Well, sir, I don't think we'll fail; we intend to succeed.

Mr. CONYERS. Well, I hope so, but before I thought that you were saying there was no way you could possibly fund a group directly from LEAA.

You have original LEAA operations. We have a place already—LEAA operations—that have been in business for quite a long time.

All of these people could, very easily, take on a direct local responsibility for making the grants, and it wouldn't involve outside organizations. They would be committees and commissions that are already directly subject to your review and jurisdiction right now.

Mr. MADDEN. Mr. Conyers, could I address that question?

Mr. CONYERS. Yes, please.

Mr. MADDEN. We want to make sure that we are doing what Congress intended. We have 800 people on the LEAA staff. This includes our regional office people. We have State planning agencies that receive funds from LEAA, and we have regional planning agencies that disburse funds for LEAA. It is our understanding however, that you did not want us to utilize that particular structure in making direct grants.

Thus, if you're talking about the staff resources available to LEAA, it's only the 800 I mentioned, not the people working at those State planning agencies.

Mr. CONYERS. What about the regional level?

Mr. MADDEN. That's included in the 800. We've got a program where we've got \$750 million that we're awarding, and we've got 800 people.

A number of those people are involved in audit activities regarding all of the money that we spent before. A lot of those people are involved in compliance activities and administrative functions to support the program effort.

Mr. CONYERS. Well, I'm not prepared to have our oversight hearing end up in a request for additional personnel gentlemen.

It seemed to me, when we strengthened the civil rights provisions of LEAA, it was done because the record so perfectly outrageous over the course of years that nobody objected to us bringing in legislation that would cause you to examine this very fundamental question far more carefully than you've done.

When we bring in the question of community anticrime programs, this wasn't dreamed up in some moment of haste. The whole history of LEAA has been a failure to sufficiently involve people at the lowest levels.

And now we finally get an office, we finally get a program, we finally get the legislation, we finally get the appropriations, and you say, "Well, there's not sufficient personnel to effect it in a way that would allow us to avoid "umbrella" organizations.

It would seem to me that if we had community people—community experienced people—even at a regional level, we would be able to facilitate direct funding and granting activity, so that we would avoid having some other agency interpose itself in the final result.

All we can do is look at it after the fact. It would seem that if you had your people there, we would be tearing down these walls that have divided law enforcement and citizens over the years, which is, precisely, what we were trying to do rather than interposing other organizations.

Now, I would like to seriously recommend that you go back to the drawing board and see if we can work out a method that would minimize outside involvement.

But we have to have a program that will allow block clubs, local organizations, small groups of citizens, in a geographical area—who are unincorporated, do not have a lawyer, that do not have a long history of existence for activity—to be able to simply put forward a small, inexpensive idea that would use very little money—who would be able to receive a grant under the provision of this part of the law.

Now, can we accomplish that much? Isn't that what the whole thing has been about all these years?

Mr. GREGG. I think we can accomplish that, but the issue, obviously, is whether we have to have LEAA staff—in Washington or in the regional offices—to receive directly and review those applications, or whether the intent can best be accomplished through use of "umbrella" organizations. That is a difficult issue. I don't believe we can take the former approach within our existing staff resources.

I would be misleading you, Mr. Chairman, and other members of the committee if I pretended that we could. If we set off on that route the result would almost certainly be failure.

We are trying to suggest an approach that we think can realistically accomplish the objective the Congress had in mind.

Mr. CONYERS. Well, why would you fail if you had funded directly from LEAA instead of an "umbrella" organization?

Mr. PAPPAS. There are several problems, Mr. Chairman. Aside from the question of the number of staff needed, we do have to assure fiscal accountability for moneys that are disbursed through any grants. We have requirements for monitoring programs.

If we were to provide direct funding to block groups and if we have, for example, 200 awards of \$1,500, how could we possibly monitor them? How could we assure fiscal accountability?

Many of the groups don't have experience in keeping books. They don't know how to report, they don't know how to monitor, and they wouldn't know how to directly manage this type of Federal grant program.

Mr. CONYERS. Well, could you name me some citizens' groups that don't know how to account to you for \$1,500? I could name you some professional corporations that have failed to account to you for a far larger sum than that.

I mean, that's been the problem that you've been criticized about. Now, if you're going to take that argument of accountability and turn around and apply it now to a neighborhood block club, and say, "we don't know how we're going to monitor and audit their handling of the \$1,500 grant, so, therefore, they should be asking for more, or get bigger, or get professional," I think that you're defeating the whole point of the community anticrime program.

I mean, what do we need? We can't create a neighborhood group large enough to conveniently be monitored and audited by you. I mean, that, gentlemen, is illogical on its face.

We don't care how small the group is. Suppose it was two block clubs and they had a good idea, and it went to your good offices—and we've set up an office in the law—and they said: "This is a good idea; it's small."

Unfortunately, they don't use a lot of money—which used not to be a basis of criticizing people asking for money—and we'd say "Fine," it's a small amount of money; they don't want \$25,000, they only want \$950 for three walkie-talkie radios to have the men operate as a support patrol for the local police."

How can I tell them when they write me that they weren't big enough to be a feasible audit unit, and, therefore, they couldn't get their grant? Would you help me with the kind of letter that might have to go out under the proposal that you're sincerely offering to us?

Mr. PAPPAS. All we're saying—

Mr. CONYERS. No, I want an answer to that, please.

Mr. GREGG. I would answer it by pointing out the fact that if each of the grants was for \$1,000, we would be making 15,000 grants that would have to be reviewed and considered in the context of the community situation.

Mr. CONYERS. Right.

Mr. GREGG. We would have to look at the laws from which they derive authority and consider many other factors.

If 15,000 grants were awarded, that would imply, as many as 60,000 to 100,000 applications.

Mr. CONYERS. I'm hoping for more than 15,000 grants; I mean, it doesn't have to be limited to 15,000.

\$15 million could get divided. They're not going to be perpetual grantees. These people have an idea that may need some assistance.

I'm going to send you, if I can, some of the discussion that has gone on in hearings since 1974 on this subject, because, gentlemen, the point is not to create a unit large enough for you to manage. The point is to involve citizens who want to help police the crime problem at the low level.

They can't become a size that fits your requirements. We have to exert a little bit of flexibility to do what is necessary to meet their needs. That's the precise problem.

We can't create a convenient audit size, or convenient review size, out there in anybody's district or in any town in this country. They have formed the units already, and I think that we are going to have to exert the kind of flexibility that's required.

Now, I'm going to send you some of that testimony and discussion that has gone on in the years previous, but I would like also for you to send me a breakdown of how you utilize the 700—800—men and women in your unit.

Are you also—when we start oversighting the civil rights provisions—are you going to be suggesting that those aren't going to be—those may or may not be subject to enforcement, based on how you utilize or can utilize—

Mr. GREGG. Because of the importance of that area, we have reprogrammed staff from other parts of the agency to effectively carry out the program. Tremendous progress has been made over the last 4 or 5 months.

But each time a requirement comes along such as the Freedom of Information Act, for example, there is a large workload for us. We've never had a position provided to carry out that function. The Privacy Act is another example.

A number of other compliance requirements have been levied on LEAA. Each time one of these comes along we have to borrow from another part of the organization.

We have borrowed auditors. Yet, four years ago an OMB study that indicated that LEAA ought to have at least 100 auditors. This is an OMB study regarding how to effectively audit our programs. We have less than 50.

Each time a new requirement comes along, we are forced to reprogram from other on-going responsibilities. Those functions suffer.

And if we had 30,000 or 60,000 grant applications come in that had to be reviewed, and we had the direct fiscal and financial accountability for them, it would overwhelm us. No amount of amount of reprogramming from other agency activities could realistically permit us to accomplish our objectives.

Mr. Chairman, if that is the intent, the legislation does need some revision which would make it clear that the agency is relieved of accountability for the administration of funds to these neighborhood groups.

Then, once the neighborhood groups are identified, they could become entitled to a certain, modest amount of funds. No executive agency would be responsible for seeing that they are appropriately utilized.

Mr. CONYERS. Well, we've never relieved you of responsibility for all the other programs which have been accused of mismanagement

through the 8 years of LEAA, which involved hundreds of thousands of dollars.

Nobody ever came up to the Hill and suggested that you get something written in the law not to have to hold grantees accountable; but when we come up with a small citizen grant, you now find it necessary to recommend to us that we excuse any kind of review.

Ms. HOLTZMAN. Would you yield?

Mr. CONYERS. Yes, I will.

Ms. HOLTZMAN. I just recall last year trying to find out how much New York State had spent of LEAA funds. Millions of dollars were involved, and I couldn't get an answer from LEAA, I couldn't get an answer from New York State. And nobody seemed worried about that.

And I'm deeply concerned about fiscal responsibility, but I think the Chairman is absolutely correct. You can get fiscal responsibility and fiscal accountability whether you're talking about a small group or a large group.

And sometimes, in fact, if you're talking about citizens who are not professional grantees and who have a specific project, you might get more honest people than you do in a lot of other programs.

Mr. CONYERS. Now, gentlemen, you should be reminded, a Mr. Velde came before this Committee when this legislation was under proposal. He testified before the committee.

He testified before me that he was perfectly aware—I think he was aware—of our intent. Of course, it's not clear to me now, because the more we talk about it, the more I'm beginning to wonder if you are aware of what we were talking about all these years.

He didn't talk about how many more staff were going to be required, but I'd like you to draw up a projection. I mean, we'd like to find out just exactly what we're talking about when we talk about we need additional staff.

I could envision a very simple way of accountability for a small grant. If a neighborhood group buys three walkie-talkie radios and they furnish you the receipts—mail them in—the originals or copies, how much more auditing would that require at the regional or the national basis?

If people were contracting for some kind of equipment, or software, or program, and they send you the invoices from the printer or from whomever the counselor was, how much more—what would you want them to do besides that?

It wouldn't be necessary to find a team of auditors, but we would probably need only report annually. I mean, there would be a limit of common judgment. That would be a special audit on the size and the amount of money involved, wouldn't it?

I mean, you couldn't have a quarterly report and accounting on an \$800 grant. We've had all kinds of problems with millions—literally millions of dollars—and the gentlewoman's example is only one. And I hope you invite me to draw some more to your attention.

We've had a few criticisms that have emanated from these hearings and others. That is one of the sorest points that could possibly be raised; and for you to be telling me that you don't know how you would develop some surveillance that would be accurate over a large number of small grants, then I think that we should all make sure

that we've examined these questions very carefully before we proceed with the program.

And I consider this to have been a very instructive first meeting in oversight on this question.

I yield to the minority counsel, Mr. Boyd, for question.

Mr. BOYD. I have a clarifying question, really, that would be easier to answer than that which has been put to you.

Last October LEAA was reauthorized in three years, and we're still in the proposal stage of guidelines. July 15, as you indicated earlier, may be extended indefinitely. We don't know exactly what date will be up.

And the reasons for this has been stated in written form by you, Mr. Gregg, but my question not goes to what happens if with the departure of 1977 we still haven't given grants to either "umbrella" or local organizations?

If the \$15 million which was appropriated for that year compounds itself into \$30 million for the next year—that is 1978—because the grants, according to your guidelines, are only 12 and 18 months long, so you're really only talking about a one-grant program, period. By that time—

Mr. GREGG. That's correct. If the grants were not made by the end of fiscal 1977, the funds would carry over into the next fiscal year. It would potentially be a program of \$30 million the following year.

Mr. BOYD. Well, what happens then with the third year since there are 12- to 18-month programs? There would be \$15 million left over, would there not?

Mr. GREGG. If you're saying that all those projects would be candidates for continuation, then there may have to be some reduction in program level.

Mr. CONYERS. Well, gentlemen, this has been a very helpful session. We appreciate your coming before us, and we would ask that we continue the more close relationship in exchange of information as we move toward a final fiscal outline for the Community Anti-crime program.

Thank you.

Mr. GREGG. We appreciate the opportunity.

Mr. CONYERS. The subcommittee stands adjourned.

[Whereupon, at 4:30 p.m., the hearing was adjourned.]

APPENDIXES

A—Material Submitted by LEAA for the Record:

- A-1 Criteria used to evaluate applications.
- A-2 Guidelines for panel review procedure.
- A-3 Brochure on neighborhood crime programs.
- A-4 Examples of authority for making grants to larger organizations for smaller organizations.
- A-5 Comments submitted to LEAA by various groups on the proposed guidelines.

B—Clarifying Amendments Proposed by Congressman Conyers:

- B-1 H.R. 6474.
- B-2 Statement explaining H.R. 6474.

C—Operation of the Community Services Administration:

- C-1 Background Memo.
- C-2 Text of 42 U.S.C. § 4128..
- C-3 Office of Management and Budget Guidelines on Jointly Funded Assistance to State and Local Governments and Nonprofit Organizations.
- C-4 GAO Report on the Community Action Agencies.
- C-5 CRS Report on the Operation of Community Action Agencies.
- C-6 CRS Background Information and Emerging Issues Concerning Community Action Agencies under the Community Services Administration.
- C-7 GAO Letter of July 20, 1976, on CAS.
- C-8 Testimony before the Committee on Government Operations Subcommittee on Manpower and Housing:
 - Statement of William J. Kaylor.
 - Statement of Kwame J. C. McDonald.
 - Statement of John Wilson.
 - Statement of Ambrose I. Lane.

D—Articles and Correspondence:

- D-1 Enlisting Ourselves in the War on Crime.
- D-2 Correspondence:
 - Letters to Attorney General Bell—May 26, 1977, and August 2, 1977.
 - Letter from Douglas Cunningham—March 17, 1977.

APPENDIX A

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- A-4 Examples of authority for making grants to larger organizations for smaller organizations.
- A-5 Comments submitted to LEAA by various groups on the proposed guidelines.

JULY 11, 1977.

MARK DAVIS, OCL.
JAMES EMMETT HAGERTY,
Program Manager, CACP.

LESLIE FREED'S INFORMATION REQUEST

In response to your request, I offer the following:

(1) The panel review process will be conducted in the following manner. Four reviewers will be chosen from within LEAA. To supplement these in-house resources, four additional panel members will be selected from among the follow-

CONTINUED

1 OF 3

ing agencies: HEW, HUD, ACTION, and the Community Relations Service of the Department of Justice. Proposals will be provided to each reviewer at least 2 weeks prior to the panel review meeting. At the panel review session, each panel member's ratings will be recorded. Where significant difference exist among proposal ratings, debate will be conducted until a consensus judgment can be reached.

(2) The criteria to be used in evaluating proposals are contained in the guidelines: Programmatic criteria are listed in Section d. *Program Strategy* (6) (a-m) and administrative criteria are listed in Section i., Criteria for Selection of Projects, (2), (a-j). The detailed weighting system for the criteria is currently under development and will be finalized before the first deadline date of August 31, 1977.

(3) No additional comments on the guidelines have been received.

(4) The brochure for the Community Anti-Crime Program is currently under development and is not yet ready for dissemination.

LEAA COMMUNITY ANTI-CRIME PANEL REVIEW PROCESS

The panel review process will be conducted in the following manner. Four reviewers will be chosen from within LEAA. To supplement these in-house resources, four additional panel members will be selected from among the following agencies: HEW, HUD, ACTION, and the Community Relations Service of the Department of Justice.

Proposals will be provided to each reviewer at least two weeks prior to the panel review meeting. At the panel review session, each panel member's ratings will be recorded. Where significant differences exist among proposal ratings, debate will be conducted until a consensus judgment can be reached.

LEAA COMMUNITY ANTI-CRIME PROPOSAL REVIEW CRITERIA

The criteria to be used in evaluating proposals are contained in the guidelines for the Community Anti-Crime Program. Programmatic criteria are listed in Section d., Program Strategy, (6), (a)-(m). Administrative criteria are listed in Section i., Criteria for Selection of Projects, (2), (a)-(j). The detailed weighting system for the criteria is under development and will be finalized before the first application deadline date of August 31, 1977.

CITIZENS AGAINST CRIME

Law Enforcement Assistance Administration
U.S. Department of Justice



Don't Just Worry About Crime

Join millions of your fellow citizens and **DO SOMETHING** about it.

Get involved. Begin a home security program for your club members or your office or your block. Take part in an antiburglary campaign like National Neighborhood Watch. Or volunteer your time—to your police department, the courts, or the local jail. They need you. They need whatever help they can get.

Citizens' help is essential if crime is to be prevented. The Law Enforcement Assistance Administration urges you to become directly involved. To take on greater responsibilities.

Like what?

You can volunteer to work with juveniles. You can tutor them, operate recreational programs, counsel the youngsters, help them find part-time jobs, encourage dropouts to return to school.

You should talk to your police or sheriff's department. Many need volunteers in community relations or youth work. Others may welcome help in performing "civilian" jobs, from checking crime reports to answering telephones in the stationhouse.

You can volunteer your time to conduct programs for inmates in your local jail—tutoring, recreation, advice about family budgeting, etc. Many jails don't have such programs or if they do, the programs are inadequate. As a result, inmates are confined to their cells all day long.

You may sponsor a work release program for nondangerous offenders. Help find

jobs for those leaving prison. Or assist your local court in providing services to crime victims and witnesses.

Residents of an 800-block area of Seattle find it's good sense to participate in the city-run, LEAA-sponsored Community Crime Prevention Project. Preliminary data show that the participating residents have reduced their chance of being burglarized by 61 percent.

The project involves three key services:

Marking valuables. Participants mark valuable items—such as stereos and television sets—with identification numbers. This can be the participant's driver's license or social security number. A window sticker draws this to the attention of would-be thieves who find numbered items hard to fence and impossible to pawn.

Block watchers. The project recruits participants as block watchers and gives them maps marked with residents' names, addresses, and telephone numbers. If block watchers see a suspicious person around a home, they can phone the resident immediately.

Information. This includes tips on protecting homes—for example, advice about locks—and monthly information about the current burglary rate, the way burglars are entering houses, and the kind of items being stolen.

Seattle project officials began by writing to residents, then rang doorbells and held block meetings to enlist citizen participation.

Denver conducts a property-marking program which has enrolled 59,000 homes and shops. In the three years since the program began there have been 55,719 burglaries in the city but only 1,543 involved participating homes and

shops. As in Seattle, participants display warning stickers in their windows.

The LEAA-financed National Neighborhood Watch program assists citizens and police in working together to prevent burglaries.

The National Sheriffs' Association conducts the program which includes these elements:

- Public education to increase citizen awareness of burglary.
- Training people to protect their property.
- Developing a neighborhood action program that includes block watching and reporting suspicious persons and activities to police.
- Encouraging citizens to report crimes.

By the end of its third year Neighborhood Watch was active in more than 1,600 cities and counties. More than five million families had received 65 million items of antiburglary instruction. You, too, can participate. For more information write to the National Sheriffs' Association, 1250 Connecticut Avenue, N.W., Washington, D. C. 20036. The Association will provide free kits of information ranging from window stickers to a security checklist for homes.

Women volunteers in St. Louis and Indianapolis conduct a far-ranging series of anticrime programs.

In St. Louis, for example, the Women's Crusade Against Crime encourages groups to sponsor "Whistle Stop"—by buying whistles in bulk and telling members to blow them in case of a purse snatch, mugging or other street crime. The Crusade's "secret witness" program urges citizens to call the Crusade's "secret operator" to report crimes happening or

describe facts on crimes not reported earlier. Crusaders also have sponsored programs for women in jail—including tutoring and exercise classes.

Law enforcement officers can attend the LEAA-sponsored National Crime Prevention Institute in Louisville to learn how to teach crime prevention in their cities. More than 500 officers attend yearly to learn the latest techniques in security for homes and businesses.

LEAA works with citizens' groups including the Kiwanis International, National Junior League, and the General Federation of Women's Clubs to develop anticrime programs at the grassroots level. One program aligns the AFL-CIO, representing more than 14 million workers, with the National Council on Crime and Delinquency, the nation's oldest volunteer organization devoted to reforming criminal justice. These two organizations have launched massive education programs to educate the public in crime prevention.

In Philadelphia a grassroots effort that began in 1972 now includes members over a 600-city-block area.

Citizens' Local Alliance for a Safer Philadelphia (CLASP) instructs residents on ways to reduce crime and offers a property-marking program that includes 4,000 homes, housing associations, and businesses. CLASP has given special attention to areas where abandoned houses have created critical crime problems. Project officials say crime has decreased as much as 20 percent in some sections.

For more information about community crime prevention and things citizens' groups can do, write to:

Office of Community Anti-Crime Programs
Law Enforcement Assistance Administration
633 Indiana Avenue, N.W.
Washington, D. C. 20531

U.S. DEPARTMENT OF JUSTICE,
LAW ENFORCEMENT ASSISTANCE ADMINISTRATION,
Washington, D.C., August 5, 1977.

HON. JOHN CONYERS, JR.,
House of Representatives
Washington, D.C.

DEAR CONGRESSMAN CONYERS: In testimony before your Committee, I promised to supply certain material for the record.

In response to a question from Congresswoman Holtzman, I stated that LEAA made grants to organizations who in turn provided funds to other organizations to carry out the grant purposes. I was not able to provide examples during the testimony and promised to provide examples for the record. Examples include:

1. Grant No. 76-ED-99-0022 to the American Correctional Association (ACA). Under this grant, the ACA made funds available to 20 public and private agencies for programs for constructive use of leisure time in correctional institutions and community-based correctional facilities.

2. Grant Nos. 75-DF-99-0020, 76-DF-99-0022, and 77-DF-99-0035 to the National District Attorney's Association (NDAA). Under these grants, the NDAA made funds available to different district attorney offices for victim assistance programs.

Sincerely,

THOMAS J. MADDEN
Assistant Administrator General Counsel.

NATIONAL LEAGUE OF CITIES,
U.S. CONFERENCE OF MAYORS,
May 20, 1977.

MR. JAMES M. H. GREGG,
Assistant Administrator, Office of Planning and Management, Law Enforcement
Assistance Administration, U.S. Department of Justice, 633 Indiana Avenue,
NW., Washington, D.C.

DEAR MR. GREGG: The following comments and recommendations are submitted pursuant to the proposed "Community Anti-Crime Discretionary Grant" guidelines. Our comments reflect a broad cross section of views by local officials on the effects of these guidelines.

INTRODUCTION

Community crime prevention is an essential element in crime control efforts, and neighborhood level involvement is a necessity in the successful operation of crime prevention programs.

The experience of Local Criminal Justice Planners indicate the need for some form of city-wide coordination of crime prevention efforts in order to minimize duplication and waste, monitor programs, and develop appropriate crime control priorities.

COMMENTS ON THE COMMUNITY ANTI-CRIME GUIDELINES

The March 2, 1977 decision of the Comptroller General of the United States clarifies this program's fiscal position and the subject jurisdiction of which this office is to function. That decision states, in digest: "LEAA is not required to spend \$15 million specially authorized for appropriation by Public Law No. 94-503 for community patrol activities and encouragement of neighborhood participation in crime prevention and public safety efforts under section 301(b) (6) of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, since funds were not ear-marked for such purposes under Public Law No. 94-362, its current appropriation Act."

The 1976 amendments establishing the Office of Community Anti-Crime programs mandates three specific activities of that office:

1. Provide technical assistance to community and citizen groups to enable such groups to apply for grants.
2. Coordinate activities with federal agencies working in this area, and
3. Provide information on successful programs to citizen and community groups.

The Office of Community Anti-Crime must provide technical assistance and information to community and citizen groups, and coordinate the office's activities with other federal agencies. There is no mention of discretionary grant program for neighborhood or community groups. Such a program may be desirable but its primary legal responsibility should be to provide technical assistance and information dissemination. The new guidelines do not satisfy this mandate of the legislation.

According to the guidelines, the program objective is:

"To assist community organizations, neighborhood groups and individual citizens in becoming actively involved in activities designed to prevent crime, reduce the fear of crime and improve the administration of justice."

The objective should be to provide technical assistance and information to encourage community and neighborhood groups to become involved in anti-crime activities. This new objective would then allow existing criminal justice and crime prevention offices to work with neighborhood and community organizations to design anti-crime and crime prevention activities. Page 53-56, Paragraph 25(e) (2), of the guideline excludes states and local units of government from participating in this program. We feel this is a mistake. Local units of government, through their Criminal Justice Coordinating Councils are precisely the agencies which can most effectively provide the technical assistance and information dissemination to the community based agencies to develop programs.

It is unlikely that community based groups with their budgetary limitations would be able to effectively continue these projects after the expiration of their awards. As a result these community organizations would necessarily have to turn to the unit of local government as the obvious source of funding after the initial programs' termination. It would be difficult for local units of government to fund programs they are not involved in.

The cities realize the necessity of creating and maintaining coordination and balance between the local criminal justice planning agencies and community agencies. Funding decisions made by Washington without adequate local input would dilute the coordinating role that cities could assume. There must be synchronization with locally-established LEAA programs. To by-pass this would destroy many years of local planning which has been aimed at cooperation between local government and citizens groups.

Leadership in our daily affairs is provided by a number of persons and things. We recognize and follow the leadership of churches; civic associations; neighbors; elected officials; and many others.

In community anti-crime programs leadership is an important ingredient for successful, positive results. There are thin lines, in this realm of human endeavor, between positive and negative operations. Assistant Attorney General Benjamin R. Civiletti cited a "volunteer CB Radio Team" in Baltimore as an example of a good citizen anti-crime program in a speech to the Clearwater Bar Association on April 29, 1977. Mr. Civiletti noted the program was organized to aid the police in patrol and observation in one of the most severe crime areas of Baltimore. He went on to say that the program had a number of "positive values."

There are other programs similar to the Baltimore program operating in other cities. Some, like Baltimore, have had positive effects. Others have been from their inception, or have degenerated into, activities which have a negative impact. The line between programs which observe for the police and others which tend to close off public thoroughfares to anyone not "belonging" in a neighborhood is difficult to draw. Suffice it to say that there is a difference; it is real; it is recognizable. The key question is why is there a difference? More than any other reason, leadership is probably the answer. We use this example because it is illustrative. Other programs in other areas of criminal justice could be cited as well. Court watching programs can be exemplary or simply motivated by ideological considerations.

We note the necessity of leadership in community anti-crime programs to stress our deep concern over the effort of LEAA to deny any leadership role for municipal officials. The elements of leadership in our cities represented by elected officials and the criminal justice community is vital, we feel, to the success or failure of community anti-crime programs. To ignore this element will surely lead to ill-conceived, poorly operated programs that will adversely affect the citizens of our cities. We believe that the leadership provided by city officials will make the crucial difference between positive or negative results.

Congress wrestled greatly with this concern in the process of extending LEAA in 1976. An attempt was made to delete from Section 301(b) (6) the approval authority of local governments over crime prevention programs funded with Part C funds. This attempt was defeated. Granted the funding from LEAA now under consideration is taken from Part D and does not explicitly need approval authority by local units of government. Nevertheless, the Act itself must be considered in its total context in order to understand Congressional intent. We are aware of powerful Congressional wishes concerning this program. However, the language is so ambiguous in parts relating to community anti-crime programs that the action of Congress in re-inserting the approval authority must be heavily considered.

Additionally, throughout Part D, reference is repeatedly made to state and local government as primarily recipients of Institute activities.

We do not advocate grants being made to local units of government. We do advocate that LEAA utilize its existing network of state and city criminal justice planning offices to administer, coordinate, plan, and oversee the grants to neighborhood and community groups. If this channel is not used, then the ability of local officials to provide leadership will be neglected. And it is this key leadership element which will be so desperately needed in this particular program to insure its success.

We have discussed the need for leadership by municipal officials. We know this element best. However, we are as deeply concerned over the seeming unwillingness of LEAA to assume a leadership role in the national area for crime prevention.

LEAA now has the mandate of Congress to take a leading position in designing, defining, encouraging other agency involvement, and implementing crime prevention programs on a broad scale.

The ability of LEAA to draw together leaders in manufacturing, insurance, labor, and criminal justice, along with elected policymakers could prove to be of the agency's greatest assets. Greater security devices for automobiles, insurance premium reductions for secure buildings, information dissemination and support from labor, expertise and leadership from criminal justice professionals, and the adoption and full support of crime prevention as a policy by elected officials, might prove to be as successful an undertaking in crime reduction as the career criminal programs. Certainly, expanding the definition of crime prevention to encompass a broader range of activities and involvement is one of the most crucial under-takings the new office will face.

The present D.F. outline does not give any indication that LEAA or the Office of Community Anti-Crime programs will work to stimulate activities on a broad scale. Rather, it focuses primarily on small neighborhood programs. The effect of the small programs may be significant in an area of a few blocks in one city. Involvement by insurance company officials, automobile manufacturers and others would impact crime rates nationally.

Sadly, LEAA has designed a program to exclusively address micro rather than macro concerns. In so doing it has turned away from a leadership role of great potential benefit.

We are enclosing the copies of comments we have received from a number of cities to illustrate the depth of concern and interest in the community anti-crime program.

Thank you for giving us the opportunity to comment on these guidelines. We look forward to your response and are available to meet with you at your convenience to discuss the program.

Sincerely,

WILLIAM R. DRAKE,
Director, Criminal Justice Program.

NATIONAL ASSOCIATION OF NEIGHBORHOODS,
Washington, D.C., May 16, 1977.

JAMES EMMETT HAGERTY,
Program Manager, Office of Regional Operations, Law Enforcement Assistance
Administration, Washington, D.C.

DEAR MR. HAGERTY, Thank you for sending me the Community Anti-Crime Discretionary Grant Guidelines. While I am in agreement with the program strategy outlined on page 58C, I note two discrepancies that you may wish to

address. First, if "the predominant mechanism for fund delivery and project monitoring at the neighborhood level will be the utilization of existing community organization networks . . ." then the sub-program objectives should state your interest in working with existing neighborhood organizations and their networks. Second, I do not understand the exclusion of national affiliate networks of existing organizations under eligibility section.

Arnold Sagalyn and I would like to meet with you to discuss these matters. He will be calling you in the next few days for an appointment.

Sincerely,

MILTON KOTLER.

THE NATIONAL ASSOCIATION OF CRIMINAL JUSTICE PLANNING DIRECTORS,

May 11, 1977.

MR. JAMES HAGERTY,
Office of Regional Operations, LEAA,
Washington, D.C.

DEAR JIM: Based on the responses that I have received from the Executive Committee, the basic concerns of NACJPD with respect to the proposed Community Anti-Crime Discretionary Guidelines are that government entities cannot receive grants and that the existing administrative framework is ignored.

If you have any questions, please call.

Sincerely,

MARK A. CUNIFF.

NATIONAL CONFERENCE OF STATE CRIMINAL JUSTICE

PLANNING ADMINISTRATORS,

Washington, D.C., May 26, 1977.

MR. JAMES HAGERTY,
Program Manager, Office of Regional Operations, Law Enforcement Assistance
Administration, 633 Indiana Avenue, N.W., Washington, D.C.

DEAR JIM: Attached for your use are copies of the comments of seven SPAs and a staff member of the National Conference on proposed LEAA guideline change M 4500.1E chg-2 entitled "Community Anti-Crime Discretionary Grant Guidelines". Those comments came from the following SPAs: Delaware, Illinois, Maine, New Hampshire, New Jersey, Pennsylvania and South Dakota.

I thank you for your attention to the enclosed material.

Sincerely,

RICHARD B. GELTMAN, General Counsel.

GOVERNOR'S COMMISSION ON CRIMINAL JUSTICE,

Wilmington, Del., April 27, 1977.

NATIONAL CONFERENCE OF STATE CRIMINAL JUSTICE PLANNING ADMINISTRATORS,
(Att. of Richard B. Geltman).
Washington, D.C.

DEAR MR. GELTMAN: I am responding to your request for comments on LEAA draft guideline M4500.1E Chg-2.

State or local units of government should be eligible to receive grants on behalf of neighborhood groups. Restricting eligible applicants to incorporated non-profit organizations will severely limit the pool of capable program developers. Public agencies and organizations have the expertise to initiate and monitor crime prevention programs involving neighborhood groups. In some cases, a public agency is one of the few, if not the only, entity capable of organizing and monitoring an effective community anti-crime program, e.g. police: neighborhood patrols.

Sincerely,

CHRISTINE M. HARKER, Executive Director.

ILLINOIS LAW ENFORCEMENT COMMISSION,
Chicago, Ill., May 20, 1977.

Re LEAA Draft Guideline M4500. 1E Chg. 2, "Community Anti-Crime Discretionary Grant Guidelines."

MR. RICHARD GELTMAN,
General Counsel, National Conference of State Criminal Justice Planning Administrators, 444 North Capitol Street, N.W., Washington, D.C.

DEAR MR. GELTMAN: Following are our comments relative to the above-referenced draft guidelines:

A. CHAPTER 2, PARAGRAPH 250(1), PROGRAM STRATEGY

Considering the significant and continuing amount of criticism raised concerning LEAA's lack of identifiable success or impact, statements such as the following in the second paragraph under C(1), if implemented, would seem ill advised at best. "Priority will be given to programs and activities that are public minded in the sense that they are designed to promote a social or collective response to crime and to the fear of crime at the neighborhood level . . ."

A "social or collective response" which does not result in an identifiable impact on the rate and incidence of target crime in the selected areas will be justly criticized by LEAA opponents.

We recommend that priority emphasis be placed on program proposals that clearly define target crime(s) to be singled out for action with clearly thought out programs for prevention of those crimes. The ability to evaluate objectively, both during and at the close of the program, an identifiable impact on the program objectives also should be considered.

We also disagree with the neighborhood group consortium concept under the sponsorship of an established community level organization. Such an approach merely adds another layer of bureaucracy with its attendant costs which subtract from the amount of available direct service (hopefully, direct impact) dollars. It also dilutes responsibility and accountability from program accomplishments. Such a strategy also would be impractical in all but the larger metropolitan areas.

B. CHAPTER 2, PARAGRAPH 250(2), PROJECT ELEMENTS

We disagree with the inclusion of project elements that relate to the juvenile delinquency areas, e.g., youth crisis centers, juvenile counseling services and volunteer based recreation programs. Such projects should be funded and coordinated through the already existent juvenile justice program. We also believe that the project elements should be further limited in scope to only those of a *proactive crime prevention* nature eliminating those programs dealing with offenders and victims of crime. Such a modification would again serve to focus the thrust of the limited resources available and thus serve potentially to maximize the measurable impact of the program. By broadening the range of acceptable projects the program also loses its prevention/community identity very quickly.

C. CHAPTER 2, PARAGRAPH 250(2) (H), DATA AND INFORMATION REQUIRED

If the intent of the program is to fund and promote "new" efforts current funding restrictions should not be limited to just "other LEAA sources."

D. CHAPTER 2, PARAGRAPH 250(1), DOLLAR RANGE AND NUMBER OF GRANTS

In order to provide more action programs for a larger number of communities we recommend lowering the bottom of the dollar range to \$25,000 and respectively increasing the total number of approximate grants. Many good and effective programs could be funded in medium and smaller metropolitan areas at these lower dollar figures. See also Comment A relative to our objections to the consortium concept in this program.

E. CHAPTER 2, PARAGRAPH 250(3), REFUNDING CONSIDERATION

Based again on recent criticism of the LEAA program we recommend that no consideration be given to refunding any program where it was not possible to measure its impact on deterring crime.

F. CHAPTER 2, PARAGRAPH 25E, ELIGIBILITY TO RECEIVE GRANTS

In order to improve the probability of success in the funded programs the outlined eligibility criteria needs to be significantly strengthened. The following elements, at a minimum, should be included:

Demonstrate organizational existence for at least one year prior to submission of the application.

Provide documentation of programmatic and personnel competency for the proposed project.

Provide justification for claiming representation for the target community.

Document knowledge and approval of the people upon whom the proposed project will impact.

Identify other relevant criminal justice programs successfully completed by the applicant.

Document bonding of key applicant fiscal staff.

Provide letters of support/endorsement from the local criminal justice agencies/officials of the proposed program and applicant(s).

Eligibility requirements and program priorities such as enumerated in the attached ILEG Draft Guidelines for Community Crime Prevention Programs should be adopted and incorporated wherever possible to strengthen the program.

G. GENERAL COMMENT

Given LEAA's previously demonstrated shortcomings in the areas of program monitoring and technical assistance, this program, as loosely constituted in the current draft, is almost certainly doomed to mediocre success at best. We recommend, therefore, that at the minimum LEAA plan to provide for proactive quarterly monitoring and technical assistance to provide the high level of support and guidance which will be needed by the relatively inexperienced applicants who will be awarded grants under this program.

It should also be noted that the proposed program shifts a great deal of power and influence to the local groups without, in the proposed draft, sufficient controls. This thereby enhances the possibility of abuse which should be guarded against.

Very truly yours,

JAMES B. ZAGEL, *Executive Director.*

DRAFT GUIDELINES FOR COMMUNITY CRIME PREVENTION PROGRAMS

Program 22e of the 1975 Annual Crime Control Plan

PURPOSE

The general program information regarding grant and/or contract expectations in response to this project area are fairly well defined on pages 375-377 of the Plan; these guidelines, however, are to clarify eligibility criteria and expand upon desired program goals as a means of precluding misunderstandings or needless work spent writing applications by well meaning yet ineligible grantees.

ELIGIBILITY REQUIREMENTS

Successful applicants will be those private, including profit-making, organizations and agencies which can demonstrate programmatic and personnel competency for the proposed project, demonstrate an organizational existence for twelve months prior to the grant award, and demonstrate achievement of the following objectives:

1. Articles of Incorporation and U.S. Internal Revenue Service Number and designation; or, absent these,

A. Copies of a Constitution and By-Laws approved by a definable Membership, copy of the Membership list, budget and expenditures for the preceding year attached thereto;

2. Justification for claiming representation for a target community; or, if more appropriate, the applicant organization's qualifications for submitting an application in the proposed area;

3. Knowledge and approval of the people upon whom the proposed project will impact;

4. List of the other relevant criminal justice programs successfully completed by the applicant; or, absent this, detailed elaboration upon applicant's ability to implement the proposed program;

5. The proposed grant award will not be made to an individual nor for any purpose in violation of any LEAA or ILLEC restrictions or existing policies.

PROGRAM PRIORITIES

Applications are expected to exceed the financial resources available so they will have to be judged competitively one against the other. Awards will be made to applicants until funds are exhausted upon the basis of their ability to meet the following criteria.

1. Development of a community-based crime prevention program in which the private sector and general public actively participate in one or more facets of the project.

2. Development of an "up-front" prevention program, where crime prevention is defined as, "the anticipation, recognition and appraisal of a crime risk and the initiation of some action to remove or reduce it," and, where "up-front" prevention is defined as, "programs aimed at creating the absence of crime through such means as reducing criminal opportunity, etc., or keeping potential first time offenders from committing an act which, if detected, would result in an arrest for violation of the Illinois Criminal Code (revised)."

3. Development of a promising innovative approach to an existing Index Crime (excluding murder and auto theft) problem.

4. Size of target community to be impacted upon by the proposed project.

5. Degree of transferability of the program to other community settings or target groups, etc.

6. Ease of replication of the program in other settings.

7. Cost-effectiveness of the project.

8. Ability to identify program-goals in measurable terms, i.e., measurable by existing ILLEC resources.

9. Achievement of program goals within the time frame allowed for this project area, i.e., within 18 months.

10. Ability to be self-supporting after the one time grant support has ended.

11. Secondary preference will be given to community-based prevention programs aimed at non-Index Crimes (excluding murder and auto theft).

MAINE CRIMINAL JUSTICE PLANNING AND ASSISTANCE AGENCY,
May 10, 1977.

RICHARD B. GELTMAN, Esq.,
General Counsel, National Conference of State Criminal Justice Planning
Administrators, 44 North Capitol Street, N.W., Washington, D.C.

DEAR MR. GELTMAN: Although we are in the throes of FY 1978 Comprehensive Plans preparation, I have had two of my staffers review the LEAA Draft Guideline M 4500.1E, CH2 which you sent us on April 22. Neither of them sees anything of concern in the draft.

Thank you for ensuring this opportunity for review and comment.

Very truly yours,

T. T. Tracy, Jr., Executive Director.

GOVERNOR'S COMMISSION ON CRIME AND DELINQUENCY,
Concord, N.H., May 2, 1977.

Subject: LEAA Draft Guideline M 4500.1E, Change 2.

MR. RICHARD B. GELTMAN,
General Counsel, National Conference of State Criminal Justice Planning
Administrators, North Capitol Street, N.W., Washington, D.C.

DEAR MR. GELTMAN: I offer the following comments on subject draft guideline change.

1. If paragraph 25, Community Anti-Crime Program replaces paragraph 24, Citizen Participation Program, then paragraph 24 should be deleted.

2. Assuming Change 2 will be approved and published in its final version by mid or latter part of June, 1977, the application deadline of July 15, 1977, leaves very little time for publicizing the program locally and developing possible grant applications.

Sincerely,

R. J. CROWLEY, Jr.

STATE OF NEW JERSEY,
STATE LAW ENFORCEMENT PLANNING AGENCY,
Trenton, N.J., May 16, 1977.

Re. Community Anti-Crime Discretionary Grant Guidelines.

Mr. RICHARD GELTMAN,
National Conference of State Criminal Justice Planning Administrators, 444
North Capitol St., N.W., Washington, D.C.

DEAR DICK: We have reviewed the above referenced guideline per your request of April 22, 1977 and have the following three comments:

1. This program seems to by-pass the local and state planning mechanisms and does not clearly reflect the responsibilities of the SPA. Our comments are solicited but do we have the monitoring and auditing duties as with other DF grants? If the number of grants to a state were significant, the burden to add these grants to the present monitoring efforts could cause problems.

2. Paragraph 25 item (3)(k) requires the applicant to show that "consultation" has taken place with local law enforcement agencies. Section 301, (b)(6) of the Act includes the "encouragement of neighborhood participation in crime prevention" but has the requirement "that in no case shall a grant be made under this subcategory without the approval of the local government or local law enforcement and criminal justice agency." Why is consultation required for this program and approval needed for similar activities in another part of the Act? The Congress debated this specific issue and retained the language in Section 301. We feel strongly that the approval of the local criminal justice agency is imperative.

3. The deadline for application submission is stated as July 15, 1977 which seems too short considering the fact that these guidelines will probably not be disseminated until at least some time in June.

As usual if you have any question, please do not hesitate to contact us.

Sincerely,

JOHN J. MULLANEY, Executive Director.

DEPARTMENT OF JUSTICE,
COMMONWEALTH OF PENNSYLVANIA,
Harrisburg, Pa., May 5, 1977.

Mr. RICHARD B. GELTMAN,
General Counsel, National Conference of State Criminal Justice Planning
Administrators, 444 North Capitol Street, N.W., Washington, D.C.

DEAR Mr. GELTMAN: We have reviewed Draft Guideline M4500.1E which refers to the Community Anti-Crime Discretionary Grant Guidelines. Our staff has indicated to me that these guidelines represent an excellent description for Community Anti-Crime Programs.

We do have the following comments, however, concerning these draft guidelines which may be helpful in the final preparation of this section:

Page 58.1

We think it is an excellent idea to include new as well as strengthen existing crime prevention projects, especially with regard to the elderly.

Page 58-2

2e: Integration of community and neighborhood-based anti-crime programs is an excellent result to be sought in that Pennsylvania will be attempting joint planning/funding projects in the future.

2f: Broad-scale transfer of information is extremely important. We are interested in learning how you intend to communicate this type of information to the various SPAs.

Page 58-4

The guidelines excellently portray the need for neighborhood organizations to integrate crime prevention programming with other problems faced by that neighborhood, i.e., housing, jobs, etc. We strongly believe that crime prevention efforts are most successful when they are an integral part of an entire neighborhood organizing effort. We suggest that you give considerable emphasis in your selection criteria to this point.

The volunteer-based recreational programs noted in number two (category 2) raise a question for our SPA in that recreational programs have been eliminated from GJC funding in its 1977 Comprehensive Plan (Community Support for Law Enforcement).

Page 58-6

These grants should be given to community groups and not local units of government as the latter have a better chance of receiving Part C funds from the SPA. Also, the 12-18 month duration of these grants gives a better chance for monitoring and evaluation to reasonably occur.

Page 58-8

Even though it is important for LEAA to be able to measure the impact of the projects as a group, we believe the requirement of grant recipients having to possibly modify their proposed specific project evaluation plans in order to be integrated into the national level program evaluation effort must remain flexible. The independent national contractor must be considerate of the uniqueness of each project, and should not jeopardize a project's novel approach to crime prevention by imposing obtrusive and/or irrelevant evaluation measures. In addition, if a project proposes a novel approach for its evaluation, the project should be allowed to follow it through simultaneously with participation in the national evaluation effort.

We do have one serious potential problem with these guidelines. Beir, that our SPA is presently involved in the development of a statewide crime prevention program, it will be essential for local crime prevention efforts to coordinate their project with the SPA. For example, if a coordinated statewide numbering sequence is developed, it is imperative that these subgrantees realize that their personal belonging identification technique be compatible. Also, will the cognizant SPA be sent a copy of these Federal discretionary applications for our review and comment?

We thank you for allowing us to review these LEAA Draft Guidelines. If you have any further questions concerning this matter, please contact Mr. Sheldon Lehner at 717-787-8559.

Sincerely,

THOMAS J. BRENNAN,
Executive Director.

DEPARTMENT OF PUBLIC SAFETY,
DIVISION OF LAW ENFORCEMENT ASSISTANCE,
Pierre, S. Dak., May 19, 1977.

RICHARD B. GELTMAN,
General Counsel, National Conference of State Criminal Justice Planning Administrators, 444 North Capitol Street, N.W., Washington, D.C.

DEAR RICHARD: Pursuant to your recent request for comments on the LEAA draft guideline M4500.1E change 2 entitled "Community Anti-Crime Discretionary Grant Guidelines", I have several questions and comments to offer. My initial reaction to the guidelines is they tend to eliminate the participation of rural states as well as many worthwhile groups within the other states.

First of all, the definition of community or community level groups is not clear. The guidelines state that a community level organization such as a community action agency would be eligible for participation. Yet, all the Community Action Agencies in South Dakota are organized on multicounty basis. I seriously question whether any definition of community or community level groups would apply in this circumstance.

Additionally, the draft guidelines states that funds will not be granted directly to state or local units of government or their agencies. The Community Action Agencies in South Dakota, although they are private, non-profit organizations, are considered delegate agency of the Community Action Agency of South Dakota and receives funding through that state agency. Therefore, would the

Community Action Agencies in South Dakota be eliminated from participation in the Anti-Crime program? Also, does this requirement mean that funds will not be granted to the SPA and then subgranted to the community group? If so, would the SPA be exempt from all responsibilities for the funds?

I also question the provision of guidelines which requires a portion of all funds be made available to local neighborhood groups. A similar question recently arose in relation to another discretionary program at which time the Division of Law Enforcement Assistance was told, by the LEAA Region VIII office, the only agency allowed to subgrant LEAA funds is an SPA. This seems to be in direct contradiction to these guidelines.

My final comment concerns the requirement that community organizations with national affiliation are not eligible to apply for the funds. I fail to see the rationale behind this because I feel such requirement would eliminate the participation of many worthwhile community organizations. In my opinion, the community organizations with national affiliation are usually the most active and are most likely to gain the endorsement of the communities. These characteristics are essential to any program designed to mobilize community participation in crime prevention programs.

The elimination of community action agencies as in the case of South Dakota and all nationally affiliated groups from eligibility will curtail the participation of many groups and communities and thus, limit the impact of the entire program. I urge you to take these comments into consideration when responding, on behalf of the National Conference, to the draft guidelines.

Sincerely,

ANN M. ELKJER,
Courts Program Administrator.

NATIONAL CONFERENCE OF STATE CRIMINAL
JUSTICE PLANNING ADMINISTRATORS,
Washington, D.C., May 26, 1977.

Memorandum to: James Hagerty, Program Manager.

From: Richard B. Geltman, General Counsel.

Subject: Proposed LEAA Guideline M 4500.1E Chg.-2.

1. Paragraph 2. *Explanation of Changes*.—The reference to Section 101(c) of the 1976 Crime Control reauthorization legislation is incorrect. That Section does not provide the LEAA Office of Community Anti-Crime Programs with anti-crime grant making authority. That authority may come from another part of the Act, but not Section 101(c).

2. Paragraph 3. *Page Control Chart*.—Apparently all of paragraph 24 should be deleted according to Paragraph 2. If that is the case, then Paragraph 3 Page Control Chart should indicate the removal of pages 54-58.

3. Paragraph 25(c) (2) *Category II p. 58-4*.—Category II programs should be eliminated since there is already provision for these types of programs under Paragraphs 23 and 28.

4. Paragraph 25(f) p. 58-7.—In the second sentence the word "should" should be replaced with "must". The referenced groups can not comment unless they've been given copies of the applications.

5. Paragraph 25(g) p. 58-7.—The July 15, 1977 application deadline is premature if LEAA desires to get good applications from some possibly unsophisticated applicants. This also would provide virtually no time for the Office of Community Anti-Crime Programs to exercise its Section 101(c) (1) technical assistance responsibilities.

6. Paragraph 26. *Crimes Against Business* p. 58-9.—I note with interest that paragraph 26 is reserved. However, it has come to my attention that the American Management Association was awarded a grant from LEAA to plan a series of programs aimed at reducing "Crimes Against Business". Would you please indicate under what program guidelines that grant was awarded if paragraph 26 is reserved.

COMMUNITY SERVICES ADMINISTRATION,
Washington, D.C., May 10, 1977.

MR. JAMES EMMETT HAGERTY,
Program Manager, Office of Regional Operations, U.S. Department of Justice,
Law Enforcement Assistance Administration, Washington, D.C.

DEAR MR. HAGERTY: Thank you for the opportunity to review and comment on the guidelines proposed for the Community Anti-Crime Program. The need for

such innovative opportunity at the neighborhood level is overwhelming and the specific direction in the guidelines is most welcome. Too often, those closest to the problem—those living with the effects are omitted from attempts to resolve the difficulties.

As to the technical requirements, there appears to be nothing included that would pose any difficulty for the network of 880 Community Action Agencies for which we have ongoing funding relationships. In addition, the information requested should give you a solid basis for assessing an applicant's capacity and capability.

We very much are in support of this undertaking. Should there be any assistance needed in any phase of the program do not hesitate to call on us.

Sincerely,

ANGEL F. RIVERA,
Associate Director for Operations.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT,
Washington, D.C., May 20, 1977.

Mr. JAMES E. HAGERTY,
Program Manager, Office of Regional Operations, Law Enforcement Assistance
Administration, Washington, D.C.

DEAR JIM: Attached is our reaction to LEAA's proposed Community Anti-Crime Program Guidelines. We have spent a considerable amount of time in carefully reviewing your draft guidelines and believe our recommendations would help to ensure the Program's success.

We appreciate the opportunity to become involved with the Program at these early stages and look forward to continued greater collaboration between HUD and LEAA on project implementation in the future.

Sincerely,

DAVID T. PATTERSON.

GENERAL OVERVIEW

For the most part, the administrative and programmatic directions embodied in the proposed guidelines are warranted.

Utilizing an umbrella organization approach to implementing the program poses several advantages crucial to the ultimate success of the total Community Anti-Crimes Program. There are neither sufficient funds to support a wide variety of small projects throughout the country, nor workable guarantees that such projects would accomplish their objectives. In fact, large risks for failures, i.e., project ineffectiveness, funds abuse, vigilantism, etc., would exist if all community type groups were eligible to submit independent grant applications to LEAA. Such problems would receive public and media attention, and further undermine the already tenuous bases which exist for citizen controlled programming in this country.

However, it is HUD's view that many community groups—not as small as neighborhood blocks clubs but not as large as the proposed "umbrella group"—would offer successful programming opportunities. The Program guidelines should be flexible enough to accommodate their applications if they choose to neither work through nor serve as umbrella groups. A strong, demonstrated capability to develop and implement neighborhood programs and/or past crime prevention project activities should qualify such groups for Community Anti-Crime funding.

With respect to funding community groups and their neighborhood based constituencies, a strong technical assistance effort must be structured. It will be absolutely essential for the Program's overall success. Many large and small community groups, including umbrella organizations, will require on-going, substantive technical assistance before, during and after the application stage to carry out plans. Assistance should be provided in application preparation, anti-crime program planning and implementation, grant management, and, where necessary, financial, accounting. The latter item is important. Too frequently, good community based programs have been scuttled because of financial management problems initially unforeseen by an otherwise capable, well meaning citizen group.

It is our firm belief that LEAA must develop a significant, well supported national TA effort covering the areas mentioned. This should preferably be done through national community-oriented groups with strong local constituencies.

One item needing more clarification and emphasis in the guidelines is the extent to which a local anti-crime program can be integrated into a larger neighborhood revitalization program. We believe there should be complementarity between an anti-crime project and other neighborhood action activities. Specific emphatic language which would require groups to demonstrate their project's integration into a larger plan should be included in the guidelines. Preference in funding should be given to groups who possess ongoing experience in dealing with a range of neighborhood problems. Such groups will be in positions to implement anti-crime programs successfully, utilizing them as important elements in strategies to improve general social and physical neighborhood conditions. Many of the latter problems, of course, are contributing factors to crime incidence, opportunities, and resident fear.

We look forward to working with the Community Anti-Crime Office and local anti-crime programs to ensure a coordination of Federal efforts and integration of local programs toward neighborhood crime prevention and neighborhood revitalization.

Any LEAA program strategies and the guidelines themselves should deemphasize actual crime rate reductions as measures of project accomplishment. Activities which actually reduce crime have yet to be invented in this country. To assess programs, such factors as success in establishing a neighborhood based project to begin with, amounts of resident participation, general community satisfaction with the project, levels of integration with other neighborhood revitalization activities, changes in resident life-style patterns, i.e., more street activity, shopping and banking opportunities, etc., reductions in vandalism incidence, and other such variables should be studied. Very importantly, reductions in resident fears about crime should be documented for evaluation purposes.

Another general observation on the program as described by the guidelines is that it does not actively encourage youth mobilization. Organizing youths, not simply for recreational purposes or teen activities but for the greater benefit of their communities and neighborhoods, can serve several purposes. Giving young people a say and a role in helping to deal with crime in a given neighborhood would channel much energy toward beneficial activities. Many youths would in this way be sidled away from illegitimate behavior. This is not to say that juvenile delinquency projects ought to be developed, but rather than youths in a given neighborhood or community should be explicitly targeted for involvement in organizing and conducting anti-crime programs. In addition to input into overall plans development, youths should be given roles as organizers, tenant patrolmen, blockwatchers, elderly escorts, etc. Such youth-oriented projects should be specifically supported by the guidelines.

The total LEAA program effort should be well publicized to ensure a maximum public awareness of funds availability. Program announcements and requests for proposals will hopefully not be confined to the LEAA network of Federal Regional Offices, State Planning Units and local regional planning units.

SPECIFIC REACTIONS

Community anti-crime program

Page 58-1

a. *Program Objective.*—"Improve the Administration of justice" is unclear; perhaps it should read—"present neighborhood residents with opportunities to influence the criminal justice system and thereby make it more responsive."

Sub-program Objectives.—In this section there should be a sub-objective dealing with: (1) youth mobilization, and (2) the necessity to help preserve threatened neighborhoods through citizen controlled crime prevention programs.

b. *Program Description.*—(1) Problem addressed—in this section there should be a clarification of (a) and (b). It is not necessarily crime which leads to alienation and social disorganization but vice versa. Of course, a cyclical problem develops. The increasing level of social disorganization in certain neighborhoods leads to an undermining of social controls over crime, which leads to more crime, which leads to further social disorganization and so on. Social disorganization as a crime causal factor should be specifically addressed as a problem

here. Item (b) is incomplete. It should read something like—the lack of stable community organizations or more often than not—the lack of resources for existing community and neighborhood organizations to combat crime and crime related conditions. An added problem in this part (1) should be—the lack of youth involvement in community and neighborhood anti-crime and revitalization efforts.

Page 58-2

(2) *Results sought.*—

(b) Should read—to encourage efforts which promote a greater sense of community and foster social controls over crime occurrence.

(d) Should read—to increase the awareness and involvement of criminal justice agencies in resident sponsored neighborhood crime prevention activities and present opportunities for citizen input into the criminal justice system.

(e) Should read—to actively pursue the integration of neighborhood based anti-crime programs with other neighborhood preservation or revitalization efforts, to foster a comprehensive approach toward impacting crime and the fear of crime at the local level.

Page 58-2

(3) Hypotheses to be tested—If this section cannot be eliminated then we propose the following wording:

(a) The provision of financial and technical assistance to community and neighborhood based groups will allow them to mobilize and involve residents in effective anti-crime programs, which prevent crime, reduce the fear of crime, and improve the administration of justice through increased citizen input with the system.

(b) "Multiplier effect" too confusing a concept, and inappropriate to include here. This item should read—Crime and the fear of crime can be impacted at the community level through an integration of anti-crime programming with other neighborhood revitalization efforts, i.e., social services and physical rehabilitation measures.

Page 58-3

(4) Assumptions underlying program. If this section must be included then we propose the following changes:

(a) Many residents have a high fear of crime which stems from and contributes to social disorganization.

(b) Fear of crime in an issue around which residents can mobilize and interact on anti-crime projects.

(c) Many neighborhood organizations exist who are eager to work on local anti-crime programming. Supporting their community anti-crime projects and those of newly formed groups can be an effective crime deterrent at the local level.

(d) Neighborhood social disorganization and resident alienation is increasing in certain city neighborhoods, giving rise to crime which in turn contributes to further social malaise and more criminal opportunities.

(e) The criminal justice system by itself cannot hope to control crime without the active involvement of citizens, and without the help of residents in fostering neighborhood level social controls.

(f) Weak assumption.

(h) Suggested—Mobilizing young people into neighborhood anti-crime programming can have a major peer level impact on local crime prevention and fear reduction.

Page 58-3

C. *Program strategy.*—(1) Should include something like this—The program strategy is designed to accommodate newly forming community and neighborhood level anti-crime groups as well as existing community groups involved in neighborhood preservation or revitalization efforts who wish to include crime prevention in their battery of local activities.

Identifying and selecting umbrella groups will be a difficult process. There should be a mechanism for appropriate input from HUD and legitimate national community-oriented organizations. Priority could be given to programs and activities that are related to and reinforced by larger approaches to neighborhood revitalization.

Page 58-4

(2) *Project elements*.—As suggested these represent good examples of possible programs. Many community neighborhood groups will choose to pursue these important action programs. Hopefully, a broad range of activities, in addition to those suggested, will surface.

Page 58-5

(3) *Data and information*—This section calls for activities which will be quite burdensome for umbrella as well as action level groups. It will require an inordinate amount of money and time to accomplish. If the requirements cannot be downplayed or eliminated entirely, then an appropriate amount of TA, planning and evaluation monies should be provided.

Item (f) is problematic. The statement as written will hopefully not de-emphasize the importance of community organizing. Organizing around the issue of crime, conducting meetings to build community cohesion and social controls, working with the police in meetings, educating the community/neighborhood about crime are all important activities and valuable objectives toward crime reduction in and of themselves.

Item (G) speaks to voluntarism. While this is desirable, it has been proven time and time again that volunteer oriented programs have short life spans and very limited success capabilities. This should not be held a significant point in funding or evaluative considerations, except in determining whether enough persons are participating in the mobilization effort. Action programs should rely on paid staff as much as possible.

Page 58-7

g. Deadline for submission of applications.—July 15, 1977 is clearly an unworkable target deadline. Community groups will need much more time to develop program plans, commitments and applications. August 30 or September 30 are more realistic due dates.

h. Criteria for selection of projects.—Items (f) and (i) and (2) should be de-emphasized. Voluntarism is a middle class ideal which never works well in practice for sustained action and lasting results.

Page 58-8

(3) *Other*—In this section we are interested in obtaining more information on items (b) and (d).

Page 58-8

i. Evaluation Requirements—It is our hope that the evaluation process is simple and does not stifle the programmatic capabilities of TA or action agencies. Wherever possible the grantees should be allowed to conduct their own evaluations. Any national evaluation program conducted by a national contractor should not make inordinate detailed demands on programs which would channel money and energy away from action efforts.

 ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS,

Washington, D.C.

REFERRAL OF PROPOSED FEDERAL ASSISTANCE PROGRAM REGULATIONS UNDER OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A-85

[ACIR Ref. No. 77-27]

Date of transmittal: April 21, 1977.

To: Council of State Governments; National Governors Conference; International City Management Association; National Association of Counties; National League of Cities; U.S. Conference of Mayors.

Subject: LEAA's proposed regulations or revision dealing with "Community Anti-Crime Discretionary Grant Guidelines, M 4500.1E CHG-2".

The agency needs the views, if any, of your organization on this subject by May 22, 1977.

Departmental Contact: James Hagerty; Telephone No.: 376-3976.

Please return copy of this form to agency: Mr. James Hagerty, Program Manager, Office of Regional Operations, U.S. Department of Justice, Law Enforcement Assistance Administration, Washington, D.C., and one carbon each to the Advisory Commission on Intergovernmental Relations and the Office of Management and Budget.

National Association of Counties.

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS,
Washington, D.C.

REFERRAL OF PROPOSED FEDERAL ASSISTANCE PROGRAM REGULATIONS UNDER OFFICE
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The agency needs the views, if any, of your organization on this subject by May 22, 1977.

Departmental Contact: James Hagerty; Telephone No.: 376-3976.

We have no comment.

Please return copy of this form to agency: Mr. James Hagerty, Program Manager, Office of Regional Operations, U.S. Department of Justice, Law Enforcement Assistance Administration, Washington, D.C., and one carbon each to the Advisory Commission on Intergovernmental Relations and the Office of Management and Budget.

JOHN LAGOMARCINO,
National Governors' Conference.

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS,
Washington, D.C.

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Subject: LEAA's proposed regulations or revision dealing with "Community Anti-Crime Discretionary Grant Guidelines, M 4500.1E CHG-2".

The agency needs the views, if any, of your organization on this subject by May 22, 1977.

Departmental Contact: James Hagerty; Telephone No.: 376-3976.

Our comments (attach additional copies if necessary) are enclosed.

Please return copy of this form to agency: Mr. James Hagerty, Program Manager, Office of Regional Operations, U.S. Department of Justice, Law Enforcement Assistance Administration, Washington, D.C., and one carbon each to the Advisory Commission on Intergovernmental Relations and the Office of Management and Budget.

REGINALD TODD,
National Association of Regional Councils.

NATIONAL ASSOCIATION OF REGIONAL COUNCILS,
Washington, D.C., May 18, 1977.

Mr. JAMES HAGERTY

*Program Manager, Office of Regional Operations, U.S. Department of Justice,
Law Enforcement Assistance Administration, Washington, D.C.*

DEAR MR. HAGERTY: Following is our comment on LEAA's proposed regulations or revision dealing with "Community Anti-Crime Discretionary Grant Guidelines, M 4500.1E CHG-2".

Under Section c. Program Strategy (k), NARC suggests that there be a greater coordinative process between the applicant and the local criminal justice agencies in the community. The A-95 process provides for a pre-application procedure. We would like to emphasize the importance of consultation between the applicant, the clearinghouse agency and the local criminal justice agency if they are not one in the same. This will enable the applicant to have the benefit of review and consultation prior to submission of his application to the formal A-95 process.

Sincerely,

REGINALD TODD,
Washington Activities Coordinator.

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS,
Washington, D.C.

REFERRAL OF PROPOSED FEDERAL ASSISTANCE PROGRAM REGULATIONS UNDER OFFICE
OF MANAGEMENT AND BUDGET CIRCULAR A-85

ACIR Ref. No. 77-27

Date of Transmittal: April 21, 1977.

To: Council of State Governments; National Governors' Conference; International City Management Association; National Association of Counties; National League of Cities; U.S. Conference of Mayors.

Subject: LEAA's proposed regulations or revision dealing with "Community Anti-Crime Discretionary Grant Guidelines, M 4500.1E CHG-2".

The agency needs the views, if any, of your organization on this subject by May 22, 1977.

Departmental Contact: James Hagerty; Telephone No.: 376-3976.

We have no comment.

Please return copy of this form to agency: Mr. James Hagerty, Program Manager, Office of Regional Operations, U.S. Department of Justice, Law Enforcement Assistance Administration, Washington, D.C., and one carbon each to the Advisory Commission on Intergovernmental Relations and the Office of Management and Budget.

JONATHAN S. GACIALA,
The Council of State Governments.

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS,
Washington, D.C.

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LAURANCE RUTTER,
International City Management Association.

INTERNATIONAL CITY MANAGEMENT ASSOCIATION,
Washington, D.C., May 12, 1977.

Mr. CARL W. STENBERG,
Acting Director of Policy Implementation, Advisory Commission on Intergovernmental Relations, Washington, D.C.

DEAR CARL: This is in response to the A-85 issuance with ACIR's Reference No. 77-27, "Community Anti-Crime Discretionary Grant Guidelines."

Whereas I feel that LEAA should be commended for getting these important guidelines in the A-85 process, after having a close review by our staff, we determined that this is a waste of everyone's time since the applications for the grants were due on February 1, 1977.

Perhaps we are reading these wrong or there has been some updating of which we are unaware. Otherwise, I think it would be important to bring this to LEAA's attention.

Sincerely,

LAURENCE RUTTER,
Director, Membership Services Center.

CITY OF BOSTON,
MAYOR'S OFFICE OF CRIMINAL JUSTICE,
Boston, Mass., May 12, 1977.

Mr. JAMES GREGG,
Acting Administrator, Law Enforcement Assistance Administration, 633 Indiana Ave. N.W., Washington, D.C.

DEAR MR. GREGG: This letter is to offer comments on the "Community Anti-Crime Discretionary Grant Guidelines", in compliance with LEAA "external clearance" procedures.

As you may be aware, the Mayor's Office of Criminal Justice has supported community-based crime prevention efforts in Boston for many years. The primary resource for these efforts has been LEAA block funding, although we have received several large discretionary grants, as well.

We are thoroughly committed to the concept of community participation in crime prevention, and were looking forward to applying for the new discretionary funding as a means to expand and refine our efforts. The current draft guidelines, however, completely exclude Regional and Local Planning Units from any meaningful role in the administration of Community Anti-Crime programs.

We are at a loss to understand the reasons for this exclusion. It appears to us that programs funded under this new category will not benefit from the knowledge that Regional Planning Units have gained from their experiences. These new programs will thus "reinvent the wheel"—a rather wasteful proposition.

In addition, RPU's, because they normally work with line criminal justice agencies, have the ability to influence Police Departments and other such agencies, which can be of great assistance to community-based crime prevention efforts. In short, we feel the exclusion of RPU's from the new guidelines to be a serious deficiency.

Moreover, the City of Boston feels that City agencies should not be precluded from operating community crime prevention programs. Many cities have departments which are neighborhood oriented (examples: Little City Halls, Community Schools). These agencies can run effective crime prevention efforts, and allowing them to operate the programs holds some advantages. For instance, they generally are in a good position to continue successful programs after LEAA funding is terminated. Moreover, they have administrative and fiscal capabilities often

lacking in private, non-profit organizations. It has been this City's experience that some of our community grantees found it difficult to comply with the abundance of rules, regulations and fiscal record-keeping requirements inherent in federal funding. We are suggesting that municipal agencies be made eligible recipients of community anti-crime funding, along with their private counterparts.

We hope these comments are helpful to you and that you will keep us informed of any new developments.

Sincerely,

DONALD A. MCGOWAN,
Executive Director.

APPENDIX B

B—Clarifying Amendments Proposed by Congressman Conyers.

B-1 H.R. 6474.

B-2 Statement explaining H.R. 6474.

[H.R. 6474, 95th Cong., 1st sess.]

A BILL To make clarifying and technical amendments to title I (relating to law enforcement assistance) of the Omnibus Crime Control and Safe Streets Act of 1968

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title I (relating to law enforcement assistance) of the Omnibus Crime Control and Safe Streets Act of 1968 is amended as follows:

(1) Subsection (c) of section 101 of such title is amended—

(A) by striking out "shall" the second place it appears and inserting "is authorized to" in lieu thereof;

(B) by striking out "and" at the end of paragraph (2);

(C) by striking out the period at the end of paragraph (3) and inserting "; and" in lieu thereof; and

(D) by adding at the end the following:

"(4) award and administer grants and contracts directly to or with non-profit private groups in which members of a particular community or neighborhood participate, agencies, institutions, and other private non-profit organizations, whether or not the recipient of the grant or contract is incorporated, for up to 100 per centum of the cost of any project, for projects for the provision of escort services for the elderly, home protection guides, youth diversion, child protective services, block watch, block parents, police neighborhood councils, youth advisers to courts, clergy in juvenile courts, volunteer probation aides, advisory councils on community based corrections, volunteers in gang control, and other programs, of community and citizen participation in crime prevention and the law enforcement and criminal justice activities. Not more than 10 per centum in value of the grants and contracts under this paragraph may be made for the sole purpose of providing training and technical assistance to citizens in developing and implementing community anticrime programs".

(2) The second sentence of section 520(a) of such title is amended by striking out "for community" and all that follows through the end of such sentence, and inserting in lieu thereof a period.

(3) The final subsection of section 521 of such title is amended by striking out "(e)" and inserting "(f)" in lieu thereof.

STATEMENT CONCERNING H.R. 6474; A BILL TO MAKE CLARIFYING AND TECHNICAL AMENDMENTS TO TITLE I OF THE OMNIBUS CRIME CONTROL AND SAFE STREETS ACT OF 1968

(By Hon. John Conyers, Jr., of Michigan, Thursday, April 21, 1977)

MR. CONYERS. Mr. Speaker, as the title of this bill explains, its purpose is only to clarify a small section of Public Law 94-503 which reauthorized the Law Enforcement Assistance Administration September 30, 1976. The section in question is that one creating an Office of Community Anti-Crime Programs, section 101(c). The Law Enforcement Assistance Administration was concerned that the language in the legislation was vague and they may not be able to carry out the congressional mandate without clarifying congressional intent. The Subcommittee on Crime, which I chair, authored the section and reported a bill with

this section in it to the full Judiciary Committee on May 7, 1976. The committee reported H.R. 13636 to the House on May 15, 1976 with section 101(c) included in toto. The House agreed to the bill on September 2, 1976 without changing the section in question. Several times in the aforementioned legislative process statements were made by myself and my chairman, Congressman Rodino, as to the extreme importance of this section and the program emphasis it represents. The House and Senate met on September 27, 1976 to confer on their respective bills to amend the Omnibus Crime Control and Safe Streets Act. What emerged was Public Law 94-503, signed October 15, 1976, which contained the referenced section just as it appeared in my subcommittee print.

The concept of the program was to encourage community crime prevention programs by creating anti-crime programs to provide direct grants to groups in which members of the community or neighborhood participate. It was felt by the House of Representatives that the new wave of crime reduction activities had to emerge from the grass roots of the country. The Public Law authorized \$15 million to be set aside from LEAA's \$753 million budget for these purposes. The House and Senate Appropriations Committee then appropriated the \$15 million for these specified purposes. This was in October. It is now April and not one penny of that money has gone to a deserving group or any group for that matter. I, on November 23, 1976, wrote a letter to LEAA detailing what was Congress' intent in creating the new program. LEAA, on November 24, 1976, requested from the Controller General of the General Accounting Office an interpretation of the legislation. We received on March 3, 1977 a legal opinion from GAO which states there is no need for LEAA to expend any of the funds authorized or appropriated for the purposes set out in the legislation, that is, community anti-crime prevention. This opinion is totally contrary to the whole legislative process and an affront to the Congress. This bill is an attempt to redress the wrong committed upon Congress. Copies of these communications are included for the record.

The technical amendments in H.R. 6474 should adequately clear up any questions as to the intent of the legislation. They answer questions put to GAO by LEAA: namely, does the new Office of Community Anti-Crime have grant making authority?

The answer is yes. It was stated repeatedly in the subcommittee markup and in the committee that the new office would make grants to or contracts with groups, agencies, institutions and organizations which are private and nonprofit to perform effective community crime fighting activities. This office was separated from the normal administrative structure of LEAA for a reason. It would be directly under the Deputy Administrator for policy development. This means it would exist outside of the present Office of Regional Operations. We wanted the office separate so it would get the high visibility it deserves and also so its administration would not be confused with the discretionary fund operations. This is a program whose administration should differ slightly from that of the discretionary fund. We wanted projects to be funded directly from the LEAA Office of Community Anti-Crime programs to eligible grantee groups outside of the normal block and discretionary grant process. These projects would be funded with SPA knowledge however. In fact, another portion of the law requires that the SPA assure the participation of community group members on their advisory boards. It was hoped that these members would lobby successfully with the SPA's for adoption of their projects by the State. The clarifying language in my bill should make it evident that the newly created office is authorized to make and administer grants and contracts.

Who should receive these grants and contracts?

It is stated explicitly that private nonprofit organizations, institutions, agencies and community groups are eligible grantees. There is no necessity for groups to be incorporated to receive these grants as the bill states.

Is there a necessity for the grantee to supply match money?

There is no requirement for match. The funding is up to 100 percent. It was always believed by Congress that the projects involved would, for the most part, comprise very small money awards. Even so, a neighborhood group may not be able to raise a sum to match these grants. Therefore, there is no match requirement.

What would be the purpose of the grants?

The awards would go for the purposes described as examples in the House report of May 15, 1976—H.R. 94-1155—and repeated in this bill. Many of these projects may be described as "victim prevention." In some cases, they would cost no money at all except to send a trained community organizee to a neighbor to explain good crime prevention activities. LEAA already has 3-5 years worth of reports on successful projects which could easily be replicated. The other type of crime prevention project which requires some use of research into the root causes of crime could be more costly, such as job programs for neighborhood juveniles. There was never in Congress any intent that very large amounts of money would be spent to have an outside group administer this program. It is expected that LEAA would handle grant administration internally. To reiterate that intent, I have placed a percentage limit on the money that can be used for technical assistance grants.

Can the Office of Community Anti-Crime use any part of the \$15 million for technical assistance as required in section 101(c) (1)?

LEAA may use part of the \$15 million to perform the technical assistance provided for in the legislation. They are cautioned, however, not to award a large grant to an outside contractor to perform the services they are capable of doing in-house since the act allows them this money to be used internally. We have found ever since 1973, when Mr. Santarelli was Administrator, an in-house capability existed to disseminate information to applicants on types of projects and to train citizens to run effective community anticrime programs. We realize the office may need assistance in affirmatively identifying those community groups which could be effective grantees.

What role do the SPA's play?

SPA's may take over the auditing and administering functions of these grants in accordance with their existent letters of credit.

Are grants limited to section 301 (D) (6) of part C of this act?

No.

Are these part C grants pursuant to section 306(a) (2)?

No.

Let me assure you, Mr. Speaker, I have worked with the Department of Justice, LEAA General Counsel, the ranking minority member on our Committee Mr. McClory, and the Senate Judiciary Committee to gain their approval of this technical amendment.

APPENDIX C

C—Operation of the Community Services Administration.

C-1 Background Memo.

C-2 Text of 42 U.S.C. § 4128.

C-3 Office of Management and Budget Guidelines on Jointly Funded Assistance to State and Local Governments and Nonprofit Organizations.

C-4 GAO Report on the Community Action Agencies.

C-5 CRS Report on the Operation of Community Action Agencies.

C-6 CRS Background Information and Emerging Issues Concerning Community Action Agencies under the Community Services Administration.

C-7 GAO Letter of July 20, 1976, on CAS.

C-8 Testimony before the Committee on Government Operations Subcommittee on Manpower and Housing.

Statement of William J. Kaylor.

Statement of Kwame J. C. McDonald.

Statement of John Wi'son.

Statement of Ambrose I. Lane.

AUGUST 3, 1977.

Memorandum to: Representative John Conyers, Jr., Chairman, Subcommittee on Crime.

From: Leslie Freed, Counsel, Subcommittee on Crime.

Subject: Background Paper on Community Services Administration.

From October 15, 1976, until June 14, 1977, the Community Anticrime Office of LEAA along with the General Counsel's Office worked together to develop a mechanism for administering community anticrime grants. Staff of the Subcommittee on Crime sat in on some of these sessions. LEAA attempted to transfer the administration of the program to another government agency, Community Services Administration, through an interagency agreement. The authority for such agreements may be found in 42 U.S.C. § 4128. LEAA abandoned its plans just before the meeting with Congressman Conyers, March 16, 1977. The June 14, 1977, guidelines which are presently in effect contain authorization for funding individual community action agencies under CSA as part of the community anticrime program. For that reason the Subcommittee staff has gathered data on CSA for the record.

CHAPTER 52A—JOINT FUNDING SIMPLIFICATION [NEW]

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| <p>Sec.
4251. Statement of purposes.
4252. Implementation of joint funding provisions by Federal officials.
 (a) Promulgation by President of regulations governing administrative procedures.
 (b) Authorized activities of heads of Federal agencies pursuant to internal agency orders or interagency agreements.
 (c) Responsibilities of heads of Federal agencies with respect to Federal assistance programs administered by agencies.
4253. Activities by heads of Federal agencies relating to application processing or assistance requests under two or more Federal programs supporting any project; criteria.
4254. Special authorities of heads of Federal agencies with respect to projects assisted under more than one Federal assistance program; exercise pursuant to regulations prescribed by President.
4255. Establishment by heads of Federal agencies of uniform technical and administrative provisions.
 (a) Requirements for projects.
 (b) Review of project proposals.
 (c) Waiver of single or specific public agency requirement for administering Federal assistance drawn upon by jointly funded project.
4256. Delegation by Federal agency heads of powers and functions relating</p> | <p>Sec.
to supervision, etc., of Federal assistance; approval by President; conditions.
4257. Joint management fund for financing of projects.
 (a) Establishment for funds drawn from more than one Federal program or appropriation; transfer to fund of proportionate amounts from program or appropriation for payment to grantee; return to fund of unexpended amounts.
 (b) Agreements by concerned Federal agencies relating to fund accounts; required provisions.
 (c) Recordkeeping requirements for recipients of moneys drawn from fund; prescription by Federal agency head responsible for administering fund.
 (d) Audit and examination of books, etc., of recipient by Federal agency head responsible for administering fund and Comptroller General.
 (e) Establishment of single non-Federal share.
4258. Availability of appropriations for joint funding of programs.
4259. Agreements between Federal agencies and States extending joint funding provisions to assisted projects; regulations by President.
4260. Report by President to Congress; contents.
4261. Definitions.</p> |
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§ 4251. Statement of purposes

The purpose of this chapter is to enable State and local governments and private, nonprofit organizations to use Federal assistance more effectively and efficiently, and to adapt that assistance more readily to their particular needs through the wider use of projects drawing upon resources available from more than one Federal agency, program, or appropriation. It is the further purpose of this chapter to encourage Federal-State arrangements under which local governments and private, nonprofit organizations may more effectively and efficiently combine State and Federal resources in support of projects of common interest to the governments and organizations concerned.

Pub.L. 93-510, § 2, Dec. 5, 1974, 88 Stat. 1604.

Short Title. Section 1 of Pub.L. 93-510 provided: "That this Act [enacting this chapter and note set out under this section] may be cited as the 'Joint Funding Simplification Act of 1974'."

Effective and Expiration Dates. Section 13 of Pub.L. 93-510 provided that: "This Act [enacting this chapter and note set out under this section] shall become effective sixty days following the

date of enactment [Dec. 5, 1974] and shall expire five years following the date upon which it becomes effective; except that the expiration of this Act shall not affect the status of any project approved prior to the date of such expiration."

Legislative History. For legislative history and purpose of Pub.L. 93-510, see 1974 U.S.Code Cong. and Adm.News, p. 6345.

§ 4252. Implementation of joint funding provisions by Federal officials—Promulgation by President of regulations governing administrative procedures

(a) The President shall promulgate such regulations as may be necessary or appropriate to assure that this chapter is applied by all Federal agencies in a consistent manner and in accordance with its purposes. He may, for this purpose, require that Federal agencies adopt or prescribe procedures that will assure that applicants for assistance to projects funded pursuant to the provisions of this chapter make appropriate efforts (1) to secure the views and recommendations of non-Federal agencies that may be significantly affected by such projects, and (2) to resolve questions of common interest to those agencies prior to submission of any application.

Authorized activities of heads of Federal agencies pursuant to internal agency orders or interagency agreements

(b) Subject to such regulations as the President may prescribe, and to other applicable law, the heads of Federal agencies, by internal agency order or interagency agreement, may take the following actions:

(1) Identification of related programs likely to be particularly suitable or appropriate for providing joint support for specific kinds of projects thereunder.

(2) Development and promulgation of guidelines, model or illustrative projects, joint or common application forms, and other material or guidance to assist in the planning and development of projects drawing support from different programs.

(3) Review of administratively established program requirements in order to determine which of those requirements may impede joint support of projects thereunder and the extent to which such requirements may be modified, making such modifications where appropriate.

(4) Establishment of common technical or administrative rules with respect to related programs to assist in the joint use of funds in the support of specific projects or classes of projects under such programs.

(5) Creation of joint or common application processing and project supervision procedures or mechanisms including procedures for designating lead agencies to assume responsibilities for processing applications on behalf of several agencies and for designation of managing agencies to assume responsibilities for project supervision on behalf of several agencies.

Responsibilities of heads of Federal agencies with respect to Federal assistance programs administered by agencies

(c) The head of each Federal agency shall be responsible for taking actions, to the maximum extent permitted under applicable law, that will further the purpose of this chapter with respect to Federal assistance programs administered by his agency. Each Federal agency head shall also consult and cooperate with the heads of other Federal agencies in order similarly to promote the purposes of this chapter with respect to Federal assistance programs of different agencies that may be used jointly in support of projects undertaken by State or local governments, or private, nonprofit organizations.

Pub.L. 93-510, § 3, Dec. 5, 1974, 88 Stat. 1604.

Effective and Expiration Dates. Section effective sixty days following Dec. 5, 1974, and expiring five years following such effective date, except that expiration shall not affect the status of any project approved prior to expiration date, see

section 13 of Pub.L. 93-510, set out as a note under section 4251 of this title.

Legislative History. For legislative history and purpose of Pub.L. 93-510, see 1974 U.S. Code Cong. and Adm. News, p. 6345.

EXECUTIVE ORDER NO. 11867

June 10, 1975, 40 F.R. 26253

DELEGATION TO ADMINISTRATOR OF GENERAL SERVICES OF
AUTHORITY TO ISSUE REGULATIONS

By virtue of the authority vested in me by Sections 3, 5, 7, 10, and 11 of the Joint Funding Simplification Act of 1974 (Public Law 93-510, 88 Stat. 1604) [this section and sections 4254, 4256, 4259, and 4260 of this title], Section 408 of the Domestic Volunteer Service Act of 1973 (87 Stat. 410, 42 U.S.C. 5048) [section 5048 of this title], Section 5 of the Rehabilitation Act of 1973 (87 Stat. 359, 29 U.S.C. 704) [section 704 of Title 29, Labor], Section 701(1) of the Housing Act of 1954, as amended (40 U.S.C. 461(1)) [section 961(1) of Title 40, Public Buildings, Property, and Works], Section 728 of the Housing and Urban Development Act of 1970 (42 U.S.C. 4531) [section 4531 of this title], Section 408 of the Juvenile Delinquency Prevention and Control Act of 1968, as amended (now Section 407, 86 Stat. 537, 42 U.S.C. 3887) [section 3887 of this title], Section 612 of the Economic Opportunity Act of 1964, as amended (81 Stat. 717, 42 U.S.C. 2962) [section 2962 of this title], and Section 301 of Title 3 of the United States Code [section 301 of Title 3, The President], and as President of the United States of America, it is hereby ordered as follows:

Section 1. The Administrator of General Services is designated and empowered to exercise, without approval, ratification, or other action by the President, the functions vested in the President by Sections 3, 5, 7, and 10 of the Joint Funding Simplification Act of 1974 (Public Law 93-510, 42 U.S.C. 4252, 4254, 4256 and 4260, respectively) [this section and sections 4254, 4256 and 4259 of this title]. The Administrator shall promulgate such regulations as may be necessary or appropriate to assure that the Act is applied by all Federal agencies in a consistent manner and in accordance with its purposes.

Sec. 2. The Administrator of General Services shall prepare, for the President's transmission to Congress, the report required by Section 11 of the Joint Funding Simplification Act of 1974 [section 4260 of this title], which report shall be submitted to the President through the Director of the Office of Management and Budget, at least fourteen months prior to the expiration of that Act [this chapter].

Sec. 3. The Administrator of General Services is designated and empowered to exercise, without approval, ratification, or other action by the President, the authority vested in the President to issue regulations with respect to joint funding by:

(a) Section 408 of the Domestic Volunteer Service Act of 1973 (87 Stat. 410, 42 U.S.C. 5048) [section 5048 of this title],

(b) Section 5 of the Rehabilitation Act of 1973 (87 Stat. 359, 29 U.S.C. 704) [section 704 of Title 29, Labor],

(c) Section 406 of the Juvenile Delinquency Prevention and Control Act of 1968, as amended (now Section 407, 86 Stat. 537, 42 U.S.C. 3887) [section 3887 of this title],

(d) Section 612 of the Economic Opportunity Act of 1964, as amended (81 Stat. 717, 42 U.S.C. 2962) [section 2962 of this title],

(e) Section 701(1) of the Housing Act of 1954, as amended (40 U.S.C. 461(1)) [section 461(1) of Title 40, Public Buildings, Property, and Works], and

(f) Section 728 of the Housing and Urban Development Act of 1970 (42 U.S.C. 4531) [section 4531 of this title].

Sec. 4. The functions delegated to the Administrator of General Services by this Order shall be performed:

(a) subject to the general oversight and policy direction of the Director of the Office of Management and Budget;

(b) with respect to joint management funds, subject to the existing authority of the Director of the Office of Management and Budget; and

(c) in accordance with the provisions of the Intergovernmental Cooperation Act of 1968 (Public Law 90-577, 82 Stat. 1098) [section 531 et seq. of Title 40, Public Buildings, Property, and Works, and section 4201 et seq. of this title].

Sec. 5. The delegations of authority provided by Section 3 of this Order, and the supersessions provided by this Section, shall not be deemed to affect in any way the exercise of such authority previously delegated to the Administrator of General Services. The following Executive orders are superseded: Executive Order No. 11784 of May 30, 1974, and Executive Order No. 11466 of April 18, 1969.

Sec. 6. Section 1 of Executive Order No. 11758 of January 15, 1974 [set out as a note under section 701 of Title 29, Labor], is revised to read as follows:

"The Director of the Office of Management and Budget is hereby designated and empowered to exercise, without approval, ratification, or other action of the President, the authority of the President under section 500(a) of the Rehabilitation Act of 1973 (87 Stat. 390, 29 U.S.C. 790) [section 790(a) of Title 29, Labor] with respect to the transfer of unexpended appropriations."

GERALD R. FORD

§ 4253. Activities by heads of Federal agencies relating to application processing or assistance requests under two or more Federal programs supporting any project; criteria

Actions taken by Federal agency heads pursuant to this chapter that relate to the processing of applications or requests for assistance under two or more Federal programs in support of any project shall be designed to assure, so far as reasonably possible, that (1) all required reviews and approvals are handled expeditiously; (2) full account is taken of any special considerations of timing that are made known by the applicant that would affect the feasibility of a jointly funded project; (3) the applicant is required to deal with a minimum number of Federal representatives, acting separately or as a common board or panel; (4) the applicant is promptly informed of decisions with respect to an application and of

any special problems or impediments that may affect the feasibility of Federal provision of assistance on a joint basis; and (5) the applicant is not required by representatives of any one Federal agency or program to obtain information or assurances concerning the requirements or actions of another Federal agency that could more appropriately be secured through direct communication among the Federal agencies involved.

Pub.L. 93-510, § 4, Dec. 5, 1974, 88 Stat. 1605.

Effective and Expiration Dates. Section effective sixty days following Dec. 5, 1974, and expiring five years following such effective date, except that expiration shall not affect the status of any project approved prior to expiration date, see section 13 of Pub.L. 93-510, set out as a note under section 4251 of this title.

Legislative History. For legislative history and purpose of Pub.L. 93-510, see 1974 U.S.Code Cong. and Adm.News, p. 6345.

§ 4254. Special authorities of heads of Federal agencies with respect to projects assisted under more than one Federal assistance program; exercise pursuant to regulations prescribed by President

Where appropriate to further the purposes of this chapter and subject to the conditions prescribed in this section, heads of Federal agencies may use the authorities described in sections 4255, 4256, and 4257 of this title (relating to the establishment of uniform technical or administrative requirements, delegation of powers and responsibilities, and establishment of joint management funds) with respect to projects assisted under more than one Federal assistance program. These authorities shall be exercised only pursuant to regulations prescribed by the President. Those regulations shall include criteria or procedures to assure that the authorities are limited in use to problems that cannot be adequately dealt with through other actions pursuant to this chapter or other applicable law, that they are applied only as necessary to promote expeditious processing of applications or effective and efficient administration of projects, and that they are applied in a manner consistent with the protection of the Federal interest and with program purposes and statutory requirements.

Pub.L. 93-510, § 5, Dec. 5, 1974, 88 Stat. 1605.

Effective and Expiration Dates. Section effective sixty days following Dec. 5, 1974, and expiring five years following such effective date, except that expiration shall not affect the status of any project approved prior to expiration date, see section 13 of Pub.L. 93-510, set out as a note under section 4251 of this title.

Legislative History. For legislative history and purpose of Pub.L. 93-510, see 1974 U.S.Code Cong. and Adm.News, p. 6345.

§ 4255. Establishment by heads of Federal agencies of uniform technical and administrative provisions—Requirements for projects

(a) In order to provide for projects that would otherwise be subject to varying or conflicting technical or administrative rules and procedures not required by law, the heads of Federal agencies may adopt uniform provisions with respect to—

(1) inconsistent or conflicting requirements relating to financial administration of such projects, including accounting, reporting and auditing, and maintaining separate bank accounts, but only to the extent consistent with the requirements of section 4257 of this title;

(2) inconsistent or conflicting requirements relating to the timing of Federal payments for such projects where a single or combined schedule is to be established for the project as a whole;

(3) inconsistent or conflicting requirements that assistance be extended in the form of a grant rather than a contract, or a contract rather than a grant; and

(4) inconsistent or conflicting requirements relating to accountability for, or the disposition of, records, property, or structures acquired or constructed with Federal assistance where common rules are established for the project as a whole.

Review of project proposals

(b) In order to permit processing of applications in accordance with the purposes of this chapter, Federal agency heads may provide for review

of proposals for projects by a single panel, board, or committee in lieu of review by separate panels, boards, or committees except when such review is specifically required by law.

Waiver of single or specific public agency requirement for administering Federal assistance drawn upon by jointly funded project

(c) In promoting the more effective and efficient use of Federal assistance resources, Federal agency heads may waive requirements that a single or specific public agency be utilized or designated to receive, supervise, or otherwise administer a part of the Federal assistance drawn upon by any jointly funded project to the extent that administration by another public agency is determined to be fully consistent with applicable State or local law and with the objectives of the Federal assistance program involved. This authority may be exercised only (1) upon request of the head of a unit of general government, with respect to agencies that he certifies to be under his jurisdiction, or (2) with the agreement of the several State or local public agencies concerned.

Pub.L. 93-510, § 6, Dec. 5, 1974, 88 Stat. 1606.

Effective and Expiration Dates. Section effective sixty days following Dec. 5, 1974, and expiring five years following such effective date, except that expiration shall not affect the status of any project approved prior to expiration date, see section 13 of Pub.L. 93-510, set out as a note under section 4251 of this title. **Legislative History.** For legislative history and purpose of Pub.L. 93-510, see 1974 U.S.Code Cong. and Adm.News, p. 6345.

§ 4256. Delegation by Federal agency heads of powers and functions relating to supervision, etc., of Federal assistance; approval by President; conditions

With the approval of the President, agency heads may delegate to other Federal agencies powers and functions relating to the supervision or administration of Federal assistance, or otherwise arrange for other agencies to perform such activities, with respect to projects or classes of projects funded under the terms of this chapter. Delegations under this section shall be made only on such conditions as may be appropriate to assure that the powers and functions delegated are exercised in full conformity with applicable statutory provisions and policies, and shall not relieve agency heads of responsibility for the proper and efficient management of projects funded by their agencies.

Pub.L. 93-510, § 7, Dec. 5, 1974, 88 Stat. 1606.

Effective and Expiration Dates. Section effective sixty days following Dec. 5, 1974, and expiring five years following such effective date, except that expiration shall not affect the status of any project approved prior to expiration date, see section 13 of Pub.L. 93-510, set out as a note under section 4251 of this title. **Legislative History.** For legislative history and purpose of Pub.L. 93-510, see 1974 U.S.Code Cong. and Adm.News, p. 6345.

§ 4257. Joint management fund for financing of projects—Establishment for funds drawn from more than one Federal program or appropriation; transfer to fund of proportionate amounts from program or appropriation for payment to grantee; return to fund of unexpended amounts

(a) In order to provide for the more effective administration of funds drawn from more than one Federal program or appropriation in support of projects under this chapter, there may be established joint management funds with respect to such projects. There shall be transferred to the joint management fund from each affected program or appropriation, from time to time, its proportionate share of amounts needed for payment to the grantee. Any unexpended amounts shall be returned to the joint management fund by the grantee at the completion of the project.

Agreements by concerned Federal agencies relating to fund accounts; required provisions

(b) Any account in a joint management fund shall be subject to such agreements, not inconsistent with this section and other applicable law, as may be entered into by the Federal agencies concerned with respect to the discharge of the responsibilities of those agencies and shall assure

the availability of necessary information to those agencies and to the Congress. These agreements shall also provide that the agency administering a joint management fund shall be responsible and accountable by program and appropriation for the amounts provided for the purposes of each account established in the fund; and shall include procedures for determining, from time to time, whether amounts in the account are in excess of the amounts required, and for returning that excess to the participating Federal agencies according to the applicable appropriations, subject to fiscal year limitations. Excess amounts applicable to expired appropriations will be lapsed from that fund.

Recordkeeping requirements for recipients of moneys drawn from fund; prescription by Federal agency head responsible for administering fund

(c) For each project financed through an account in a joint management fund established pursuant to this section, the recipients of moneys drawn from the fund shall keep such records as the head of the Federal agency responsible for administering the fund will prescribe. Such records shall, as a minimum, fully disclose the amount and disposition by such recipient of Federal assistance received under each program and appropriation, the total cost of the project in connection with which such Federal assistance was given or used, the amount of that portion of the cost of the project supplied by other sources, and such other records as will facilitate an effective audit.

Audit and examination of books, etc., of recipient by Federal agency head responsible for administering fund and Comptroller General

(d) The head of the Federal agency responsible for administering such joint management fund and the Comptroller General of the United States or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of such recipients that are pertinent to the moneys received from such fund.

Establishment of single non-Federal share

(e) In the case of any project covered in a joint management fund, a single non-Federal share may be established according to the Federal share ratios applicable to the several Federal assistance programs involved and the proportion of funds transferred to the project account from each of those programs.

Pub.L. 93-510, § 8, Dec. 5, 1974, 88 Stat. 1606.

Effective and Expiration Dates. Section effective sixty days following Dec. 5, 1974, and expiring five years following such effective date, except that expiration shall not affect the status of any project approved prior to expiration date, see

section 13 of Pub.L. 93-510, set out as a note under section 4251 of this title.

Legislative History. For legislative history and purpose of Pub.L. 93-510, see 1974 U.S.Code Cong. and Adm.News, p. 6345.

§ 4258. Availability of appropriations for joint funding of programs

Appropriations available to any Federal assistance program for technical assistance or the training of personnel may be made available for the provision of technical assistance and training in connection with projects proposed or approved for joint funding involving that program and any other Federal assistance program.

Pub.L. 93-510, § 9, Dec. 5, 1974, 88 Stat. 1607.

Effective and Expiration Dates. Section effective sixty days following Dec. 5, 1974, and expiring five years following such effective date, except that expiration shall not affect the status of any project approved prior to expiration date, see

section 13 of Pub.L. 93-510, set out as a note under section 4251 of this title.

Legislative History. For legislative history and purpose of Pub.L. 93-510, see 1974 U.S.Code Cong. and Adm.News, p. 6345.

§ 4259. Agreements between Federal agencies and States extending joint funding provisions to assisted projects; regulations by President

Subject to such regulations as the President may prescribe, Federal agencies may enter into agreements with States as appropriate to extend the benefits of this chapter to projects involving assistance from one or

more Federal agencies and one or more State agencies. These agreements may include arrangements for the processing of requests for, or the administration of, assistance to such projects on a joint basis.
 Pub.L. 93-510, § 10, Dec. 5, 1974, 88 Stat. 1607.

Effective and Expiration Dates. Section effective sixty days following Dec. 5, 1974, and expiring five years following such effective date, except that expiration shall not affect the status of any project approved prior to expiration date, see

section 13 of Pub.L. 93-510, set out as a note under section 4251 of this title.

Legislative History. For legislative history and purpose of Pub.L. 93-510, see 1974 U.S. Code Cong. and Adm. News, p. 6345.

§ 4280. Report by President to Congress; contents

At least one year prior to the expiration of this chapter, the President shall submit a comprehensive report to the Congress on actions taken under this chapter, and make recommendations for its continuation, modification, or termination. The report shall provide a detailed evaluation of the functioning of this chapter, including information regarding the benefits and costs of jointly funded projects accruing to the participating State and local governments and private, nonprofit organizations, and to the Federal Government.

Pub.L. 93-510, § 11, Dec. 5, 1974, 88 Stat. 1608.

References in Text. For expiration date of this chapter, referred to in text, see **Effective and Expiration Dates** note set out hereunder.

Effective and Expiration Dates. Section effective sixty days following Dec. 5, 1974, and expiring five years following such effective date, except that expiration

shall not affect the status of any project approved prior to expiration date, see section 13 of Pub.L. 93-510, set out as a note under section 4251 of this title.

Legislative History. For legislative history and purpose of Pub.L. 93-510, see 1974 U.S. Code Cong. and Adm. News, p. 6345.

§ 4261. Definitions

As used in this chapter—

(1) the term "Federal assistance programs" means programs that provide assistance through grant or contractual arrangements, but does not include assistance in the form of revenue sharing, loans, loan guarantees, or insurance;

(2) the term "applicant" means any State or local government or private, nonprofit organization acting separately or together in seeking assistance with respect to a single project;

(3) the term "project" means any undertaking, whether of a temporary or continuing nature that includes components proposed or approved for assistance under more than one Federal program, or one or more Federal and one or more State programs, if each of those components contributes materially to the accomplishment of a single purpose or closely related purposes;

(4) the term "Federal agency" means any agency, department, corporation, independent establishment, or other entity of the executive branch of the Government of the United States;

(5) the term "State" means any of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or any agency or instrumentality of a State, and any tribe as defined in section 1452(c) of Title 25;

(6) the term "local government" means a local unit of government including a city, county, parish, town, township, village, school district, council of governments, or other agency or instrumentality of a local unit of government.

Pub.L. 93-510, § 12, Dec. 5, 1974, 88 Stat. 1608.

Effective and Expiration Dates. Section effective sixty days following Dec. 5, 1974, and expiring five years following such effective date, except that expiration shall not affect the status of any project approved prior to expiration date, see

section 13 of Pub.L. 93-510, set out as a note under section 4251 of this title.

Legislative History. For legislative history and purpose of Pub.L. 93-510, see 1974 U.S. Code Cong. and Adm. News, p. 6345.

FRIDAY, JULY 30, 1976



PART III:

*Property of
LEAM - OGC*

OFFICE OF MANAGEMENT AND BUDGET

JOINTLY FUNDED
ASSISTANCE TO STATE
AND LOCAL
GOVERNMENTS AND
NONPROFIT
ORGANIZATIONS

Policies and Procedures

federal register

OFFICE OF MANAGEMENT AND BUDGET

(Circular No. A-111)

JOINTLY FUNDED ASSISTANCE TO STATE AND LOCAL GOVERNMENTS AND NON-PROFIT ORGANIZATIONS

Policies and Procedures

July 6, 1976.

To the heads of executive departments and establishments.

Subject: Jointly funded assistance to State and local governments and nonprofit organizations.

1. **Purpose.**—This Circular establishes policies and procedures to be followed in the joint funding of related programs of Federal assistance to State and local governments and nonprofit organizations.

2. **Supersession.**—This Circular supersedes Office of Management and Budget (OMB) memorandum for heads of departments and certain agencies dated January 14, 1972, subject: Integrated Grant Administration Program, and all subsequent attachments, amendments, and interim guidelines.

3. **Background.**—This Circular is issued pursuant to the Joint Funding Simplification Act of 1974 (P.L. 93-510), and Executive Order 11893, dated December 31, 1975, which delegates to the Director, Office of Management and Budget, authority to issue regulations governing joint funding assistance to State and local governments and nonprofit organizations, and to perform other functions specified in P.L. 93-510.

4. **Attachments.**—The policies and procedures promulgated by this Circular are set forth in Attachments, as follows:

- Attachment A—Reapplication policies and procedures.
- Attachment B—Application policies and procedures.
- Attachment C—Project management policies and procedures.
- Attachment D—Project funding policies and procedures.
- Attachment E—Federal-State assistance and agreements.
- Attachment F—Joint funding audits.
- Attachment G—Joint funding evaluation.
- Attachment H—Uniform forms and provisions.

5. **Coverage.**—The provisions of this Circular shall apply as follows:

a. **Federal assistance programs.**—This Circular shall apply to all Federal assistance programs, as defined in subparagraph 7c, that provide support to State and local governments and nonprofit organizations, unless excluded under the provisions of section 3(b), P.L. 93-510. Where the enabling legislation for a specific Federal assistance program prescribes policies and procedures that exceed any or all of the provisions of this Circular, or that prohibit the application of any or all of the provisions of this Circular, the enabling legislation shall govern.

b. **Technical assistance and training.**—In accordance with section 9, P.L. 93-510, appropriations available to any Federal assistance program for technical assist-

ance or the training of personnel may be made available in connection with projects proposed or approved for joint funding.

6. **Policy and objectives.**—This Circular promulgates policies and regulations which provide, in part, for:

a. **Expediency.**—Expediting Federal procedures for the consideration and approval of support for projects drawing upon more than one Federal assistance program.

b. **Simplification and uniformity.**—Simplifying Federal requirements for the funding, monitoring, and overall operation of joint funding projects, which includes the use of standard application forms and provisions of the Federal Management Circular, FMC 74-7, "Uniform administrative requirements for grants-in-aid to State and local governments."

c. **Effective use of Federal assistance.**—Enabling State and local governments and nonprofit organizations to use Federal assistance more effectively and efficiently through the wider use of projects drawing upon resources available from more than one Federal agency, program, or appropriation.

d. **Federal-State arrangements.**—Encouraging and providing guidance relating to the establishment of Federal-State arrangements to assist local governments and nonprofit organizations on projects of common interest.

7. **Responsibilities.**
a. **Federal agencies.**—The head of each Federal agency administering programs of assistance to State and local governments and nonprofit organizations shall be responsible for:

(1) Assuring implementation of this Circular through internal directive or regulations within 90 calendar days from the effective date of this Circular. OMB will assist and cooperate with agencies in developing such procedures and regulations.

(2) **Promulgation of Program Listings.**—Federal agencies will establish the required list of programs eligible for joint funding purposes, identifying, by Catalog of Federal Domestic Assistance reference number, related programs likely to be particularly suitable or eligible for joint funding purposes in accordance with Section 3(b)(1), P.L. 93-510. Those programs particularly suitable shall be identified with an asterisk or other means. Such program listings shall be submitted to Office of Management and Budget, Intergovernmental Relations and Regional Operations, no later than 60 days from the date of issuance of this Circular. The program listings will be published in the catalog of Federal Domestic Assistance. It is further the responsibility of heads of agencies to assure that this information is communicated on a timely basis to all concerned agency personnel, other Federal agencies, and Federal Regional Councils, in order to respond more efficiently to applicant inquiries concerning the suitability of various Federal assistance programs for joint funding.

(a) **Criteria for Program Listings.**—For the purposes of joint funding, the

term, "Federal financial assistance programs," applies to grants including categorical, block, project, and formula-type grant programs. Certain contractual arrangements for the purpose of providing Federal financial assistance are also covered. General revenue sharing, direct payments to individuals, loans, loan guarantees, and insurance programs are not considered appropriate for joint funding and are, therefore, excluded. Nonfinancial type Federal assistance programs are also excluded.

(b) **Categories for Program Listings.**—Program listings will be developed under the following categories:

(1) "Particularly suitable for joint funding purposes" in accordance with the criteria provided below in subparagraph (c);

(2) "Other programs eligible for joint funding"; and

(3) "Ineligible for joint funding" because of legislative constraints or other particular impediments to joint funding arrangements that substantially impair or prohibit their inclusion in joint funding projects.

(c) **Criteria for Determining Suitability.**—In addition to the general criteria of selecting Federal financial assistance programs which State and local governments and nonprofit organizations might more efficiently and effectively utilize under a joint funding arrangement, the following specific opportunities should also be considered:

(1) administrative consolidation of closely related programs in the same functional category, particularly those which have been or can be identified as candidates for block grants;

(2) better management control of complex, large scale projects, including the construction of physical facilities, which involve detailed planning, scheduling, and coordination among several Federal, State, and local participating organizations;

(3) improved service integration and delivery through joint funding support of State and local organizational units responsible for planning and administering services for which two or more Federal programs provide assistance; and

(4) intensifying impact of Federal financial assistance programs directed toward special clientele groups e.g., aging, and youthful offenders.

(5) Designating by organizational title and location an office or official:

(a) Within the agency headquarters, to coordinate intra-agency implementation of this part and serve as the primary point of contact for other Federal agencies and prospective applicants with respect to agency joint funding activities and policies;

(b) Within each regional office, to coordinate agency joint funding activities within the region, and to serve as the primary contact for the Federal Regional Councils, other Federal agencies, and prospective applicants with respect to agency joint funding activities, to include serving on permanent or ad hoc joint funding committees as may be established by any Federal Regional Council; and

(c) It further shall be the responsibility of agency heads to inform OMB, other Federal agencies, and Federal Regional Councils of any change in program identifications or personnel designations as they have been established under (a) and (b) above.

b. *Federal Regional Councils (FRCs).*—The Federal Regional Council Chairmen shall:

(1) Make such FRC organizational and staff assignments they consider necessary and appropriate to carry out joint funding functions assigned to the FRCs by this Circular, to include establishment of ad hoc or permanent interagency committees, and/or the designation of a Joint Funding Coordinator for purposes of overseeing the processing of requests for, or the administration of, joint funding assistance.

(2) Take actions, as described in this Circular, to promote Federal-State provision of joint funding assistance to local governments and nonprofit organizations;

(3) Assure that issues of an interagency nature which arise during the processing of requests for, or the administration of, jointly funded assistance are brought to the attention of the FRC and resolved in a timely manner, as appropriate; and

(4) Maintain continuous oversight of jointly funded projects in order to assure such projects are developed and administered in conformance with the policies and procedures established by this Circular, and to evaluate from time to time the overall effectiveness of joint funding practices within the region.

c. *Office of Management and Budget.*—The Director of the Office of Management and Budget shall:

(1) Oversee the implementation and application of policies and procedures established by this Circular;

(2) Assure guidance, to include interpretation of policies and procedures, is provided to Federal agencies, FRCs, applicants, and others affected by this Circular, as appropriate; and

(3) Prepare, in accordance with section 11, P.L. 93-510, a comprehensive report for transmission by the President to the Congress at least one year prior to the expiration of P.L. 93-510.

8. *Definitions.*—For the purpose of this Circular:

a. *Federal agency* means any agency, department, corporation, independent establishment, or other entity of the executive branch of the Government of the United States;

b. *Participating agency* means any Federal, State, or other agency which provides, or will provide, financial assistance to a jointly funded project at some time during the projected funding period for the project;

c. *Lead agency* means a Federal participating agency designated to coordinate the participation of all Federal agencies involved in a joint funding project, and to act as the applicant's primary contact for all administrative matters related to the specific project concerned;

d. *Management fund agency* means a Federal agency responsible for the administration of the management fund;

e. *Federal assistance programs* means programs that provide financial assistance through grant or contractual arrangements, but does not include assistance in the form of general revenue sharing, loans, loan guarantees, or insurance;

f. *Applicant* means any State or local government or private, nonprofit organization acting separately or together in seeking assistance with respect to a single project;

g. *Joint funding project* means any undertaking, whether of a temporary or continuing nature, that includes components proposed or approved for assistance under more than one Federal program, or one or more Federal programs and one or more State programs, provided each of those components contributes materially to the accomplishment of a single purpose or closely related purposes;

h. *State* means any of the several States of the United States, District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or any agency or instrumentality of a State, and any tribe as defined in section 3(c) of the Indian Financing Act (58 Stat. 771);

i. *Local government* means a local unit of government including a city, county, parish, town, township, village, school district, council of governments, or other agency or instrumentality of a local unit of government; and

j. *Nonprofit organizations* means public and private institutions of higher education, hospitals, and other nonprofit organizations such as, but not limited to, community action agencies, Headstart agencies, research institutes, educational associations, and health centers. The term does not include foreign or international organizations (such as agencies of the United Nations) or research centers providing continuing support for mission-oriented, large scale programs which are (usually) Government-owned or controlled, or are designed as federally funded research and development centers.

9. *Reporting requirements.*

a. *Federal agencies.*—The heads of Federal agencies shall provide to the Director, Office of Management and Budget, Attention: Intergovernmental Relations and Regional Operations Division (IRRO):

(1) A copy of agency regulations or directives, if any, issued to implement this Circular, within 90 calendar days of issuance of this Circular;

(2) A list of all agency programs identified as eligible, particularly suitable, and those ineligible for joint funding;

(3) A list of all agency personnel designated to coordinate joint funding activities, as required in paragraph 7, Responsibilities; and

(4) Other reports and information as may from time to time be requested by the Director, Office of Management and

Budget, for the preparation of the comprehensive report to the Congress described in Attachment G.

b. *Federal Regional Councils.*—The Chairmen of the Federal Regional Councils shall assure the submission to OMB of such reports as shall from time to time be requested by the Director, Office of Management and Budget, for the preparation of the comprehensive report to the Congress described in Attachment G.

10. *Effective date.*—This Circular shall take effect in 30 calendar days from the date of issuance, except that existing jointly funded projects developed and administered under the Integrated Grant Administration (IGA) guidelines issued by the Office of Management and Budget on January 14, 1972, may be exempted from conformance to the provisions of this Circular until the project is renewed.

11. *Inquiries.*—Inquiries concerning this Circular may be addressed to the appropriate Federal Regional Council or to the Office of Management and Budget Intergovernmental Relations and Regional Operations, Washington, D.C. 20503, telephone (202) 395-3880.

JAMES T. LYNN,
Director.

ATTACHMENT A—CIRCULAR NO. A-111

PREAPPLICATION POLICIES AND PROCEDURES

1. *Purpose.* This Attachment sets forth policies and procedures to be followed in the submission and review of preapplications for projects which are appropriate for joint funding assistance from more than one Federal agency, program, or appropriation, or from one or more Federal agencies and one or more State agencies.

2. *Preparation of preapplication.*

a. *Preapplication forms.*—Applicants who wish to propose projects for joint funding assistance shall complete the required forms for submission to the appropriate Federal Regional Council (FRC) as follows:

(1) State and local units of government shall complete the appropriate standard forms to be used for preapplications for joint funded projects as described in Attachment II and its Exhibits. It shall be the applicant's responsibility to consult with any agencies whose preapplication requirements are not known. Applicants are required to identify all programs from which assistance is requested in the preapplication for a jointly funded project, to include those programs which normally do not require submission of a preapplication form; and

(2) Nonprofit organizations and other applicants who wish to propose jointly funded projects to be supported by Federal programs are encouraged to consult with the appropriate FRC prior to the completion of any preapplication documents. In those instances where the proposed project will draw primarily upon Federal programs administered at a headquarters level, the FRC shall refer the applicant to headquarters officials for the agency from which the greatest single share of assistance is desired.

b. *Supplemental information.*—In addition to the basic preapplication form(s), all applicants shall provide the following:

(1) A narrative justification of the need for jointly funded assistance. The applicant must demonstrate that a relationship exists among the programs cited through a commonality of purpose or ability to support a single or closely related goals. The applicant must demonstrate further that the specific

activities to be supported by each program are part of an overall strategy to achieve a common stated objective consistent with the functional purpose of the applicant organization, and the general intent of the specific assistance programs requested. Where necessary, the applicant may use joint funding arrangements for the purpose of dealing with groups or categories of problems related functionally;

(2) Notice of special timing considerations which may affect the feasibility of the proposed project, in accordance with section 4, Joint Funding Simplification Act of 1974 (P.L. 93-510);

(3) Requests, if any, for waiver of single or specific public agency eligibility requirements applicable to any of the programs from which assistance is requested, in accordance with section 6(c), P.L. 93-510;

*** Federal agency heads may waive requirements that a single or specific public agency be utilized or designated to receive, supervise, or otherwise administer a part of the Federal assistance drawn upon by any jointly funded project to the extent that administration by another public agency is determined to be fully consistent with applicable State or local law and with the objectives of the Federal assistance program involved. This authority may be exercised only (1) upon request of the head of a unit of general government, with respect to agencies that he certifies to be under his jurisdiction, or (2) with the agreement of the several State or local public agencies concerned.

(4) Identification and request for agency review of any administratively established program requirements the applicant considers to be a serious impediment to the joint support of the proposed project, in accordance with section 4(b)(3), P.L. 93-510; and

(5) Verification by an independent public accountant or authorized Federal agency that applicant organizations maintain or can develop an accounting system whereby records will be kept by separate Federal programs and appropriations from which assistance is received. Such certification shall be required as a condition for the award of jointly funded assistance. However, consideration shall be given to recent audits of the applicant's financial management system in meeting this requirement.

3. Submission of preapplication.

a. *Submission to A-95 clearinghouses.*—Office of Management and Budget Circular No. A-95, "Examination, Review, and Coordination of Federal and Federally Assisted Programs and Projects," shall apply to all joint funding projects which involve Federal programs covered by that Circular as amended.

b. *Submission to Federal Regional Councils (FRCs).* An applicant for joint funding assistance should submit all required preapplication documents, hereinafter referred to as the preapplication, to the FRC in the Region in which the applicant is located. Areas served (States) and headquarters city of the Federal Regional Councils are contained in Exhibit A. The only exceptions to this procedure will be in the case of non-profit organizations referred to headquarters officials of a specific Federal agency, as noted in subparagraph 2a(2) above, and preapplications which concern exclusively of programs funded by a single Federal agency. In such instances, the Federal agency receiving the preapplication will assume all functions normally assigned to the Federal Regional Council throughout the balance of this Attachment and subsequent Attachments.

c. *Submission to State agencies.* If the proposed project includes assistance from State sources, the applicant shall submit a copy of the preapplication to appropriate State

funding and/or coordinating agencies in conformance with notification procedures established by the individual State(s) concerned. The Governor of each State is encouraged to designate a State agency to receive and coordinate all requests for State participation in joint funding projects.

4. Responsibilities for preapplication review.

a. *Federal Regional Councils (FRCs).* The FRCs shall:

(1) Receive all preapplications for jointly funded assistance, except when an applicant has been advised by the FRC to submit the preapplication directly to a specific office of a Federal agency;

(2) Coordinate review of the preapplication by Federal and, if appropriate, State agencies from which an applicant requests assistance. The FRC may request the coordination of preapplication review by an individual Federal agency when deemed appropriate;

b. *Federal agencies.* Federal agencies shall:

(1) Coordinate review of the preapplication by Federal and, if appropriate, State agencies from which an applicant requests assistance;

(2) Cooperate with the FRC or designated agency coordinating preapplication review to carry out internal review with respect to agency programs from which an applicant requests assistance; and

(3) Serve as lead agency, if so requested by the FRC.

c. *Appointment of coordinating officer.*—Upon receipt and acceptance of a preapplication for joint funding assistance, the FRC or a Federal agency designated by the FRC will appoint a coordinating officer to oversee preapplication review. The coordinating officer's functions may include the following:

(1) Serve as the applicant's primary Federal contact during the preapplication review period;

(2) Determine whether the preapplication conforms to the standard form described in Attachment II of this Circular, and Federal Management Circular (FMC) 74-7, or other prearranged format for programs not covered by FMC 74-7, and that the preapplication is complete with respect to all required information;

(3) Assure copies of the preapplication are provided to all Federal and, if appropriate, State agencies from which an applicant requests assistance;

(4) Establish an official project file

(5) Assist applicant, in conjunction with other participating agencies, to identify supplemental or alternative sources of Federal support for the proposed project; and

(6) Receive separate agency reviews of the preapplication and, in consultation with the agencies concerned, prepare a consolidated review summary to the FRC for transmission to the applicant.

5. Preapplication review procedures.

a. *Review criteria.*—Each Federal and participating State agency shall review the preapplication with respect to the program(s) administered by that agency from which an applicant requests assistance. In addition to the regular preapplication review, each reviewing official should assess:

(1) Feasibility of the proposed project, to include consistency with Federal and agency policies concerning the scope and purpose of joint funding;

(2) The degree to which the applicant has properly demonstrated a relationship among the programs included in the joint funding project; and

(3) Competitiveness of the proposed project with similar requests for program funds, to include those applications for categorical assistance submitted under normal agency procedures.

b. Requests for additional information.

Reviewing officials may request additional information from applicants if necessary to meet regular preapplication review requirements for the particular program(s) involved.

6. Notice of preapplication review.

a. *Agency review actions.* Within 30 calendar days (45 days for construction projects) of receipt, each Federal and, if appropriate, State agency reviewing the preapplication shall transmit to the coordinating officer a notice of preapplication review containing the following information for each program administered by that agency from which assistance is being requested:

(1) Any agency and/or preapplication reference numbers assigned to the proposal;

(2) Indication of the programs which will or will not receive favorable consideration for inclusion in the joint funding project. For the former, indicate estimated level of funding. For the latter, provide reasons for not being acceptable in the joint funding project and an indication whether the reviewing agency will consider an application for categorical grant in lieu of inclusion in the joint funding project;

(3) The extent to which special timing considerations requested by the applicant can be accommodated, and the impact such action may have on the feasibility of providing joint assistance to the project;

(4) Action taken, with respect to administratively established program requirements identified by the applicant, or the agency reviewing official as serious impediments to joint funding of the project;

(5) Whether an environmental assessment must be accomplished for their portion of the project and if such an assessment is likely to conclude that an environmental impact statement will be needed;

(6) Whether an applicant's request to waive single or specific public agency eligibility requirements is approved. Eligibility questions of this type must be resolved prior to the submission of a formal application for the proposed project;

(7) Any special requirements (including forms and instructions) necessary to process a formal application for the proposed project;

(8) Proposal, if necessary, for a preapplication conference;

(9) Name of official to represent agency or program on project task force;

(10) Whether agency is willing to serve as lead agency for the project; and

(11) Any additional pertinent information as requested.

b. *Notification to applicant.*—Within 15 working days of receipt of all notices of preapplication review, the coordinating officer, in consultation with all participating agencies, shall consolidate all reviews into a single notice of preapplication review. The single notice shall be submitted to the FRC Chairman for transmission to the applicant and to the appropriate A-95 clearing house(s) to the extent required by A-95. In addition to consolidating information contained in the participating agencies' notice of preapplication review, the notification to the applicant shall comply with (1) or (2) below:

(1) If two or more Federal programs, or one or more Federal and one or more State programs indicate a favorable review of the project, the notification to the applicant shall indicate:

(a) Submission of a formal project application for jointly funded assistance is appropriate;

(b) Special requirements identified by reviewing agencies necessary to process a project application;

(c) Lead agency designated by the FRC to which application for jointly funded assistance should be submitted, to include name of

project manager appointed by the lead agency;

(d) Disposition of any requests by applicant for special timing and special eligibility considerations; and

(e) List of all project task force members.

(2) If the proposed project is not considered favorably for joint funding, the notification shall indicate:

(a) The reasons why the proposal's review was unfavorable;

(b) Which Federal agencies, if any, will provide technical assistance to the applicant to refine the proposal; and

(c) Which Federal agencies, based upon their review of the preapplication, will accept for consideration applications for categorical assistance from the applicant.

7. **Establishment of task force and pre-application conference.**

a. **Establishment of task force.**—When a preapplication for jointly funded assistance has been reviewed favorably, the Federal Regional Council shall:

(1) Establish a project task force consisting of representatives from each participating Federal and State agency; and

(2) Designate a lead agency for the project. The lead agency shall appoint a project manager, who will convene and chair task force meetings.

b. **Preapplication conference.**—As soon as possible following the favorable notification of preapplication review to the applicant, the lead agency shall hold a preapplication conference.

ference to be attended by the applicant and members of the project task force. The purpose of the preapplication conference is to:

(1) Provide the applicant an opportunity to meet with all potential funding agencies and to discuss collective and individual requirements necessary to process a formal project application. At a minimum, the scope and format of any information required by participating agencies or programs in addition to the basic application forms should be established. Such requirements should be specified in writing and, to the extent practicable, shall constitute the total information required by participating agencies to review and approve the project;

(2) Discuss among potential funding agencies and the applicant the probable disposition of unresolved or disputed matters relating to any administratively established program requirements considered to be serious impediments to joint funding of the proposed project;

(3) If an environmental impact statement is required, arrangements should be made for preparation of a joint or single environmental impact statement for the project, in accordance with Title 40, Code of Federal Regulations (CFR), section 15001, "Preparation of Environmental Impact Statements: Guidelines"; and

(4) Arrange for such technical assistance to the applicant as may be appropriate to prepare the project application.

EXHIBIT A.—Federal Regional Councils (Circular No. A-111)

Region served and headquarters city	Address	Telephone
I.—Boston: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont.	Federal Regional Council of New England, Room E-311, JFK Federal Bldg., Boston, Mass. 02203.	617-523-5221
II.—New York: New Jersey, New York, Puerto Rico, Virgin Islands.	Federal Regional Council, Suite 3541, 25 Federal Plaza, New York, N.Y. 10007.	212-264-8608
III.—Philadelphia: Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, West Virginia.	Mid-Atlantic Federal Regional Council, Federal Bldg., 600 Arch St., Philadelphia, Pa. 19106.	215-597-3653
IV.—Atlanta: Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee.	Southeastern Federal Regional Council, Suite 515, 1371 Peachtree St. N.W., Atlanta, Ga. 30309.	404-526-2287
V.—Chicago: Illinois, Indiana, Minnesota, Michigan, Ohio, Wisconsin.	Federal Regional Council, 35th floor, 300 South Wacker Dr., Chicago, Ill. 60606.	312-353-1150
VI.—Dallas: Arkansas, Louisiana, New Mexico, Oklahoma, Texas.	Southwest Federal Regional Council, room 9C2B, 1500 Commerce, Dallas, Tex. 75202.	214-749-1431
VII.—Kansas City: Iowa, Kansas, Missouri, Nebraska.	Federal Regional Council, room 434, 601 East 12th St., Kansas City, Mo. 64109.	816-758-3861
VIII.—Denver: Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming.	Mountain Plain Federal Regional Council, room 14041, Federal Bldg., 1561 Stout St., Denver, Colo. 80202.	303-327-2741
IX.—San Francisco: Arizona, California, Hawaii, Nevada.	Western Federal Regional Council, P.O. Box 30229, 630 Golden Gate Ave., San Francisco, Calif. 94102.	415-556-1970
X.—Seattle: Alaska, Idaho, Oregon, Washington.	Northwest Federal Regional Council, 1321 2nd Ave., Seattle, Wash. 98101.	206-399-0420

ATTACHMENT B.—CIRCULAR NO. A-111

APPLICATION POLICIES AND PROCEDURES

1. **Purpose.**—This Attachment sets forth policies and procedures to be followed in the submission, review, and approval of applications for projects which are appropriate for joint funding assistance.

2. **Preparation of application.**

a. **Application forms.**—Upon receipt of a favorable notice of preapplication review for joint funding projects, applicants shall complete the required forms for submission to the appropriate Federal Regional Council (FRC) as follows:

(1) State and local units of government shall use the standard application forms as described in Attachment II and its Exhibits. It shall be the responsibility of the applicant to consult with any agencies whose requirements are not known prior to completion and submission of an application.

(2) Nonprofit organizations and other applicants who apply for jointly funded projects are required to use the standard forms promulgated by this Circular. For those projects where waiver of the use of standard forms

promulgated by this circular has been agreed upon by the project task force, it shall be the responsibility of the task force to develop, to the extent practicable, a single application format acceptable to all agencies and programs participating in the project.

b. **Basic framework of joint funding application.**—Joint funding projects shall be justified and applied for by providing a narrative justification of the need for joint funding assistance. The applicant must demonstrate that a relationship exists among the programs cited through a commonality of purpose or ability to support a single goal or closely related goals. The applicant further must demonstrate that the specific activities to be supported by each program are part of an overall strategy to achieve a common stated objective, consistent with the functional purposes of the applicant organization, and the general intent of the specific assistance programs requested. Where necessary, the applicant may use joint funding arrangements for the purpose of dealing with groups or entities of problems related functionally. The basic framework of the application should conform to the following:

(1) **Objective.**—An overall statement of objective(s) must be provided. Objectives for joint funding projects are specific attainable ends toward which concentrated effort is to be directed. Objectives are normally stated in terms of the fulfillment of broad public needs, the achievement of predetermined levels of excellence, the alleviation of major problems, or the accomplishment of specific public tasks.

(2) **Elements and subelements.**—Elements are identifiable major subunits of work or activity related to the overall program objectives. Elements are usually proposed by the applicant subject to Federal approval, and there must be a relationship among all elements toward accomplishing the overall objectives of the joint funding project. Subelements are further breakdowns of elements and may be necessitated by two reasons: (a) the applicant may wish to identify work or activity at this level of detail for better management; or (b) the federal program or funding requirements may require that such level of detail be maintained for operating and fund control purposes.

(3) **Work plan.**—The work plan is a translation of the objectives of the applicant's proposal into elements and subelements. The work plan should present a schedule of elements and subelements, their specific descriptions and work effort required, timetable for accomplishing major milestones and completing the element/subelement activities, and resources required from various sources for the period for which funding is requested. Both the resource requirement and the program description should be based on the same framework of the element/subelement schedule. For example, resource requirements on applications for nonconstruction programs will be presented in Part III—Budget Information (Exhibits H-4 and H-5, Attachment B) of the application form, and other program descriptions will be included in the Part IV—Program Narrative (Exhibit H-7, Attachment H).

c. **Supplemental information.**—In addition to the basic application forms, applicants shall provide the following:

(1) Any special requirements or information identified by participating agencies in the notice of preapplication review;

(2) Notice of special timing considerations which may affect the feasibility of the project, in accordance with section 4, Joint Funding Simplification Act of 1974 (P.L. 93-510) provided such notice was not made or resolved during the preapplication review period; and

(3) Requests for review and modification of specific administratively established program requirements, which the applicant believes would impede joint funding of the project under consideration, provided such requests were not made or resolved during the preapplication review period.

3. **Submission of Application.**

a. **Submission to A-95 clearinghouses.**—Office of Management and Budget (OMB) Circular No. A-95 shall apply to all joint funding projects which involve programs covered by the Circular. Evidence of clearinghouse review must be included with the application submitted to Federal and, if appropriate, State officials.

b. **Submission to lead agency.**—Applicants shall submit all required application documents, hereafter referred to as the application, to the lead agency designated by the Federal Regional Council in the preapplication review notice sent to the applicant under the provisions of Attachment A, subparagraph 6b.

c. **Submission to State agencies.**—If the project is to include assistance from State sources (including Federal State pass-through funds), the applicant shall submit copies of

the application to a State agency or function designated to receive and coordinate requests for State participation in jointly funded projects.

4. Responsibilities for application processing and approval.

a. Lead agency.—The lead agency shall:

(1) Conduct or arrange for the conduct of a preaward survey of the applicant's financial management system. In accordance with Attachment F, preaward surveys shall be completed and accepted by the lead agency prior to the joint funding grant award. Indian tribes shall be required to have an adequate financial management system that can be verified by either the Bureau of Indian Affairs or other appropriate Federal agency. If an independent public accountant's verification is required, the cost of such service shall be borne by the applicant, and should be treated as overhead cost.

(2) Assure that the applicant organization is aware and capable of complying with FMC 74-4, "Cost principles applied to grants and contracts with State and local governments" or FMC 73-8, "Cost principles for educational institutions," as appropriate. For other types of applicants, the lead agency will assure that adequate financial management controls are exercised over joint funding operations.

(3) Perform the following functions under the direction of the project manager:

(a) Call and chair task force meetings;
(b) Serve as the applicant's primary point of communication with agencies participating in the project during the application processing period;

(c) Coordinate review and approval of the application by participating agencies;

(d) If so requested, arrange for assistance to the applicant to develop the project application, either individually or in cooperation with one or more task force members;

(e) Receive separate agency reviews of the application and, in consultation with the task force, prepare a consolidated notice of approval and grant award, or notice of disapproval;

(f) Maintain an official project file.

b. Participating Federal and State agencies.—Participating Federal and State agencies shall assure the agency is represented on the project task force established by the FMC. The task force representative shall:

(1) Coordinate agency or program review and approval of the application;

(2) Carry out all required actions within deadlines established by the task force;

(3) If so requested, assist the applicant to develop the project application with respect to programs administered by the individual participating agency.

c. Federal Regional Councils.—The Federal Regional Councils shall:

(1) Maintain a continuing liaison with the lead agency and project task force for purposes of monitoring overall processing of the application; and

(2) Provide a forum for the resolution of specific interagency issues which may arise during the application processing period, and which cannot be resolved by the project task force.

5. Application review procedures.

a. Lead agency functions.—Upon receipt of the application, the project manager shall:

(1) Establish, in consultation with the task force, a deadline for review and approval of the application by participating agencies. The time required for review by participating agencies should be limited to a maximum of 45 calendar days.

(2) Assure copies of the application are provided to all task force members and, if requested, to the FRC.

(3) Arrange for internal review and approval of requests for assistance from lead agency programs.

b. Participating agency functions.—Upon receipt of the application, task force representatives of participating agencies or programs shall:

(1) Review or arrange for review and approval of the application with respect to programs administered by the task force membership.

(2) Notify the project manager in writing at the earliest possible date if the agency or program cannot meet the deadline established for review and approval, to include a statement and justification of the reasons why such deadline cannot be met.

(3) Determine the extent to which the agency or program can accommodate any special timing considerations requested by the applicant, if not previously resolved.

(4) Identify any administratively established program requirements, in addition to or in the absence of any identified by the applicant, which are considered to be impediments to joint funding of the project.

(5) Arrange for review and modification of any administratively established program requirements identified as impediments to joint funding, and discuss the disposition of or actions taken on such requests with the applicant and other task force members, as appropriate.

(6) Discuss with the applicant and other task force members any special conditions upon which agency approval of the application might be subject, and which would be attached to the grant award.

a. Agency notification.—Upon completion of its review of the application, each agency shall notify the project manager of the results, in accordance with (1) or (2) below:

(1) **Project approval.—**If the agency approves the applicant's request for assistance, it shall complete and forward to the lead agency the standard "Participating Agency Grant Award Notice" described in Attachment H, Exhibit H-17. Execution of the "Participating Agency Grant Award Notice" is the obligating document for the participating agency. In addition, the agency shall indicate:

(a) Special conditions, if any, to which approval of funds may be subject, based upon prior discussion with the applicant and other participating agencies.

(b) Final disposition or action taken on any administratively established program requirements identified by the applicant or reviewing agency as impediments to joint support of the project.

(c) Any delegation of powers to another Federal agency, if necessary. In accordance with section 7, P.L. 93-510, agency heads may delegate to other Federal agencies powers and functions relating to the supervision or administration of Federal assistance, or otherwise arrange for other agencies to perform such activities, with respect to projects or classes of projects funded under the terms of P.L. 93-510. Delegations may be made only on such conditions as may be appropriate to assure that the powers and functions delegated are exercised in full conformity with applicable statutory provisions and policies, and shall not relieve agency heads of responsibility for the proper and efficient management of projects funded by their agencies.

(2) **Project disapproval.—**If the agency disapproves the applicant's request for assistance, it shall indicate the reason(s) for such disapproval.

b. Task force consolidation of agency actions.—At the end of the review period previously established by the task force, the project

manager shall convene the task force to resolve such conditions as follow:

(1) To decide if there is sufficient reason and justification for the use of joint funding to achieve the scope and objectives of the project, or whether individual awards are more appropriate on the basis of the number and extent of Federal grant program participation obtained. If the project remains consistent with the purpose and scope of joint funding, the grant may be awarded.

(2) The project is subject to varying or conflicting technical or administrative rules and procedures not required by law. In such instances, the participating agencies shall work in concert to establish uniform, non-conflicting requirements to govern the project.

(3) As necessary, meeting(s) shall be held between the project task force and applicant to discuss special conditions that will be required before the grant is awarded.

c. Notification procedures.—When all contingencies associated with the project have been resolved, the following notification procedures shall be executed:

(1) **Notification to applicant.—**The project manager shall comply with (a) or (b) below:

(a) If approved, prepare a single notice of grant award to be forwarded by the lead agency to the applicant, in accordance with procedures described in Attachment C; or

(b) If disapproved, prepare an explanation of the reasons for disapproval to be forwarded by the lead agency to the applicant.

(2) **Lead agency notification requirements.—**Lead agencies to applicant.—

(a) After the award, comply with notification requirements established by Department of the Treasury Circular (TC) 1002 and Office of Management and Budget (OMB) Circular No. A-85, as appropriate; and

(b) Coordinate notification to congressional offices as required.

7. Continuation applications.—Continuation applications for subsequent project years will be processed in accordance with the procedures outlined in this Attachment. Use of preapplication forms will not normally be required. Specific task force functions with respect to establishing deadlines for submission and assisting applicants in developing continuation applications are described in Attachment C.

ATTACHMENT C.—Circular No. A-111

PROJECT MANAGEMENT POLICIES AND PROCEDURES

1. Purpose.—This Attachment sets forth policies and procedures to be followed in the management of jointly funded projects.

2. Lead agency functions.—The lead agency will coordinate grantor agency participation in the project, and will serve as the grantor's primary contact for all administrative matters related to the project. The lead agency shall be responsible for the necessary costs of services in administering the jointly funded project unless other arrangements are negotiated with the participating agencies for sharing of funds, services, or materials to aid in the administration of the jointly funded project.

a. Notification and award of project funds.—Following approval of the project application, the lead agency shall:

(1) Arrange for establishment of a joint management fund and letter-of-credit payment method for the project, in accordance with procedures described in Attachment D.

(2) Issue a single notice of grant award to the applicant in letter form as described in Attachment H. In addition to the information presented in the form letter, submit the following:

(a) Disposition of or action taken on requests for review and modification of administratively established program requirements identified by the applicant or participating agencies as impediments to joint support of the project.

(b) Any common technical or administrative rules and procedures established for the project.

(c) Standard financial and program reporting requirements applicable to the particular project, in accordance with the provisions of Attachment H of this Circular or the proposed Circular entitled, "Uniform administrative requirements for grants and other agreements with institutions of higher education, hospitals, and other nonprofit organizations." Non-Federal participating grantor agencies shall be encouraged to utilize standard Federal financial and program reporting requirements as indicated in this paragraph unless prohibited by State statutes.

d. Administration of project funds.—Specific procedures governing administration of project funds are described in Attachment D.

e. Project termination.—Take any actions necessary to revise or terminate project funding in cooperation with the participating grantor agencies involved. Where such actions result in a substantive change in the project scope or key elements, the appropriate A-85 clearinghouse(s) shall be notified.

f. Audit of project funds.—Specific audit procedures are described in Attachment F.

g. Project administration and coordination.—The lead agency shall administer and coordinate the project on behalf of participating grantor agencies. However, neither the lead agency (except for its own funds) nor the Federal Regional Council shall make any decisions concerning the participation or amount of assistance provided by any grantor agency. Further, the lead agency shall not evaluate or suggest corrective actions related to grantee performance of project components supported by any program other than those of the lead agency. In carrying out administrative and coordinative functions, the lead agency project manager shall:

(1) Establish and maintain an official project file;

(2) Continue to chair and convene task force meetings for purposes of monitoring and evaluating overall progress of the project as a jointly funded effort, and of the effectiveness of joint funding policies and procedures in general;

(3) Help arrange for the provision of any appropriate assistance requested by the grantee, relative to the management of the project as a whole, or specific components thereof;

(4) Inform participating agencies of any problems that may occur relative to project components they are funding and help arrange for the most expeditious resolution of such problems between the grantee and representatives of the specific agency(s) concerned; and

(5) Receive program reports required of the grantee, and assure such reports are distributed on a timely basis to participating grantor agencies.

h. Participating grantor agency functions.—Participating grantor agencies shall be responsible for:

a. Statutory accountability.—Participating grantor agencies are not relieved of the responsibility to ensure that funds they provide through a jointly funded arrangement are disbursed and expended properly, in a manner consistent with applicable laws and regulations.

b. Program monitoring.—Participating grantor agencies shall be responsible for

normal program monitoring of those specific project components funded by a particular agency or program. Site visits and other requirements related to the execution of such monitoring responsibilities shall be coordinated with the project manager in order to promote efficient scheduling and eliminate duplicative efforts.

c. Submission of grantee reports.—Participating grantor agencies shall review at annual and program reports submitted by the grantee through the lead agency, and shall notify the project manager within 15 working days of the receipt of such reports in accordance with (1) or (2) below:

(1) Acceptance of the reports as submitted with respect to project components funded by the particular agency; or

(2) A statement of any problems or discrepancies noted in the reports and any actions necessary to resolve such problems.

d. Administrative support to the lead agency.—Participating grantor agencies shall provide administrative support to the lead agency as appropriate.

e. Provision of technical assistance and training.—Participating agencies shall provide technical assistance and training to grantees to aid them in meeting planned objectives of the jointly funded project, as appropriate, in accordance with section 9, P.L. 93-610.

f. Federal Regional Council functions.—The Federal Regional Councils (FRCs) shall:

a. Maintain continuing oversight of joint funding activities.—The FRCs shall maintain continuing oversight of jointly funded activities within their geographic area of responsibility and

b. Provide a forum for the resolution of interagency issues.—Issues which arise in the operation of any jointly funded project of an interagency nature, and which cannot be solved at the project task force level, shall be brought before the FRC by the project manager for appropriate action and resolution.

g. Project evaluation and change of lead agency.—Upon a significant change in the project such as changes in the project core activity or the nature and scope of the project, the project task force shall:

a. Evaluate the project.—The project shall be evaluated to determine its continued need for jointly funded assistance, with particular emphasis on meeting the criteria for a jointly funded project described in Attachment B, subparagraph 2b.

b. Recommend a new lead agency.—If changes in the project warrant designation of a new lead agency, the task force shall recommend the same to the FRC. In designating a new lead agency, the FRC shall assure any change:

(1) Meets with the approval of participating grantor agencies, and is acceptable to the grantee;

(2) Is concurrent with the start of a new project funding period; and

(3) If substantive change is made in the project scope, advise the new lead agency to notify the appropriate A-85 clearinghouse(s).

h. Management and audit functions.—When a change in lead agency takes place, appropriate arrangements shall be made between the new lead agency and its predecessor with respect to continuing administration of unexpended amounts in the joint management fund and conduct of previously arranged or scheduled audits by the former lead agency.

i. Federal-State coordination.—Specific suggestions for coordinating Federal and State participation in joint funding projects are described in Attachment E.

j. Grantee responsibilities.

a. Awarid requirements.—The grantee is responsible for carrying out the jointly funded project or program within the terms

set forth in the grant award notice issued in accordance with subparagraph 2a of this Attachment.

b. Secondary recipients.—Where Federal funds awarded to the jointly funded project are to be passed on by the primary recipient (grantee) to one or more secondary recipients, the primary recipient of the Federal funds shall be responsible for the establishment of accounting records which will permit the identification of all charges, both direct and indirect, to the individual Federal programs and project elements in accordance with the approved work plan. The primary recipient (grantee) shall be responsible for the establishment of the same accounting records by any secondary recipients.

ATTACHMENT D—CIRCULAR NO. A-111

1. Purpose.—This Attachment presents policies and procedures to be followed in the transfer of Federal funds awarded from grantor agencies to grantees administering jointly funded projects.

2. Policy intent.

a. Management fund and letter of credit.—The use of a management fund as authorized in section 8(a), Joint Funding Simplification Act of 1974 (P.L. 93-510), along with the Federal letter of credit shall be the preferred method of funding jointly funded projects. Where the use of the management fund and/or letter-of-credit method by participating grantor agencies are prohibited by statute, appropriate citations should be presented to the lead agency prior to approval of the project in order that alternative funding procedures may be developed in a timely manner.

b. Other funding procedures.—Advances or reimbursements by Treasury checks may be made under the following conditions:

(1) If their use is deemed appropriate by both the grantee and lead agency to assure effective administration of Federal assistance funds in accordance with Federal Management Circular (FMC) 74-7, Attachment J, or

(2) If their use is recommended by the FRC and approved by the lead agency in order to establish a jointly funded project where the applicant cannot qualify for the issuance of a letter of credit.

3. Applicability and scope.—These guidelines are provided to augment the procedures established by the U.S. Department of the Treasury's Fiscal Requirements Manual and subsequent Bulletin(s) that provide guidance in the use of the management fund process and letter of credit procedures for joint funding purposes.

4. Management fund policies.

a. Management fund use.—A management fund is an account authorized by law to record the transactions of intragovernmental activities necessary to carry out a common purpose or project, other than a continuing cycle of operations, which are financed by more than one Federal appropriation. Section 9, P.L. 93-510, authorizes the use of a management fund to support jointly funded projects. The management fund is used as a financial device to record the receipt and expenditure of funds awarded to jointly funded grantees (States, local governments, and non-profit organizations), to enable the grantee to utilize the Federal letter of credit procedure, and to facilitate management by a single management fund agency as described under subparagraph 6d below.

b. Establishment of management fund accounts.—Agencies should request that the U.S. Department of the Treasury, Bureau of Government Financial Operations establish a single management fund account for each lead agency/management fund agency. Separate administrative subaccounts will be established by the lead agency management fund agency for each joint funding project administered. Agencies will obtain advances

approval from OMB for these accounts in accordance with Section 11.4 of OMB Circular No. A-11, revised.

6. Letter of credit policies.

a. Letter of credit use.—The letter-of-credit method shall be used in conjunction with the management fund established for the joint funding project. The Federal lead agency has the primary responsibility for the establishment of the letter-of-credit method and its operation, assuring compliance with Treasury Department regulations for advance financing. The timing and amount of cash advances shall be as close as is administratively feasible to the actual disbursements by the primary recipient (grantee) and must be accomplished in accordance with Treasury Department Circular No. 1076. Use of letter of credit shall be covered by a clause in the grant, contract, or other financing agreement whereby the grantee organization commits itself to:

(1) the practice of initiating cash draw-downs only when actually needed for its disbursements;

(2) the timely reporting of cash disbursements and balances as required by the lead or management fund agency; and

(3) the imposition of the same standards of timing and amounts upon any secondary recipients, including furnishing of reports of cash disbursements and balances, with the understanding that failure to adhere to these provisions may cause the unobligated portion of the letter of credit to be revoked by the lead or management fund agency or by the Department of the Treasury. The financial management system of the recipient organization shall provide for effective control over the accountability for all funds, in accordance with provisions set forth in FMG 74-7, or OMB Circular A-110 "Uniform administrative requirements for grants and other agreements with institutions of higher education, hospitals, and other, nonprofit organizations," as appropriate.

b. Funding requirement for letter of credit.—The minimum funding requirement for the use of letter-of-credit method for joint funding purposes has been established at \$120,000 by the Department of the Treasury.

6. Management fund procedures.

a. Notification of joint funding award.—The approved grant award funds represent budgetary and obligation authority to the grantee for the funding period. The award letter sent to the grantee will serve as the lead agency's or management fund agency's obligating document for the joint funding project. A copy of the grant award notice shall be provided to participating grantee agencies and the Federal Regional Council.

b. Lead agency.—Upon issuance of the joint funding award letter, or earlier if practicable, the Federal lead agency assumes responsibility for establishing the management fund, the letter of credit, and other funding arrangements to which the grantee has agreed, in order to expedite the delivery of project funds. For a more complete description of the lead agency's functions, see Attachment C.

c. Delegation by lead agency of management fund administration.—In accordance with the provisions of section 7, P.L. 93-510, the lead agency may delegate to another participating Federal agency the powers and functions necessary to administer the joint management fund. Delegation under this section shall be made only on such conditions as may be appropriate for the proper and efficient management of project funds. Such delegation by the lead agency shall not re-

move the heads of any participating Federal agencies of the responsibility to account for disbursement of agency funds in a manner consistent with applicable laws and regulations.

d. Management fund agency.—The management fund agency is responsible for reporting joint funding transactions in accordance with the U.S. Department of the Treasury's Fiscal Requirements Manual and subsequent Bulletin(s) that provide guidance for joint funding management fund use. Because accessibility to the U.S. Department of the Treasury central accounting and reporting system is required, the management fund agency must be a Federal agency. However, the management fund agency acts merely as a broker for the Federal funds in the grant. Funds do not lose their identity in the management fund and are available only for use by the jointly funded grantee identified in the joint funding award issued by the lead agency. Normally, the management fund agency is the lead agency and shall perform as follows:

(1) Oversee the establishment, where appropriate, of a single non-Federal share for any joint funding project as provided in Section 8(e), P.L. 93-510. The amount for the single non-Federal share should be established for the smallest program unit (element or sub-element) through the following steps:

(a) Compute the Federal share for each Federal program as they appear in the element cost.

(b) Aggregate the total amounts computed in (a) above and divide the total by the element cost. This establishes the combined Federal share (%).

(c) Subtract the amount computed in (b) from 100% to establish the combined non-Federal matching share (%).

In view of the limitation of Section 5 of P.L. 93-510, this procedure will assure that the required matching requirements have been met for each Federal program. However, if all participating agencies are supporting a single function or activity, and are able to finance all phases of the work, then the lead agency shall arrange for an agreed upon percentage of support by each participating program for the purpose of distributing charges to the appropriate Federal and non-Federal participants.

(2) Receive the "Participating Agency Grant Award Notices" from each agency providing financial support to the project. The appropriations or fund account to be charged and the amount available for the funding period are noted in the aforementioned form. See Attachment H, Exhibit H-17.

(3) Request U.S. Department of the Treasury to establish a joint management fund account in accordance with Treasury's Fiscal Requirements Manual and Subsequent Bulletin(s) that provide guidelines for joint funding transactions. See subparagraph 4b above.

(4) Establish the funding procedures designed for the jointly funded project (including as appropriate:

(a) Issue a letter of credit to the grantee in accordance with the provisions of Treasury Fiscal Requirements Manual, Part VI, as amended. The letter of credit shall be issued to the grantee in an amount equal to the total amount of all grant award notices received from participating agencies; and

(b) Authorize the use of Treasury checks for advances or reimbursements, to be drawn upon the management fund in accordance with subparagraph 2b above.

e. Treasury reporting requirements for joint funding transactions.—All Department of the Treasury reporting requirements for joint funding transactions involving the use of the joint management fund are contained in the Department of the Treasury Fiscal Requirements Manual (FRM). In addition, letter of credit policies and procedures are covered in the Department of the Treasury Circular 1076, as revised, and Part VI, Treasury FRM 2000, respectively.

ATTACHMENT E—CIRCULAR NO. A-111

FEDERAL-STATE ASSISTANCE AND AGREEMENTS

1. Purpose.—It is the purpose of this Attachment, in accordance with section 2, Joint Funding Simplification Act of 1974 (P.L. 93-510), to encourage Federal-State arrangements under which local government and nonprofit organizations may more effectively and efficiently combine Federal and State resources in support of projects of common interest to the governments and organizations concerned.

2. Applicability.—In accordance with section 10, P.L. 93-510, Federal agencies or Federal Regional Councils (FRCs) acting on behalf of member agencies are authorized, and are hereby encouraged, to enter into agreements with States to extend joint funding procedures to projects involving assistance from one or more Federal agencies and one or more State agencies. It also shall be the responsibility of the FRCs to encourage the Governors of States within their geographic areas of responsibility to designate a single State agency or function to receive and coordinate all requests for State participation in joint funding projects. The FRCs further shall maintain a list of designated State joint funding coordinators within their regions, and shall assure such information is made known to prospective applicants.

3. Policy intent.—The intent of section 10, P.L. 93-510, is to encourage greater Federal-State cooperation in the provision of joint assistance to eligible applicants. A number of specific suggestions to improve such cooperation are noted in this Attachment. Federal and State agencies participating in joint funding projects are encouraged to examine all possible means to facilitate the provision of joint assistance and, within the general guidelines promulgated through this Circular, to establish working agreements related to the specific needs of the individual projects and grantee involved.

4. Types of agreements.—Subject to applicable Federal and State laws, Federal-State arrangements may include agreements for the processing of requests for, or the administration of, assistance to projects on a joint basis. Specific agreements may include, but are not limited to, the following:

a. Preapplication and application processing.—Agreements to process project preapplications and applications jointly shall conform generally to the procedures described in Attachments A and B of this Circular, and might include:

(1) Establishment of coordinated Federal-State review and approval schedules and requirements, whereby a single Federal and a single State activity agree to jointly oversee all preapplication or application processing by participating grantor agencies at their respective governmental levels, and to coordinate all responses to the applicant.

(2) Establishment of a single project task force.

(a) Chaired by a lead Federal agency, under the general auspices of the FRC; or

(b) Co-chaired by a lead Federal and a lead State agency, again under FRC auspices.

each of which shall be responsible for coordinating the participation of grantor agencies at their respective levels of government.

(3) Acceptance by participating State agencies of Federal preapplication and application forms, in order to establish a single format for the project.

(4) Joint agreement to waive single or specific public agency eligibility requirements for programs from which an applicant requests assistance and which are subject to both Federal and State approval, in accordance with the provisions described in Attachment A, subparagraph 2b(4).

b. *Project funding.*—The delivery of Federal and State funds to the grantee may be coordinated through the establishment of parallel Federal and State funding mechanisms, whereby the timing of Federal and State payments to the grantee are synchronized on the basis of a project funding cycle acceptable to all participating grantor agencies.

c. *Project management and monitoring.*—Project management and monitoring may be enhanced through:

(1) Establishment of a single Federal-State project task force, chaired by a single Federal lead agency, or chaired jointly by a Federal and a State lead agency;

(2) Coordinated Federal-State program monitoring requirements, to include conduct of joint Federal-State site visits, as needed;

(3) State acceptance of Federal financial and program reporting forms and procedures, in order to establish a single reporting requirement for grantees;

(4) Conduct of single project audits acceptable to all participating agencies; and

(5) Coordinated provision of joint Federal-State technical assistance or training to applicants and grantees, as appropriate.

ATTACHMENT F.—CIRCULAR NO. A-111

JOINT FUNDING AUDITS

1. *Purpose.*—This Attachment sets forth policies to be followed in the audit of joint funding projects. It supplements policies prescribed by Federal Management Circular (FMC) 73-2, "Audit of Federal Operations and Programs by Executive Branch Agencies," and "Standards for Audit of Governmental Organizations, Programs, Activities and Functions," published by the U.S. General Accounting Office.

2. *Policy and procedures.*

a. *Prenaward survey.*—Prior to the original award for a joint funding project, the lead agency shall conduct or arrange for the conduct of a preaward survey to assess the applicant's financial management system, including the accounting methods and internal controls employed by the applicant. Particular emphasis should be placed on the applicant's ability to allocate and account for funds on the basis of the specific programs and activities they benefit. This is necessary since section 8(b) of the Joint Funding Simplification Act of 1974 (P.L. 93-510) states the grantor agency administering a joint management fund "... shall be responsible and accountable by program and appropriation for the amounts provided for the purposes of each account established in the fund." The preaward survey may be waived in those cases where participating agencies are satisfied that the applicant's financial management system is adequate for joint funding. If a preaward survey is conducted, the audit agency performing the survey shall be given at least 90 calendar days prior to the joint funding grant award to complete the survey and submit its findings to the lead agency.

b. *Interim audit of new projects.*—An interim audit of all new joint funding projects shall be conducted six months after the grant award is made. Such audits shall be arranged

by the lead agency in consultation with other participating grantor agencies. The purpose of the interim audit is to ensure that the grantee's financial management system is operating effectively.

c. *Periodic audits.*—During each of the first two years of a joint funding project, the lead agency shall conduct or arrange for the conduct of an annual audit after consultation with the other participating grantor agencies concerning their audit requirements. Thereafter, audits shall be conducted with reasonable frequency, usually annually, but not less frequently than once every two years. The nature, size, and complexity of the project shall be taken into consideration when determining the frequency of audits. More frequent audits should be conducted, however, where there is cause to believe an audit is necessary. Every effort should be made to schedule all audits planned for the forthcoming funding period at the time of the grant award in accordance with subparagraph 2b, FMC 73-2. In those cases where State grantor agencies are involved in joint funding projects, the Federal lead agency shall coordinate with the State agencies involved regarding arrangements for and conduct of audits.

d. *Use of non-Federal audits.*—With regard to preaward surveys and audits, the lead agency will utilize to the maximum extent possible survey and audit work conducted through arrangements made by the grantee or by other components of governmental bodies or organizations of which the grantee is a part.

e. *Distribution of audit reports.*—The lead agency will furnish copies of audit reports to the grantee, each grantor agency, and the Federal Regional Council as quickly as possible after audits are completed.

f. *Access to records.*—In accordance with section 5(c), P.L. 93-510, the head of the Federal agency responsible for administering the joint management fund and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination, any books, documents, papers, and records of joint funding recipients that are pertinent to the monies received from such fund.

3. *Grantee responsibilities.*

a. *Financial management.*—The grantee's financial management system for joint funding projects shall be established in accordance with the provisions set forth in FMC 74-7, Attachment G, or OMB Circular A-110 entitled, "Uniform administrative requirements for grants and other agreements with institutions of higher education, hospitals, and other nonprofit organizations," whichever is applicable.

b. *Audit.*—Grantees are to conduct, or arrange for, audits with reasonable frequency to assure satisfactory operation of the grantee's financial management system, in accordance with subparagraph 2h, Attachment G, FMC 74-7, or subparagraph 2h, Attachment F, of the proposed Circular on "Uniform administrative requirements for grants and other agreements with institutions of higher education, hospitals, and other nonprofit organizations," whichever is applicable.

c. *Response to audit findings and recommendations.*—The grantee shall be responsible for timely and appropriate resolution of audit findings and recommendations, in cooperation with the lead agency and participating grantor agencies. Failure by the grantee to correct noted deficiencies within an agreed upon time period may be cause for suspension or termination of all or portions of the joint funding award.

d. *Followup procedure on audit findings.*—The lead agency shall assume oversight responsibility for assuring appropriate action is taken in response to audit findings and

recommendations. The grantor agency whose program funds are at issue shall be responsible for the resolution of specific discrepancies noted by the audit and to determine remedial actions to be taken in response to audit findings and recommendations.

The followup procedure shall include the following actions:

a. *Resolutions.*—At the request of the audit agency or a grantor agency, the lead agency shall arrange any meetings necessary to resolve outstanding deficiencies noted in the audit report;

b. *Status reports.*—Grantor and grantee agencies subject to audit findings are required to report to the lead agency on the status of corrective actions taken; and

c. *Policy and procedures changes.*—Notify the Office of Management and Budget (OMB), Washington, D.C., 20503 of any audit finding or recommendation which concerns substantive changes in joint funding policies or procedural requirements.

ATTACHMENT G.—CIRCULAR NO. A-111

JOINT FUNDING EVALUATION

1. *Purpose.* This Attachment provides guidelines for the evaluation of joint funding policies and procedures in simplifying the delivery and enhancing the impact of Federal assistance programs. In addition to utilizing the results of such evaluations to improve the administration of individual jointly funded projects, a comprehensive assessment report also will be submitted to the Congress by February 1979 in accordance with Section 13 of P.L. 93-510. This report will provide recommendations for the continuation, modification, or termination of the Joint Funding Simplification Act based on an overall analysis of the relative costs and benefits of the joint funding approach to both awardees and Federal funding agencies.

2. *Responsibilities.* Responsibilities for the conduct of evaluations of joint funding policies, procedures, and project operations are as follows:

a. *Office of Management and Budget* shall be responsible for carrying out system-wide policy, procedural, and program-oriented evaluations related to joint funding in consultation with Federal funding agencies, Federal Regional Councils, and recipients.

b. *Federal Regional Councils*, in furtherance of their basic mission and responsibilities, as defined under Executive Orders 11647 and 11701, shall be responsible for evaluating selected jointly funded projects administered by two or more Federal agencies under FRC auspices in accordance with the guidelines contained herein.

c. *Federal Funding Agencies* administering jointly funded projects consisting of programs within only one department or agency are encouraged to evaluate formally such projects in accordance with established agency project evaluation procedures and requirements, and provide copies of evaluation reports to the Office of Management and Budget, Intergovernmental Relations and Regional Operations (IRRO).

d. *Recipients of Jointly Funded Federal Assistance* are also encouraged to evaluate the effectiveness of joint funding policies and procedures for the purpose of recommending improvements and/or changes for the attention of appropriate officials at the Federal, State, and local level.

Recipients are encouraged to give wide distribution to such evaluation reports, including the appropriate Federal funding agencies, Federal Regional Councils, and the Office of Management and Budget.

Selected recipients will also be requested to formally participate in and provide data for Federal evaluations required for the purposes of Section 11 of P.L. 93-510.

3. *Scope of FRC Project Evaluations.*—For the purpose of developing a comprehensive

assessment of the impact of joint funding, as required by P.L. 93-510, FRC project evaluations will constitute the primary source of information and should include:

a. **Operational Benefit Assessment.**—The purpose of the operational benefit assessment is to determine if and how the joint funding process facilitated improvements in grant administration and management compared with normal operations under separate categorical grant approaches.

These comparative operational benefit assessments will involve the participation of both Federal funding agencies and recipients, and should include the following topics:

- (1) adequacy of communication and coordination between Federal and recipient officials, among participating Federal agencies, and among recipient organizations;
- (2) planning and scheduling of work;
- (3) degree of funding flexibility and scheduling;
- (4) project management and monitoring;
- (5) technical assistance by Federal agencies (and State agencies if applicable);
- (6) changes in nature and amount of administrative workload;
- (7) quality and timeliness of services provided to beneficiaries;
- (8) timeliness in decisionmaking;
- (9) improvements in simplicity in grant administration; and
- (10) any other pertinent topics which illustrate the advantages or disadvantages of joint funding.

b. **Administrative Benefit Assessment.**—The purpose of the administrative benefit assessment is to measure and compare the time and costs consumed under the joint funding projects with the time and costs which would have been required if individual programs included in the joint funding package were processed separately as categorical grants. The Office of Management and Budget will provide each Federal Regional Council with assessment worksheets for the purposes of collecting and displaying required data in a uniform manner in all regions. The data should be accumulated at frequent intervals throughout the life of a project such as at the completion of the preapplication review, at the time of award, and at regular intervals during the execution phase. Data on the time and cost of grant administration under the normal categorical approach must be estimated as accurately and realistically as possible. Supporting documentation to validate how estimates were calculated should be retained for subsequent review.

These comparative analyses should be conducted for each of the following stages of grant processing and administration:

- (1) preapplication preparation, review, and approval;
- (2) application preparation, review, and approval;
- (3) execution phase of project;
- (4) decision process for renewing or continuing grant awards; and
- (5) execution phase of succeeding years.

c. **Conduct of FRC Evaluations.**—To assure that an adequate sample of project type evaluations are available as input to a comprehensive assessment of joint funding policies and procedures, the following requirements are established for scheduling and completing FRC-sponsored project evaluations:

a. **Number of Evaluations.**—Starting July 1, 1976 through September 30, 1978 each FRC should arrange for an evaluation of one out of every five approved jointly funded projects up to a maximum of three such evaluations at any time. Second-year evaluations of continued projects shall be considered part of the above totals;

b. **Selection of Projects for Evaluation.**—In order to obtain complete information re-

garding each stage of the project applications and review process, the selection of evaluation candidates should be premised on a high probability of approval and agreed upon as early as possible in the preapplication stage. To assure there is a reasonable overall cross-section of project types, applicant types, and Federal program selections, the Office of Management and Budget (OMB) shall participate in the final selection of projects to be evaluated.

c. **Format for Evaluation Reports.**—Given the diversity of potential project and applicant types which individual Federal Regional Councils might support as joint funding applications, no formal requirements will be established regarding the length, format, and methodology employed in covering project-type evaluation described in Paragraph 3. FRCs are encouraged to consult with one another on evaluation approaches and techniques, and examples of completed evaluations considered to be particularly useful will be disseminated to all FRCs by OMB; and

d. **Submission of Evaluation Reports.**—Evaluation reports should be submitted to the Federal Regional Council for review and approval prior to submission to OMB (IRRO). FRC comments on selected findings and recommendations considered to require the immediate attention of OMB and/or the Under Secretaries Group should be specifically identified.

ATTACHMENT II—CIRCULAR NO. A-111

UNIFORM FORMS AND PROVISIONS

1. **Purpose.**—This Attachment sets forth policies and instructions covering forms and uniform administrative requirements for joint funding projects pursuant to Section 3(b), Joint Funding Simplification Act of 1974 (P.L. 93-512).

2. **Policy.**
a. **Uniform forms.**—Joint funding projects shall use existing forms for regular grant programs as much as possible. Therefore, for State and local joint funding projects, the uniform preapplication, application, financial reporting, and form-letter forms promulgated in FMC 74-7 shall be used, with modifications as necessary, to accommodate the specific requirements of joint funding projects. For other grantees, OMB Circular A-110 entitled, "Uniform administrative requirements for grants and other agreements with institutions of higher education, hospitals, and other private nonprofit organizations" and appropriate Federal grantor agencies shall be consulted. In addition, specific forms for joint funding were designed and are made part of this Attachment.

b. **Uniform provisions.**—The uniform administrative requirements of FMC 74-7 or OMB Circular A-110 for other grantees whichever is applicable shall apply to all joint funding projects. When requirements established in these circulars and their attachments vary, the provisions of this Circular shall prevail. In addition, if existing legislation prescribes policies or requirements that differ, the provisions of the legislation shall govern.

3. **Use of uniform forms.**—All forms (exclusive of performance and technical report forms) to be used for joint funding projects are presented in the Exhibits to this Attachment. For uniform forms used in regular grant programs, additional instructions, where appropriate, have been added to accommodate joint funding requirements. For newly created forms for joint funding, complete instructions are provided. This Attachment covers the following standard forms and their uses:

a. **Preapplication.**—In making preapplication for joint funding project, State and local government applicants shall use two forms:

Exhibit

II-1 Federal assistance (multipurpose face-sheet).

II-2

Preapplication for federal assistance (parts II, III, and IV).

b. **Application (nonconstruction).**—In submitting application for joint funding of nonconstruction projects, State and local government applicants shall use the following forms:

Exhibit

II-1 Federal assistance (multipurpose face-sheet).

II-3

Part II—project approval information (nonconstruction).

II-4

Part III—budget information, section A.

II-5

Part III—budget information, section B.

II-6

Part III—budget information, section C (reserved for future use).

II-7

Part IV—Program narrative.

II-8

Part V—Assurances.

c. **Application (construction).** In submitting applications for joint funding of construction projects, State and local government applicants shall use the following forms:

Exhibit

II-1 Federal assistance (multipurpose face-sheet).

II-9

Part II—project approval information (construction), sections A and B.

II-10

Part III—budget information (construction), sections A and B.

II-11

Part III—budget information (construction) sections C and D.

II-7

Part IV—Program narrative.

II-12

Part V—Assurances.

d. **Financial Reporting.**—Only the following financial reporting forms (other than letter of credit forms) are authorized for use by Federal agencies for joint funding projects with State and local governments:

Exhibit

II-13 Request of federal cash transactions.

II-14

Financial status report.

II-15

Request for advance or reimbursement.

II-16

Request for reimbursement for construction programs.

e. **Participating agency grant award notice.**—The award notice form presented in Exhibit II-17 shall be used by agencies to inform the lead agency of its willingness to support and fund the joint funding project. A separate award notice is required for each Federal program from which funds are being provided.

f. **Lead agency notice of joint funding award.**—The form letter presented in Exhibit II-18 shall be used by the lead agency in notifying the applicant that the joint funding grant has been approved.

4. **Applicability.** The forms described in paragraph 3 for preapplications, applications (nonconstruction), applications (construction), and financial reporting apply to joint funding projects of State and local government applicants. Other grantees should be required to seek guidance of the appropriate Federal Regional Council or a Federal agency referred to by the FRC. The forms for award notices apply to all joint funding projects.

OMB Approval No. 80-R0190

FEDERAL ASSISTANCE		2. APPLICANT'S APPLICATION	4. NUMBER	3. STATE APPLICATION IDENTIFIER	4. NUMBER
1. TYPE OF ACTION <input type="checkbox"/> PREAPPLICATION <input type="checkbox"/> APPLICATION <input type="checkbox"/> NOTIFICATION OF INTENT (Opt.) <input type="checkbox"/> REPORT OF FEDERAL ACTION <i>(Mark appropriate box)</i>		5. DATE Year month day 19	6. DATE Year month day 19		7. DATE Year month day 19
4. LEGAL APPLICANT/RECIPIENT a. Applicant Name : b. Organization Unit : c. Street/P.O. Box : d. City : e. State : f. Contact Person (Name & telephone No.) :		a. County : b. ZIP Code :		5. FEDERAL EMPLOYER IDENTIFICATION NO.	
7. TITLE AND DESCRIPTION OF APPLICANT'S PROJECT		6. PROGRAM (From Federal Catalog)		8. TYPE OF APPLICANT/RECIPIENT A-State B-Intermediate C-Substate D-City E-School District F-Special Purpose District G-Community Action Agency H-Higher Educational Institution I-Indian Tribe J-Other (Specify): Enter appropriate letter <input type="checkbox"/>	
10. AREA OF PROJECT IMPACT (Names of cities, counties, States, etc.)		11. ESTIMATED NUMBER OF PERSONS BENEFITING		9. TYPE OF ASSISTANCE A-Grant B-Supplemental Grant C-Loan D-Insurance E-Other Enter appropriate letter(s) <input type="checkbox"/>	
13. PROPOSED FUNDING a. FEDERAL \$.00 b. APPLICANT \$.00 c. STATE \$.00 d. LOCAL \$.00 e. OTHER \$.00 f. TOTAL \$.00		14. CONGRESSIONAL DISTRICTS OF: a. APPLICANT b. PROJECT		12. TYPE OF APPLICATION A-New B-Revised C-Continuation D-Extension E-Modification Enter appropriate letter <input type="checkbox"/>	
15. PROJECT START DATE Year month day 19		16. PROJECT DURATION Months		17. TYPE OF CHANGE (For 18a or 18b) A-Increase Dollars B-Decrease Dollars C-Increase Duration D-Decrease Duration E-Consolidation Enter appropriate letter(s) <input type="checkbox"/>	
18. ESTIMATED DATE TO BE SUBMITTED TO FEDERAL AGENCY Year month day 19		19. EXISTING FEDERAL IDENTIFICATION NUMBER		20. FEDERAL AGENCY TO RECEIVE REQUEST (Name, City, State, ZIP code)	
21. REMARKS ADDED <input type="checkbox"/> Yes <input type="checkbox"/> No		22. THE APPLICANT CERTIFIES THAT a. To the best of my knowledge and belief, data in this preapplication/application are true and correct, the document has been duly authorized by the governing body of the applicant and the applicant will comply with the attached passacres if the notification is approved. b. If required by OMB Circular A-95 this application was submitted, pursuant to the instructions therein, to appropriate clearinghouses and all responses are attached: response (1) <input type="checkbox"/> (2) <input type="checkbox"/> (3) <input type="checkbox"/>		23. CERTIFYING REPRESENTATIVE	
24. AGENCY NAME		25. TYPED NAME AND TITLE		26. SIGNATURE	
27. AGENCY ADDRESS		28. DATE SIGNED Year month day 19		29. AGENCY NAME	
30. ORGANIZATIONAL UNIT		31. ADMINISTRATIVE OFFICE		32. FEDERAL APPLICATION IDENTIFICATION	
33. ACTION TAKEN <input type="checkbox"/> a. AWARDED <input type="checkbox"/> b. REJECTED <input type="checkbox"/> c. RETURNED FOR AMENDMENT <input type="checkbox"/> d. COUNTERED <input type="checkbox"/> e. WITHDRAWN		34. FUNDING a. FEDERAL \$.00 b. APPLICANT \$.00 c. STATE \$.00 d. LOCAL \$.00 e. OTHER \$.00 f. TOTAL \$.00		35. ACTION DATE Year month day 19	
36. FEDERAL AGENCY A-95 ACTION		37. CONTACT FOR ADDITIONAL INFORMATION (Name and telephone number)		38. STARTING DATE Year month day 19	
39. ENDING DATE Year month day 19		40. REMARKS ADDED <input type="checkbox"/> Yes <input type="checkbox"/> No		41. FEDERAL AGENCY A-95 OFFICIAL (Name and telephone no.)	

Exhibit H-1, Federal Assistance (multipurpose Facesheet)
(Page 1 of 6)

SECTION IV-REMARKS (Please reference the proper item number from Sections I, II or III, if applicable)

STANDARD FORM 424 PAGE 2 (10-75)

Exhibit H-1, Federal Assistance (multipurpose Facesheet)
(Page 2 of 6)

GENERAL INSTRUCTIONS

This is a multi-purpose standard form. First, it will be used by applicants as a required facesheet for pre-applications and applications submitted in accordance with Federal Management Circular 74-7. Second, it will be used by Federal agencies to report to Clearinghouses on major actions taken on applications reviewed by clearinghouses in accordance with OMB Circular A-95. Third, it will be used by Federal agencies to notify States of grants-in-aid awarded in accordance with Treasury Circular 1082. Fourth, it may be used, on an optional basis, as a notification of intent from applicants to clearinghouses, as an early initial notice that Federal assistance is to be applied for (clearinghouse procedures will govern).

APPLICANT PROCEDURES FOR SECTION I

Applicant will complete all items in Section I. If an item is not applicable, write "NA". If additional space is needed, insert an asterisk "*", and use the remarks section on the back of the form. An explanation follows for each item:

- | Item | Item |
|--|---|
| 1. Mark appropriate box. Pre-application and application guidance is in FMC 74-7 and Federal agency program instructions. Notification of intent guidance is in Circular A-95 and procedures from clearinghouse. Applicant will not use "Report of Federal Action" box. | D. Insurance. Self explanatory.
E. Other. Explain on remarks page. |
| 2a. Applicant's own control number, if desired. | 10. Governmental unit where significant and meaningful impact could be observed. List only largest unit or units affected, such as State, county, or city. If entire unit affected, list it rather than subunits. |
| 2b. Date Section I is prepared. | 11. Estimated number of persons directly benefiting from project. |
| 3a. Number assigned by State clearinghouse, or if delegated by State, by areawide clearinghouse. All requests to Federal agencies must contain this identifier if the program is covered by Circular A-95 and required by applicable State/areawide clearinghouse procedures. If in doubt, consult your clearinghouse. | 12. Use appropriate code letter. Definitions are:
A. New. A submittal for the first time for a new project.
B. Renewal. An extension for an additional funding/budget period for a project having no projected completion date, but for which Federal support must be renewed each year.
C. Revision. A modification to project nature or scope which may result in funding change (increase or decrease).
D. Continuation. An extension for an additional funding/budget period for a project the agency initially agreed to fund for a definite number of years.
E. Augmentation. A requirement for additional funds for a project previously awarded funds in the same funding/budget period. Project nature and scope unchanged. |
| 3b. Date applicant notified of clearinghouse identifier. | 13. Amount requested or to be contributed during the first funding/budget period by each contributor. Value of in-kind contributions will be included. If the action is a change in dollar amount of an existing grant (a revision or augmentation), indicate only the amount of the change. For decreases enclose the amount in parentheses. If both basic and supplemental amounts are included, breakout in remarks. For multiple program funding, use totals and show program breakouts in remarks. Item definitions: 13a, amount requested from Federal Government; 13b, amount applicant will contribute; 13c, amount from State, if applicant is not a State; 13d, amount from local government. If applicant is not a local government; 13e, amount from any other sources, explain in remarks. |
| 4a-4h. Legal name of applicant/recipient, name of primary organizational unit which will undertake the assistance activity, complete address of applicant, and name and telephone number of person who can provide further information about this request. | 14a. Self explanatory. |
| 5. Employer Identification number of applicant as assigned by Internal Revenue Service. | 14b. The district(s) where most of actual work will be accomplished. If city-wide or State-wide, covering several districts, write "city-wide" or "State-wide." |
| 6a. Use Catalog of Federal Domestic Assistance number assigned to program under which assistance is requested. If more than one program (e.g., joint-funding) write "multiple" and explain in remarks. If unknown, cite Public Law or U.S. Code. | 15. Complete only for revisions (item 12c), or augmentations (item 12e). |
| 6b. Program title from Federal Catalog. Abbreviate if necessary. | |
| 7. Brief title and appropriate description of project. For notification of intent, continue in remarks section if necessary to convey proper description. | |
| 8. Mostly self-explanatory. "City" includes town, township or other municipality. | |
| 9. Check the type(s) of assistance requested. The definitions of the terms are:
A. Basic Grant. An original request for Federal funds. This could not include any contribution provided under a supplemental grant.
B. Supplemental Grant. A request to increase a basic grant in certain cases where the eligible applicant cannot supply the required matching share of the basic Federal program (e.g., grants awarded by the Appalachian Regional Commission to provide the applicant a matching share).
C. Loan. Self explanatory. | |

STANDARD FORM 424 PAGE 3 (10-75)

- Exhibit H-1, Federal Assistance (multipurpose Facesheet)
(Page 3 of 6)

Item		Item	
16.	Approximate date project expected to begin (usually associated with estimated date of availability of funding).	19.	Existing Federal identification number if this is not a new request and directly relates to a previous Federal action. Otherwise write "N/A".
17.	Estimated number of months to complete project after Federal funds are available.	20.	Indicate Federal agency to which this request is addressed. Street address not required, but do use ZIP.
18.	Estimated date preapplication/application will be submitted to Federal agency if this project requires clearinghouse review. If review not required, this date would usually be same as date in item 2b.	21.	Check appropriate box as to whether Section IV of form contains remarks and/or additional remarks are attached.

APPLICANT PROCEDURES FOR SECTION II

Applicants will always complete Items 23a, 23b, and 23c. If clearinghouse review is required, item 22b must be fully completed. An explanation follows for each item:

Item		Item	
22b.	List clearinghouses to which submitted and show in appropriate blocks the status of their responses. For more than three clearinghouses, continue in remarks section. All written comments submitted by or through clearinghouses must be attached.	23b.	Self explanatory.
23a.	Name and title of authorized representative of legal applicant.	23c.	Self explanatory.
		Note:	Applicant completes only Sections I and II. Section III is completed by Federal agencies.

FEDERAL AGENCY PROCEDURES FOR SECTION III

If applicant-supplied information in Sections I and II needs no updating or adjustment to fit the final Federal action, the Federal agency will complete Section III only. An explanation for each item follows:

Item		Item	
24.	Executive department or independent agency having program administration responsibility.	35.	Name and telephone no. of agency person who can provide more information regarding this assistance.
25.	Self explanatory.	36.	Date after which funds will no longer be available.
26.	Primary organizational unit below department level having direct program management responsibility.	37.	Check appropriate box as to whether Section IV of form contains Federal remarks and/or attachment of additional remarks.
27.	Office directly monitoring the program.	38.	For use with A-95 action notices only. Name and telephone of person who can assure that appropriate A-95 action has been taken—If same as person shown in item 35, write "same". If not applicable, write "N/A".
28.	Use to identify non-award actions where Federal grant identifier in item 30 is not applicable or will not suffice.		
29.	Complete address of administering office shown in item 26.		
30.	Use to identify award actions where different from Federal application identifier in item 28.		
31.	Self explanatory. Use remarks section to amplify where appropriate.		
32.	Amount to be contributed during the first funding/budget period by each contributor. Value of in-kind contributions will be included. If the action is a change in dollar amount of an existing grant (a revision or augmentation), indicate only the amount of change. For decreases, enclose the amount in parentheses. If both basic and supplemental amounts are included, breakout in remarks. For multiple program funding, use totals and show program breakouts in remarks. Item definitions: 32a, amount awarded by Federal Government; 32b, amount applicant will contribute; 32c, amount from State, if applicant is not a State; 32d, amount from local government if applicant is not a local government; 32e, amount from any other sources, explain in remarks.		
33.	Date action was taken on this request.		
34.	Date funds will become available.		

Federal Agency Procedures—special considerations

- A. *Treasury Circular 1082 compliance.* Federal agency will assure proper completion of Sections I and III. If Section I is being completed by Federal agency, all applicable items must be filled in. Addresses of State Information Reception Agencies (SCIRAs) are provided by Treasury Department to each agency. This form replaces SF 240, which will no longer be used.
- B. *OMB Circular A-95 compliance.* Federal agency will assure proper completion of Sections I, II, and III. This form is required for notifying all reviewing clearinghouses of major actions on all programs reviewed under A-95. Addresses of State and area-wide clearinghouses are provided by OMB to each agency. Substantive differences between applicant's request and/or clearinghouse recommendations, and the project as finally awarded will be explained in A-95 notifications to clearinghouses.
- C. *Special note.* In most, but not all States, the A-95 State clearinghouse and the (TC 1082) SCIRA are the same office. In such cases, the A-95 award notice to the State clearinghouse will fulfill the TC 1082 award notice requirement to the State SCIRA. Duplicate notification should be avoided.

STANDARD FORM 424 PAGE 4 (10-75)

5010-108-0100-1 GPO

Exhibit H-1, Federal Assistance (multipurpose Facesheet)

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FINANCIAL ASSISTANCE (MULTIPURPOSE FACE-SHEET)—STANDARD FORM 124—SPECIAL INSTRUCTIONS FOR JOINT FUNDING

Item 1.—Check the appropriate box and write the letters "JP" (Joint Funding) after it.

Item 5a.—Write "multiple" in space provided.

Item 5b.—Write "see Part III of the pre-application or application as appropriate."

Item 13.—List the total requested or to be contributed by each Federal, State, and local governmental level or other contributor for the joint funding project.

Item 19.—Write "NA."

Item 20.—For preapplication enter the appropriate Federal Regional Council. For application show the lead agency designated

for the project by the Federal Regional Council. Each Federal or State agency from which assistance is requested should be listed in Section 1V—Remarks.

NOTE.—Since a copy of the preapplication review notice is provided to State and area-wide clearinghouses as required by Attachment A of this Circular, Federal agencies are not required to use Section III of this form upon preapplication review. Subsequent instructions, therefore, apply to applications only.

Item 24.—Name of the Federal department of the lead agency.

Item 25.—Name of the primary organizational unit below the departmental level having direct program management responsibility of the lead agency.

Item 27.—Office of the project manager assigned to the project by the lead agency.

Item 28.—Insert Federal preapplication number established by the Coordinating Officer.

Item 29.—Enter complete address of the office of the program manager.

Item 32.—If Item 31a was marked "awarded," list totals awarded or to be contributed by each governmental level or other contributor. For Federal funding list the amounts separately by agency and by Federal Catalog number either in the remarks section or on a separate sheet of paper. Leave blank if award was not made.

Item 35.—Name and telephone number of the project manager.

OMB Approval No. 80-R0187

PREAPPLICATION FOR FEDERAL ASSISTANCE

PART II

1. Does this assistance request require State, local, regional or other priority rating?	_____ Yes _____ No
2. Does this assistance require State or local advisory, educational or health clearance?	_____ Yes _____ No
3. Does this assistance request require Clearinghouse review?	_____ Yes _____ No
4. Does this assistance request require State, local, regional or other planning approval?	_____ Yes _____ No
5. Is the proposed project covered by an approved comprehensive plan?	_____ Yes _____ No
6. Will the assistance requested serve a Federal installation?	_____ Yes _____ No
7. Will the assistance requested be on Federal land or installation?	_____ Yes _____ No
8. Will the assistance requested have an effect on the environment?	_____ Yes _____ No
9. Will the assistance requested cause the displacement of individuals, families, businesses, or farms?	_____ Yes _____ No
10. Is there other related assistance for this project previous, pending, or anticipated?	_____ Yes _____ No

PART III - PROJECT BUDGET

FEDERAL CATALOG NUMBER (a)	TYPE OF ASSISTANCE LOAN, GRANT, ETC. (b)	FIRST BUDGET PERIOD (c)	BALANCE OF PROJECT (d)	TOTAL (e)
1.				
2.				
3.				
4.				
5.				
6. Total Federal Contribution		\$	\$	\$
7. State Contribution				
8. Applicant Contribution				
9. Other Contributions				
10. Totals		\$	\$	\$

PART IV - PROGRAM NARRATIVE STATEMENT
(Attach per instruction)

Exhibit H-2, Preapplication for Federal Assistance (Parts II, III, and IV)

(Page 1 of 4)

INSTRUCTIONS

PART II

Negative answers will not require an explanation unless the Federal agency requests more information at a later date. All "Yes" answers must be explained on a separate page in accordance with the instructions.

Item 1 — Provide the name of the governing body establishing the priority system and the priority rating assigned to this project. If the priority rating is not available, give the approximate date that it will be obtained.

Item 2 — Provide the name of the agency or board which issued the clearance and attach the documentation of status or approval. If the clearance is not available, give the date it will be obtained.

Item 3 — Attach the clearinghouse comments for the pre-application in accordance with the instructions contained in Office of Management and Budget Circular No. A-95.

Item 4 — Furnish the name of the approving agency and the approval date. If the approval has not been received, state approximately when it will be obtained.

Item 5 — Show whether the approved comprehensive plan is State, local or regional, or, if none of these, explain the scope of the plan. Give the location where the approved plan is available for examination, and state whether this project is in conformance with the plan. If the plan is not available, explain why.

Item 6 — Show the population residing or working on the Federal installation who will benefit from this project.

Item 7 — Show the percentage of the project work that will be conducted on federally-owned or leased land. Give the name of the Federal installation and its location.

Item 8 — Briefly describe the possible beneficial and/or harmful effect on the environment because of the proposed project. If an adverse environmental effect is anticipated, explain what action will be taken to minimize it. Federal agencies will provide separate instructions, if additional data is needed.

Item 9 — State the number of individuals, families, businesses, or farms this project will displace. Federal agencies

will provide separate instructions, if additional data is needed.

Item 10 — Show the Federal Domestic Assistance Catalog number, the program name, the type of assistance, the status, and amount of each project where there is related previous, pending, or anticipated assistance.

PART III

Complete: Lines 1-5 — Columns (a)-(e). Enter the catalog numbers shown in the Catalog of Federal Domestic Assistance in Column (a) and the type of assistance in Column (b). For each line entry in Columns (a) and (b), enter in Columns (c), (d), and (e), the estimated amounts of Federal funds needed to support the project. Columns (c) and (d) may be left blank, if not applicable.

Line 6 — Show the totals for Lines 1-5 for Columns (c), (d), and (e).

Line 7 — Enter the estimated amounts of State assistance, if any, including the value of in-kind contributions, in Columns (c), (d), and (e). Applicants which are States or State agencies should leave Line 7 blank.

Line 8 — Enter the estimated amounts of funds and value of in-kind contributions the applicant will provide to the program or project in Columns (c), (d), and (e).

Line 9 — Enter the amount of assistance including the value of in-kind contributions, expected from all other contributors in Columns (c), (d), and (e).

Line 10 — Enter the totals of Columns (c), (d), and (e).

PART IV

The program narrative statement should be brief and describe the need, objectives, method of accomplishment, the geographical location of the project, and the benefits expected to be obtained from the assistance. The statement should be typed on a separate sheet of paper and submitted with the preapplication. Also attach any data that may be needed by the grantor agency to establish the applicant's eligibility for receiving assistance under the Federal program(s).

**PREAPPLICATION FOR FEDERAL ASSISTANCE
(PARTS II, III, AND IV) SPECIAL INSTRUCTIONS FOR JOINT FUNDING**

PART II—(NO HEADING)

For joint funding projects, it is possible to have both "yes" and "no" answers to various questions, because multiple programs are involved. All "yes" answers require explanation on a separate sheet.

PART III—PROJECT BUDGET

Column (a).—Where more than five Federal programs are involved, use additional forms as necessary. Grantees should seek guidance from the coordinating officer as to how the Federal programs should be listed—by Federal agency, by related activity, etc.

Column (c).—Enter the amount requested for the first year of the project for each catalog number listed in column (a).

Column (d).—This Column must be completed for those programs extending over more than one year. For projects of a continuing nature, such as ongoing planning efforts, which cannot be clearly defined in monetary requirements for a given future year, enter the best estimate for one succeeding year and note: "continuing program."

Item 6c.—This amount should agree with Item 13a, SP 424.

PART IV—PROGRAM NARRATIVE STATEMENT

The applicant shall comply with the program narrative requirements established by each Federal program from which assistance is required. In addition, a narrative justification of the need for joint funding assistance shall be completed in accordance with the provisions of Attachment A, subparagraph 2b(1), of this Circular.

In addition to the program narrative, the applicant shall provide the following:

1. Notice of timing considerations which may affect the feasibility of the proposed project;

2. Request, if any, for waiver of single or specified public agency eligibility requirements applicable to any of the Federal programs from which assistance is requested;

3. Identification and request for agency review of any administratively established program requirements the applicant considers to be a serious impediment to the joint support of the proposed project;

4. Provide verification of adequacy of accounting system as required in Attachment A of this Circular; and

5. Where required by agency regulations, provide a preliminary work plan that establishes and identifies the various elements and sub elements of the project. (See subparagraph 2b, Attachment B.)

PART II

PROJECT APPROVAL INFORMATION

Item 1.	
Does this assistance request require State, local, regional, or other priority rating? _____ Yes _____ No	Name of Governing Body _____ Priority Rating _____
Item 2.	
Does this assistance request require State, or local advisory, educational or health clearances? _____ Yes _____ No	Name of Agency or Board _____ (Attach Documentation)
Item 3.	
Does this assistance request require clearinghouse review in accordance with CMB Circular A-95? _____ Yes _____ No	(Attach Comments)
Item 4.	
Does this assistance request require State, local, regional or other planning approval? _____ Yes _____ No	Name of Approving Agency _____ Date _____
Item 5.	
Is the proposed project covered by an approved comprehensive plan? _____ Yes _____ No	Check one: State <input type="checkbox"/> Local <input type="checkbox"/> Regional <input type="checkbox"/> Location of Plan _____
Item 6.	
Will the assistance requested serve a Federal Installation? _____ Yes _____ No	Name of Federal Installation _____ Federal Population benefiting from Project _____
Item 7.	
Will the assistance requested be on Federal land or Installation? _____ Yes _____ No	Name of Federal Installation _____ Location of Federal Land _____ Percent of Project _____
Item 8.	
Will the assistance requested have an impact or effect on the environment? _____ Yes _____ No	See instructions for additional information to be provided.
Item 9.	
Will the assistance requested cause the displacement of individuals, families, businesses, or farms? _____ Yes _____ No	Number of: * Individuals _____ Families _____ Businesses _____ Farms _____
Item 10.	
Is there other related assistance on this project previous, pending, or anticipated? _____ Yes _____ No	See instructions for additional information to be provided.

Exhibit H-3, Application for Federal Assistance (Nonconstruction Programs), Part V Project Approval Information

(Page 1 of 3)

INSTRUCTIONS

PART II

Negative answers will not require an explanation unless the Federal agency requests more information at a later date. Provide supplementary data for all "Yes" answers in the space provided in accordance with the following instructions.

Item 1 — Provide the name of the governing body establishing the priority system and the priority rating assigned to this project.

Item 2 — Provide the name of the agency or board which issued the clearance and attach the documentation of status or approval.

Item 3 — Attach the clearinghouse comments for the application in accordance with the instructions contained in Office of Management and Budget Circular No. A-95. If comments were submitted previously with a preapplication, do not submit them again but any additional comments received from the clearinghouse should be submitted with this application.

Item 4 — Furnish the name of the approving agency and the approval date.

Item 5 — Show whether the approved comprehensive plan is State, local or regional, or if none of these, explain the

scope of the plan. Give the location where the approved plan is available for examination and state whether this project is in conformance with the plan.

Item 6 — Show the population residing or working on the Federal installation who will benefit from this project.

Item 7 — Show the percentage of the project work that will be conducted on federally-owned or leased land. Give the name of the Federal installation and its location.

Item 8 — Describe briefly the possible beneficial and harmful impact on the environment of the proposed project. If an adverse environmental impact is anticipated, explain what action will be taken to minimize the impact. Federal agencies will provide separate instructions if additional data is needed.

Item 9 — State the number of individuals, families, businesses, or farms this project will displace. Federal agencies will provide separate instructions if additional data is needed.

Item 10 — Show the Federal Domestic Assistance Catalog number, the program name, the type of assistance, the status and the amount of each project where there is related previous, pending or anticipated assistance. Use additional sheets, if needed.

Exhibit H-3, Application for Federal Assistance (Nonconstruction Programs)

(Page 2 of 3)

For joint funding projects, it is possible to have both "yes" and "no" answers to various questions because multiple programs are involved. All "yes" answers require explanations on a separate sheet.

PART III – BUDGET INFORMATION
SECTION A – BUDGET SUMMARIES (Nonconstruction)

[illegible]

(Page 1 of 2)

H-4, Part III—Budget Information, Section A—Budget Summaries (Nonconstruction)

INSTRUCTIONS
PART III - BUDGET INFORMATION
SECTION A - BUDGET SUMMARIES

General Instructions. This format will be used by each applicant for a joint funding project to summarize the total project cost by element, subelement, funding agency, and Federal Domestic Assistance Catalog number (or other identifying number for State funds). Further, for each element and subelement, the project amount will be broken down by source of funds: Federal, State and grantees. In addition, future funding requirements for four successive years will be provided for each element, subelement and catalog number if required by Federal or State grantor agencies. Use as many sheets as necessary.

Item 1 - Enter "Element" with corresponding element numbers, "Subelement" with corresponding subelement numbers and in Column a the appropriate grantor agency names and catalog numbers (or other identifying number for State funds) as follows:

1. Elements and Subelements	(a) Fed. Catalog No.
Element No. 1	
Subelement No. 1.1	
	HUD 15.XXX EPA 66.XXX
Subelement No. 1.2	
	HUD 15.XXX ARC 23.XXX
Sub-total Element No. 1	
Element No. 2	

If there are no subelements, show agency names and catalog numbers without reference to subelements.

For each subelement (element when there are no subelements), draw a horizontal line across Columns (a) through (j). Above this line, enter the amounts for each subelement

(element) as appropriate in all Columns. Entries for future funding requirements in Columns (g)-(j) will be made only when required by the grantor agencies. Below the horizontal line, the following entries should be made:

Column (b) - Enter the amount required from a Federal grantor agency for each catalog number listed in Column (a); the total of these amounts for a single subelement (element) should be equal to the amount above the horizontal line for the subelement (element).

Column (c) - Compute and enter the percent of Column (b) to Column (f).

Column (d) - Enter the amount requested from a State grantor agency for each State program listed in Column (a); the total of these amounts for a single subelement (element) should be equal to the amount above the horizontal line for the subelement (element).

Column (e) - Enter the amount of grantee's matching share for each catalog program and/or State program listed; the total of these amounts for a single subelement (element) should be equal to the amount above the horizontal line. These amounts should agree with amounts on Line 3, Section C - Budget Categories (Exhibit H-6). Any Federal funds used to match other Federal funds should be included in this Column, and footnotes should be included to show each source and amount.

Column (f) - Enter the total of amounts in Columns (b), (d) and (e).

Columns (g)-(j) - Enter the amounts of assistance which would be needed from each Federal and State program in subsequent years, only if required by the grantor agencies.

Subtotals - For each subelement and element, subtotals should be shown for all columns used.

Item 2 - At the bottom of the form (at the bottom of the last page, if more than one sheet is used) a grant total for the project should be provided for all columns used.

PART III – BUDGET INFORMATION
SECTION B – BUDGET CATEGORIES (Nonconstruction)

1 Object Class Categories	PROJECT ELEMENTS				TOTAL
	(1)	(2)	(3)	(4)	(5)
a Personnel					
b Fringe Benefits					
c Travel					
d Equipment					
e Supplies					
f Contractual					
g Construction					
h Others					
i Total Direct Charges					
j Indirect Charges					
k Totals					
2 Program Income					
3 Total Grantee Contribution					
a Cash					
b In Kind					
c State Matching					
d Others					

(Page 1 of 2)

H-6, Part III-Budget Information, Section B-Budget Categories (Nonconstruction)

INSTRUCTIONS
PART III - BUDGET INFORMATION
SECTION B - BUDGET CATEGORIES

General - This form will be used to the extent required by the Federal grantor agencies or the Federal lead agency.

Column (3)-(4) - Enter as headings, the title of the same project elements and/or subelements shown in Column 1, Section A, "Budget Summary." Use additional sheets as necessary.

Lines a-h - For each project element, fill in the requirements (totals of both Federal and non-Federal) by object class categories.

Line i - Show the total of Lines a-h for each column.

Line j - Show the amount of indirect costs. Refer to FMC 74-4.

Line k - Enter the total of amounts on Lines i and j.

Line 2 - Enter the estimated amount of income, if any, expected to be generated from this project. Do not add or subtract this amount from the total project amount. Show under the program narrative statement the nature and source of income. The estimated amount of program income may be considered by the Federal grantor agencies in determining the total amount of the grant.

Line 3 - Enter the total amounts to be contributed by the applicant. In Lines a-d, provide the breakout by type of grantee contribution as follows:

a. **Cash**. Includes the use of applicant's cash as well as cash grants or donations from other than Federal or State governments.

b. **In-Kind Contribution**. Non-cash donations and contributions in forms of goods, volunteer service and use of equipment and property made by individuals and other participants. Also, includes non-cash contributions made by the applicants.

c. **State Matching**. Funds made available by State governments specifically for use in matching Federal grants.

d. **Others**. Any other kind of contributions.

Column (5) - When more than one sheet is used, Column (5) of the first page should show the grant totals of all elements in the project and Column (5) in succeeding pages should be left blank. The grand total in Column (5), Line k, should be the same as the grand total in Section A, "Budget Summary" Column (f), Line 2, and entries on Line 2 of this form should agree with appropriate amounts in Column (e) of Section A.

Exhibit H-6 Budget Information

Reserved for Future Use

INSTRUCTIONS

PART IV.
PROGRAM NARRATIVE

Prepare the program narrative statement in accordance with the following instructions for all new grant programs. Requests for continuation or refunding and changes on an approved project should respond to item 5b only. Requests for supplemental assistance should respond to question 5c only.

1. OBJECTIVES AND NEED FOR THIS ASSISTANCE.

Pinpoint any relevant physical, economic, social, financial, institutional, or other problems requiring a solution. Demonstrate the need for assistance and state the principal and subordinate objectives of the project. Supporting documentation or other testimonies from concerned interests other than the applicant may be used. Any relevant data based on planning studies should be included or footnoted.

2. RESULTS OR BENEFITS EXPECTED.

Identify results and benefits to be derived. For example, when applying for a grant to establish a neighborhood health center provide a description of who will occupy the facility, how the facility will be used, and how the facility will benefit the general public.

3. APPROACH.

- a. Outline a plan of action pertaining to the scope and detail of how the proposed work will be accomplished for each grant program, function or activity, provided in the budget. Cite factors which might accelerate or decelerate the work and your reason for taking this approach as opposed to others. Describe any unusual features of the project such as design or technological innovations, reductions in cost or time, or extraordinary social and community involvement.
- b. Provide for each grant program, function or activity, quantitative monthly or quarterly projections of the accomplishments to be achieved in such terms as the number of jobs created; the number of people served; and the number of patients treated. When accomplishments cannot be quantified by activity or function, list them in chronological order to show the schedule of accomplishments and their target dates.

- c. Identify the kinds of data to be collected and maintained and discuss the criteria to be used to evaluate the results and successes of the project. Explain the methodology that will be used to determine if the needs identified and discussed are being met and if the results and benefits identified in item 2 are being achieved.

- d. List organizations, cooperators, consultants, or other key individuals who will work on the project along with a short description of the nature of their effort or contribution.

4. GEOGRAPHIC LOCATION.

Give a precise location of the project or area to be served by the proposed project. Maps or other graphic aids may be attached.

5. IF APPLICABLE, PROVIDE THE FOLLOWING INFORMATION:

- a. For research or demonstration assistance requests, present a biographical sketch of the program director with the following information: name, address, phone number, background, and other qualifying experience for the project. Also, list the name, training and background for other key personnel engaged in the project.
- b. Discuss accomplishments to date and list in chronological order a schedule of accomplishments, progress or milestones anticipated with the new funding request. If there have been significant changes in the project objectives, location approach, or time delays, explain and justify. For other requests for changes or amendments, explain the reason for the change(s). If the scope or objectives have changed or an extension of time is necessary, explain the circumstances and justify. If the total budget has been exceeded, or if individual budget items have changed more than the prescribed limits contained in Attachment K to FMC 747, explain and justify the change and its effect on the project.
- c. For supplemental assistance requests, explain the reason for the request and justify the need for additional funding.

Exhibit H-7, Application for Federal Assistance (Nonconstruction Programs), Part IV - Program Narrative

(Page 1 of 2)

**PART IV—PROGRAM NARRATIVE—SPECIAL
INSTRUCTIONS FOR JOINT FUNDING**

The applicant shall comply with the program narrative requirements established by each Federal program from which assistance is requested. In addition, paragraphs 3a and 3b shall be changed as follows for joint funding projects.

"3. Approach.

a. Outline a work plan (also see paragraph 2b, Attachment B of this Circular) pertaining to the scope and detail of the proposed project element and subelements and how the work will be accomplished in each. The work plan should include:

(1) Nature and purpose of the elements and subelements;

(2) The immediate objectives, the length of time estimated to accomplish, what accomplishments are expected for this funding period, the end products to be realized;

(3) The relationship of the element objectives to the overall objectives of the project; and

(4) Any specific information needed to justify the level of funding requested and the element's qualifications for support from the grant programs indicated.

Cite factors which might accelerate or decelerate the work and your reason for taking

this approach as opposed to others. Describe any unusual features of the project such as design or technological innovations, reductions in cost or time, or extraordinary social and community involvement.

b. Provide for each project element and/or subelements monthly or quarterly projections of the quantitative accomplishments to be achieved in such terms as the number of jobs created; the number of people served; and the number of patients treated. When accomplishments cannot be quantified by activity or function, list them in chronological order to show the schedule of accomplishments and their target dates."

PART V

ASSURANCES

The Applicant hereby assures and certifies that he will comply with the regulations, policies, guidelines, and requirements, including OMB Circular No. A-95 and FMCs 74-4 and 74-7, as they relate to the application, acceptance and use of Federal funds for this federally-assisted project. Also the Applicant assures and certifies with respect to the grant that:

1. It possesses legal authority to apply for the grant; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body, authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.
2. It will comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and in accordance with Title VI of that Act, no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the applicant receives Federal financial assistance and will immediately take any measures necessary to effectuate this agreement.
3. It will comply with Title VI of the Civil Rights Act of 1964 (42 USC 2000d) prohibiting employment discrimination where (1) the primary purpose of a grant is to provide employment or (2) discriminatory employment practices will result in unequal treatment of persons who are or should be benefiting from the grant-aided activity.
4. It will comply with requirements of the provisions of the Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (P.L. 91-646) which provides for fair and equitable treatment of persons displaced as a result of Federal and federally-assisted programs.
5. It will comply with the provisions of the Hatch Act which limit the political activity of employees.
6. It will comply with the minimum wage and maximum hours provisions of the Federal Fair Labor Standards Act, as they apply to hospital and educational institution employees of State and local governments.
7. It will establish safeguards to prohibit employees from using their positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.
8. It will give the grantor agency or the Comptroller General through any authorized representative the access to and the right to examine all records, books, papers, or documents related to the grant.
9. It will comply with all requirements imposed by the Federal grantor agency concerning special requirements of law, program requirements, and other administrative requirements approved in accordance with FMC 74-7.

Exhibit H-8, Application for Federal Assistance (Nonconstruction Programs), Part V Assurances

(Page 1 of 1)

PART II

PROJECT APPROVAL INFORMATION
SECTION A

<u>Item 1.</u>	
Does this assistance request require State, local, regional, or other priority rating? _____ Yes _____ No	Name of Governing Body _____ Priority Rating _____
<u>Item 2.</u>	
Does this assistance request require State, or local advisory, educational or health clearances? _____ Yes _____ No	Name of Agency or Board _____ (Attach Documentation)
<u>Item 3.</u>	
Does this assistance request require clearinghouse review in accordance with OMB Circular A-95? _____ Yes _____ No	(Attach Comments)
<u>Item 4.</u>	
Does this assistance request require State, local, regional or other planning approval? _____ Yes _____ No	Name of Approving Agency _____ Date _____
<u>Item 5.</u>	
Is the proposed project covered by an approved comprehensive plan? _____ Yes _____ No	Check one: State <input type="checkbox"/> Local <input type="checkbox"/> Regional <input type="checkbox"/> Location of plan _____
<u>Item 6.</u>	
Will the assistance requested serve a Federal installation? _____ Yes _____ No	Name of Federal Installation _____ Federal Population benefiting from Project _____
<u>Item 7.</u>	
Will the assistance requested be on Federal land or installation? _____ Yes _____ No	Name of Federal Installation _____ Location of Federal Land _____ Percent of Project _____
<u>Item 8.</u>	
Will the assistance requested have an impact or effect on the environment? _____ Yes _____ No	See instruction for additional information to be provided.
<u>Item 9.</u>	
Will the assistance requested cause the displacement of individuals families, businesses, or farms? _____ Yes _____ No	Number of: Individuals _____ Families _____ Businesses _____ Farms _____
<u>Item 10.</u>	
Is there other related Federal assistance on this project previous, pending, or anticipated? _____ Yes _____ No	See instructions for additional information to be provided.

Exhibit H-9, Application for Federal Assistance (for Construction Programs), Part II - Project Approval Information, Sections A and B

(Page 1 of 4)

INSTRUCTIONS

PART II - SECTION A

Negative answers will not require an explanation unless the Federal agency requests more information at a later date. Provide supplementary data for all "Yes" answers in the space provided in accordance with the following instructions.

Item 1 - Provide the name of the governing body establishing the priority system and the priority rating assigned to this project.

Item 2 - Provide the name of the agency or board which issued the clearance and attach the documentation of status or approval.

Item 3 - Attach the clearinghouse comments for the application in accordance with the instructions contained in Office of Management and Budget Circular No. A-95. If comments were submitted previously with a preapplication, do not submit them again but any additional comments received from the clearinghouse should be submitted with this application.

Item 4 - Furnish the name of the approving agency and the approval date.

Item 5 - Show whether the approved comprehensive plan is State, local or regional, or if none of these, explain the

scope of the plan. Give the location where the approved plan is available for examination and state whether this project is in conformance with the plan.

Item 6 - Show the Federal population residing or working on the federal installation who will benefit from this project.

Item 7 - Show the percentage of the project work that will be conducted on federally-owned or leased land. Give the name of the Federal installation and its location.

Item 8 - Briefly describe the possible beneficial and/or harmful impact on the environment because of the proposed project. If an adverse environmental impact is anticipated, explain what action will be taken to minimize the impact. Federal agencies will provide separate instructions if additional data is needed.

Item 9 - State the number of individuals, families, businesses, or farms this project will displace. Federal agencies will provide separate instructions if additional data is needed.

Item 10 - Show the Federal Domestic Assistance Catalog number, the program name, the type of assistance, the status and amount of each project where there is related previous, pending, or anticipated assistance. Use additional sheets, if needed.

Exhibit H-9, Application for Federal Assistance (for Construction Programs)

(Page 2 of 4)

INSTRUCTION

PART II - SECTION B

11. SITES AND IMPROVEMENTS: _____ Not required, _____ Attached as exhibits Applicant intends to acquire the site through: _____ Eminent domain, _____ Negotiated purchase, _____ Other means (specify) _____
12. TITLE OR OTHER INTEREST IN THE SITE IS OR WILL BE VESTED IN: _____ Applicant, _____ Agency or institution operating the facility, _____ Other (specify) _____
13. INDICATE WHETHER APPLICANT/OPERATOR HAS: _____ Fee simple title, _____ Leasehold interest, _____ Other (specify) _____
14. IF APPLICANT/OPERATOR HAS LEASEHOLD INTEREST, GIVE THE FOLLOWING INFORMATION: a. Length of lease or other estate interest _____, and number of years to run _____ b. Is lease renewable? _____ Yes _____ No c. Current appraised value of land \$ _____ d. Annual rental rate \$ _____
15. ATTACH AN OPINION FROM ACCEPTABLE TITLE COUNSEL DESCRIBING THE INTEREST APPLICANT/OPERATOR HAS IN THE SITE AND CERTIFYING THAT THE ESTATE OR INTEREST IS LEGAL AND VALID.
16. WHERE APPLICABLE, ATTACH SITE SURVEY, SOIL INVESTIGATION REPORTS AND COPIES OF LAND APPRAISALS.
17. WHERE APPLICABLE, ATTACH CERTIFICATION FROM ARCHITECT ON THE FEASIBILITY OF IMPROVING EXISTING SITE TOPOGRAPHY.
18. ATTACH PLOT PLAN.
19. CONSTRUCTION SCHEDULE ESTIMATES: _____ Not required, _____ Being prepared, _____ Attached as exhibits Percentage of completion of drawings and specifications at application date: Schematics _____ % Preliminary _____ % Final _____ %
20. TARGET DATES FOR: Bid Advertisement _____ Contract Award _____ Construction Completion _____ Occupancy _____
21. DESCRIPTION OF FACILITY: _____ Not required _____ Attached as exhibits Drawings - Attach any drawings which will assist in describing the project. Specifications - Attach copies of completed outline specifications. (If drawings and specifications have not been fully completed, please attach copies or working drawings that have been completed.)

NOTE: ITEMS ON THIS SHEET ARE SELF-EXPLANATORY; THEREFORE, NO INSTRUCTIONS ARE PROVIDED.

PART II—PROJECT APPROVAL INFORMATION (CONSTRUCTION)—SPECIAL INSTRUCTIONS FOR JOINT FUNDING

For joint funding, it is possible to have multiple answers for each question, because multiple programs are involved. All "yes" answers in Section A require explanations on a separate sheet. Appropriate information should be provided separately for each question in Section B for each program involved.

OMB Approval No. 80-R0184

PART III - BUDGET INFORMATION - CONSTRUCTION			
SECTION A - GENERAL			
1. Federal Domestic Assistance Catalog No.			
2. Functional or Other Breakout			
SECTION B - CALCULATION OF FEDERAL GRANT			
Cost Classification	Use only for revisions		Total Amount Requested
	Latest Approved Amount	Adjustment + or (-)	
1. Administration expense	\$	\$	\$
2. Preliminary expense			
3. Land, structures, right-of-way			
4. Architectural engineering basic fees			
5. Other architectural engineering fees			
6. Project inspection fees			
7. Land development			
8. Relocation Expenses			
9. Relocation payments to individuals and businesses			
10. Demolition and removal			
11. Construction and project improvement			
12. Equipment			
13. Miscellaneous			
14. Total (Lines 1 through 13)			
15. Estimated income (if applicable)			
16. Net Project Amount (Line 14 minus 15)			
17. Less: Ineligible Exclusions			
18. Add: Contingencies			
19. Total Project Amt. (Excluding Rehabilitation Grants)			
20. Federal Share requested of Line 19			
21. Add Rehabilitation Grants Requested (100 Percent)			
22. Total Federal grant requested (Lines 20 & 21)			
23. Grantee share			
24. Other shares			
25. Total project (Lines 22, 23 & 24)	\$	\$	\$

Exhibit H-10, Application for Federal Assistance (for Construction Programs), Part III - Budget Information, Sections A and B

(Page 1 of 3)

INSTRUCTIONS

PART III

Section A. General

1. Show the Federal Domestic Assistance Catalog Number from which the assistance is requested. When more than one program or Catalog Number is involved and the amount cannot be distributed to the Federal grant program or catalog number on an overall percentage basis, prepare a separate set of Part III forms for each program or Catalog Number. However, show the total amounts for all programs in Section B of the basic application form.
2. Show the functional or other categorical breakdowns, if required by the Federal grantor agency. Prepare a separate set of Part III forms for each category.

Section B. Calculation of Federal Grant

When applying for a new grant, use the Total Amount Column only. When requesting revisions of previously awarded amounts, use all columns.

Line 1 - Enter amounts needed for administration expenses including such items as travel, legal fees, rental of vehicles and any other expense items expected to be incurred to administer the grant. Include the amount of interest expense when authorized by program legislation and also show this amount under Section E Remarks.

Line 2 - Enter amounts pertaining to the work of locating and designing, making surveys and maps, sinking test holes, and all other work required prior to actual construction.

Line 3 - Enter amounts directly associated with the acquisition of land, existing structures, and related right-of-way.

Line 4 - Enter basic fees for architectural engineering services.

Line 5 - Enter amounts for other architectural engineering services, such as surveys, tests, and borings.

Line 6 - Enter fees for inspection and audit of construction and related programs.

Line 7 - Enter amounts associated with the development of land where the primary purpose of the grant is land improvement. Site work normally associated with major construction should be excluded from this category and shown on Line 11.

Line 8 - Enter the dollar amounts needed to provide relocation advisory assistance, and the net amounts for replacement (last resort) housing. Do not include relocation administration expenses on this line; include them on Line 1.

Line 9 - Enter the estimated amount of relocation payments to be made to displaced persons, business concerns and non-profit organizations for moving expenses and replacement housing.

Line 10 - Enter the gross salaries and wages of employees of the grantee who will be directly engaged in performing demolition or removal of structures from developed land. This line should show also the cost of demolition or re-

moval of improvements on developed land under a third party contract. Reduce the costs on this line by the amount of expected proceeds from the sale of salvage, if so instructed by the Federal grantor agency. Otherwise, show the proceeds on Line 15.

Line 11 - Enter amounts for the actual construction of, addition to, or restoration of a facility. Also include in this category the amounts of project improvements such as sewers, streets, landscaping and lighting.

Line 12 - Enter amounts for equipment both fixed and movable exclusive of equipment used for construction. For example, include amounts for permanently attached laboratory tables, built-in audio visual systems, movable desks, chairs, and laboratory equipment.

Line 13 - Enter amounts for items not specifically mentioned above.

Line 14 - Enter the sum of Lines 1-13.

Line 15 - Enter the estimated amount of program income that will be earned during the grant period and applied to the program.

Line 16 - Enter the difference between the amount on Line 14 and the estimated income shown on Line 15.

Line 17 - Enter amounts for those items which are part of the project but not subject to Federal participation (See Section C, Line 26g, Column (1)).

Line 18 - Enter the estimated amount for contingencies. Compute this amount as follows. Subtract from the net project amount shown on Line 16 the ineligible project exclusions shown on Line 17 and the amount which is excluded from the contingency provisions shown in Section C, Line 26g, Column (2). Multiply the computed amount by the percentage factor allowed by the grantor agency in accordance with the Federal program guidance. For those grants which provide for a fixed dollar allowance in lieu of a percentage allowance, enter the dollar amount of this allowance.

Line 19 - Show the total amount of Lines 16, 17, and 18. (This is the amount to which the matching share ratio prescribed in program legislation is applied.)

Line 20 - Show the amount of Federal funds requested exclusive of funds for rehabilitation purposes.

Line 21 - Enter the estimated amounts needed for rehabilitation expense if rehabilitation grants to individuals are made for which grantees are reimbursed 100 percent by the Federal grantor agency in accordance with program legislation. If the grantee shares in part of this expense show the total amount on Line 13 instead of on Line 21 and explain in Section E.

Line 22 - Show the total amount of the Federal grant requested.

Line 23 - Show the amount from Section D, Line 27h.

Line 24 - Show the amount from Section D, Line 28c.

Line 25 - Self-explanatory.

Exhibit H-10, Application for Federal Assistance (for Construction Programs)

(Page 2 of 3)

PART III—BUDGET INFORMATION—CONSTRUCTION—SPECIAL INSTRUCTIONS FOR JOINT FUNDING

Section A—General

Item 1.—List all Federal Domestic Assistance Catalog numbers involved in the joint

funding project on the summary sheet, as explained in Section B, only.

Item 2.—Simply enter, "Joint funding"

Section B—Calculation of Federal grant

A separate sheet for each project element and subelement is required. Where more

than one Federal catalog number is involved in a single element or subelement, a separate sheet for each catalog number should be prepared as a back-up to the element or subelement sheet. Also prepare a summary sheet showing aggregate totals of all elements and subelements involved in the project.

OMB Approval No. 80-R0184

SECTION C — EXCLUSIONS		
Classification	Eligible for Participation (1)	Excluded from Contingency Provision (2)
26.		
a.	\$	\$
b.		
c.		
d.		
e.		
f.		
g. Totals	\$	\$
SECTION D — PROPOSED METHOD OF FINANCING NON-FEDERAL SHARE		
27. Grantee Share		\$
a. Securities		
b. Mortgages		
c. Appropriations (By Applicant)		
d. Bonds		
e. Tax Levies		
f. Non Cash		
g. Other (Explain)		
h. TOTAL — Grantee share		
28. Other Shares		
a. State		
b. Other		
c. Total Other Shares		
29. TOTAL		\$
SECTION E — REMARKS		

PART IV, PROGRAM NARRATIVE (Attach — See Instructions)

Exhibit B-11, Application for Federal Assistance (for Construction - Programs), Part III - Budget Information - Sections C and D

(Page 1 of 2)

INSTRUCTIONS

PART III

Section C. Exclusions

Line 26 a-g - Identify and list those costs in Column (1) which are part of the project cost but are not subject to Federal participation because of program legislation or Federal grantor agency instructions. The total amount on Line g should agree with the amount shown on Line 17 of Section B. Show in Column (2) those project costs that are subject to Federal participation but are not eligible for inclusion in the amount used to compute contingency amounts as provided in the Federal grantor agency instructions.

Section D. Proposed Method of Financing Non-Federal Share

Line 27 a-g - Show the source of the grantee's share. If cash is not immediately available, specify the actions completed to date and those actions remaining to make cash available under Section E Remarks. Indicate also the period of time that will be required after execution of the grant agreement to obtain the funds. If there is a noncash contribution, explain what this contribution will consist of.

Line 27 h - Show the total of Lines 27 a-g. This amount must equal the amount shown in Section B, Line 23.

Line 28 a - Show the amount that will be contributed by a State or state agency, *only* if the applicant is *not* a State or state agency. If there is a noncash contribution, explain what the contribution will consist of under Section E Remarks.

Line 28 b - Show the amount that will be contributed from other sources. If there is a noncash contribution, explain what this contribution will consist of under Section E Remarks.

Line 28 c - Show the total of Lines 28a and 28b. This amount must be the same as the amount shown in Section B, line 24.

Line 29 - Enter the totals of Line 27h and Line 28c.

Section E. Other Remarks

Make any remarks pertinent to the project and provide any other information required by these instructions or the grantor agency. Attach additional sheets, if necessary.

Exhibit H-11, Application for Federal Assistance (for Construction Programs)

(Page 2 of 2)

PART V

ASSURANCES

The Applicant hereby assures and certifies that he will comply with the regulations, policies, guidelines and requirements, including OMB Circular No. A-95 and FMCs 74-4 and 74-7, as they relate to the application, acceptance and use of Federal funds for this federally-assisted project. Also, the Applicant gives assurance and certifies with respect to the grant that:

1. It possesses legal authority to apply for the grant, and to finance and construct the proposed facilities; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body, authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.
2. It will comply with the provisions of: Executive Order 11296, relating to evaluation of flood hazards, and Executive Order 11288, relating to the prevention, control, and abatement of water pollution.
3. It will have sufficient funds available to meet the non-Federal share of the cost for construction projects. Sufficient funds will be available when construction is completed to assure effective operation and maintenance of the facility for the purposes constructed.
4. It will obtain approval by the appropriate Federal agency of the final working drawings and specifications before the project is advertised or placed on the market for bidding; that it will construct the project, or cause it to be constructed, to final completion in accordance with the application and approved plans and specifications; that it will submit to the appropriate Federal agency for prior approval changes that alter the costs of the project, use of space, or functional layout; that it will not enter into a construction contract(s) for the project or undertake other activities until the conditions of the construction grant program(s) have been met.
5. It will provide and maintain competent and adequate architectural engineering supervision and inspection at the construction site to insure that the completed work conforms with the approved plans and specifications; that it will furnish progress reports and such other information as the Federal grantor agency may require.
6. It will operate and maintain the facility in accordance with the minimum standards as may be required or prescribed by the applicable Federal, State and local agencies for the maintenance and operation of such facilities.
7. It will give the grantor agency and the Comptroller General through any authorized representative access to and the right to examine all records, books, papers, or documents related to the grant.
8. It will require the facility to be designed to comply with the "American Standard Specifications for Making Buildings and Facilities Accessible to, and Usable by, the Physically Handicapped," Number A117.1-1961, as modified [41 CFR 101-17.703]. The applicant will be responsible for conducting inspections to insure compliance with these specifications by the contractor.
9. It will cause work on the project to be commenced within a reasonable time after receipt of notification from the approving Federal agency that funds have been approved and that the project will be prosecuted to completion with reasonable diligence.
10. It will not dispose of or encumber its title or other interests in the site and facilities during the period of Federal interest or while the Government holds bonds, whichever is the longer.
11. It will comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and in accordance with Title VI of that Act, no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Applicant receives Federal financial assistance and will immediately take any measures necessary to effectuate this agreement. If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the Applicant, this assurance shall obligate the Applicant, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits.
12. It will establish safeguards to prohibit employees from using their positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.
13. It will comply with the requirements of Title II and Title III of the Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (P.L. 91-646) which provides for fair and equitable treatment of persons displaced as a result of Federal and federally-assisted programs.
14. It will comply with all requirements imposed by the Federal grantor agency concerning special requirements of law, program requirements, and other administrative requirements approved in accordance with FMC 74-7.
15. It will comply with the provisions of the Hatch Act which limit the political activity of employees.
16. It will comply with the minimum wage and maximum hours provisions of the Federal Fair Labor Standards Act, as they apply to hospital and educational institution employees of State and local governments.

Exhibit H-12, Application for Federal Assistance (for Construction Programs), Part V - Assurances

(Page 1 of 1)

OMB Approval No. 80-R0182

REPORT OF FEDERAL CASH TRANSACTIONS		1. Federal Agency and Organizational Element	
2. Name of Grantee Organization		4. Federal Grant No. or Other Identifying No.	
3. Federal Employer Identification No.		5. Grantee's Account No. or Identifying No.	
6. Letter of Credit No.		7. Last Payment Voucher No.	
8. Number of Payment Vouchers		9. No. of Treasury Check's Received	
10. Report Period (Month, Day, Year)		11. FROM TO	
12. STATUS OF FEDERAL CASH			
a. Cash on hand beginning of period		3	
b. Letter of credit withdrawals		4	
c. Treasury check payments		5	
d. Total receipts (Sum of Lines b and c)		6	
e. Total cash available (Sum of Lines a and d)		7	
f. Gross disbursements		8	
g. Federal share of program income		9	
h. Net disbursements (Line f minus Line g)		10	
i. Adjustments of prior periods		11	
j. Cash on hand end of period		12	
13. The amount in item 11 represents cash requirements for the ensuing days.			
14. OTHER INFORMATION			
a. Interest income		1	
b. Advances to subgrantees		2	
15. REMARKS (Attach additional sheets if necessary)			
16. CERTIFICATION — I certify that to the best of my knowledge and belief this report is true in all respects and that all disbursements have been made for the purposes and conditions of the grant.			
Name		Title	
Signature of Authorized Official		Date Report is Submitted	
Area Code		TELEPHONE Number Ext.	
FOR AGENCY USE ONLY			

Exhibit H-13, Report of Federal Cash Transactions
(Page 1 of 5)

INSTRUCTIONS FOR PREPARING PAGE 1 OF THE REPORT OF FEDERAL CASH TRANSACTIONS

Item 1 — Enter the name of the Federal grantor agency and organizational element to which this report is submitted.

Item 2 — Enter the name and complete mailing address including the ZIP Code for the grantee organization.

Item 3 — Enter the employer identification number assigned by the U. S. Internal Revenue Service.

Item 4 — Enter the Federal grant number or other identifying numbers requested by the grantor agency. If this report covers more than one grant, leave this space blank and provide the information on page 2 of this report.

Item 5 — This space is reserved for an account number or other identifying number which may be assigned by the grantee.

Item 6 — Enter the letter of credit number which applies to this report. If all advances were made by Treasury check, enter "NA" for not applicable and leave Items 7 and 8 blank.

Item 7 — Enter the voucher number of the last letter of credit payment voucher (Form TUS 5401) which was credited to your account.

Item 8 — Enter the total number of letter of credit payment vouchers which were credited to your account during the reporting period.

Item 9 — Enter the total number of Treasury checks received during the reporting period, whether or not deposited.

Item 10 — Enter the month, day, and year of the beginning and ending dates of the period covered by this report.

Item 11 — STATUS OF FEDERAL CASH

Line a. Enter the total amount of Federal cash on hand at the beginning of the reporting period including all of the Federal funds on deposit, imprest funds, and undeposited Treasury checks.

Line b. Enter the total amount of all Federal funds received through payment vouchers (Form TUS 5401) which were credited to your account during the reporting period.

Line c. Enter the total amount of all Federal funds received during the reporting period through Treasury checks, whether or not deposited.

Line d. Enter the sum of Lines b and c.

Line e. Enter the sum of Lines a and d.

Line f. Enter the total Federal cash disbursements or payments made during the reporting period including dis-

bursements of cash received as program income. Disbursements as used here also include the amount of advances and payments less refunds to subgrantees or contractors and the amount to which the grantee is entitled for indirect costs and usage charges for buildings and equipment.

Line g. Enter the Federal share of program income received during the reporting period. Enter only the amount of program income which was required to be used on the project or program by the terms of the grant.

Line h. Enter the net disbursements. This amount is the difference between the amount shown on Line f minus the amount on Line g.

Line i. Enter the amount of all adjustments pertaining to prior periods affecting the ending balance which have not been included in any lines above. Identify each grant for which an adjustment was made, and enter an explanation for each adjustment in the "Remarks" space provided.

Line j. Enter the total amount of Federal cash on hand at the end of the reporting period. This amount should include all funds on deposit, imprest funds, and undeposited funds (Line e less Line h plus or minus Line i).

Item 12 — Enter the estimated number of days until the cash on hand, shown on Line 11j, will be expended. If more than three days cash requirements are on hand, provide an explanation in the "Remarks" space as to why the draw-down was made prematurely, or other reasons for the excess cash. The requirement for the explanation does not apply to prescheduled or automatic advances.

Item 13 — OTHER INFORMATION

Line a. Enter the amount of interest earned on advances of Federal funds but not remitted to the grantor agency. If this includes any amount earned and not remitted to the grantor agency for over 60 days, explain in the "Remarks" space. (States and State agencies do not need to complete this line.)

Line b. Enter the amount of advances to subgrantees or other secondary recipients included in Line 11h.

Item 14 — In addition to providing explanations as required above, this space is provided for additional explanation deemed necessary by the grantee and for the information required by the Federal grantor agencies in compliance with the governing legislation.

Item 15 — Complete the certification before submitting this report.

INSTRUCTIONS FOR PREPARING PAGE 2 OF
THE REPORT OF FEDERAL CASH TRANSACTIONS

Use this page only when the Report of Federal Cash Transactions covers more than one grant.

Item 1 — Enter the name of the Federal grantor agency and organizational element to which this report is submitted.

Item 2 — Enter only the name of the grantee as shown on Item 2 of page 1.

Item 3 — Enter the reporting period covered by this report as shown in Item 10 of page 1.

Item 4 — Enter the Federal grant number for each grant listed. Provide a subdivision by other identifying numbers if required by the Federal grantor agency.

Item 5 — Space is reserved for the grantee to show its account or other identification numbers.

Item 6a — Show the net disbursements (gross disbursements less program income received) made from Federal cash during the reporting period for each grant or line item shown under Item 4.

Item 6b — Show the cumulative net disbursements made for each grant or line item under Item 4.

Item 7 — Enter the totals for Columns 6a and 6b. The total of Column 6 should be the same as the total on Line 11h on page 1. Also the total in Column 6b should be same as the sum of this period's disbursement (Column 6a), the adjustments shown on Line 11i on page 1, and the cumulative disbursements in the last report. Explain any differences.

REPORT OF FEDERAL CASE TRANSACTIONS—
SPECIAL INSTRUCTIONS FOR JOINT FUNDING

Page 1.—There are no specific changes to
accommodate joint funding requirements.
Page 2.

Item 1.—Enter the Federal lead agency
name and designation.

Item 4.—All Federal Domestic Assistance
Catalog numbers involved should be listed
in this column. When required by a Federal

agency, indicate subdivision for each cata-
log number.

Items 5-6.—Entries as appropriate should
be made for all project elements and sub-
elements shown under Item 4.

OMB Approval No. 80-10180

FINANCIAL STATUS REPORT		1. Federal Agency and Organizational Element		2. Federal Grant No. or Other Identifying No.				
3. Name and Address of Grantee Organization		4. Employer Identification No.		5. Grantor Account No. or Identifying No.				
				6. Final Report <input type="checkbox"/> Yes <input type="checkbox"/> No				
		7. Project Period (Month, Day, Year) FROM TO		8. Report Period (Month, Day, Year) FROM TO				
				9. Basis of Report <input type="checkbox"/> Cash <input type="checkbox"/> Accrual Expenditures				
10. STATUS OF FUNDS		PROJECT ELEMENTS						
		(1)	(2)	(3)	(4)	(5)		
a. Total outlays previously reported						TOTAL		
b. Total program outlays this period								
c. Less: Program income credits								
d. Net program outlays this period								
e. Total program outlays to date								
f. Less: Non-Federal share of program outlays								
g. Total Federal share of program outlays								
h. Total unpaid obligations								
i. Less: Non-Federal share of unpaid obligations								
j. Federal share of unpaid obligations								
k. Total Federal share of outlays and unpaid obligations								
l. Total Federal funds authorized								
m. Unobligated balance of Federal funds								
11. Indirect Expenses: a. Type of rate (Mark box) <input type="checkbox"/> Percentage <input type="checkbox"/> Fixed <input type="checkbox"/> Percentage <input type="checkbox"/> Fixed		12. REMARKS (Attach additional sheets if necessary)			13. CERTIFICATION — I certify that to the best of my knowledge and belief this report is correct and complete and that all outlays and unpaid obligations are for the purposes set forth in the grant award documents.			
b. Rate							c. Basis	
d. Total amount							e. Federal share	
					14. TELEPHONE Area Code Number Ext.			
					Date Report is Submitted			

INSTRUCTIONS FOR PREPARING THE FINANCIAL STATUS REPORT

Item 1 — Enter the name of the Federal grantor agency and organizational element to which this report is submitted.

Item 2 — Enter the grant number or other identifying number assigned by the Federal grantor agency.

Item 3 — Enter the name and complete mailing address, including the ZIP code for the grantee organization.

Item 4 — Enter the employer identification number assigned by the U.S. Internal Revenue Service.

Item 5 — This space is reserved for an account number or other identifying numbers which may be assigned by the grantee.

Items 6 and 7 — Mark the appropriate boxes.

Item 8 — Enter the month, day, and year of the beginning and ending dates of the period for which this report is prepared. For formula grants which are not awarded on a project basis, show the grant period.

Item 9 — Enter the month, day, and year of the beginning and ending dates of the period for which this report is prepared. The frequency of the report will be established by the Federal grantor agency.

PLEASE READ BEFORE COMPLETING ITEM 10 — The purpose of vertical Columns (1) through (6) is to provide financial data for each program, function, and activity in the budget as approved by the Federal grantor agency. If additional columns are needed, use as many additional forms as needed and mark "continuation" on each form; however, the summary totals of all programs, functions or activities should be shown in the "total" Column of the first page.

For grants pertaining to a single Federal grant program (catalog number) or several grant programs which do not require a functional or activity classification, enter under Columns (1) through (6) the title of the program(s). For grants pertaining to multiple programs where one or more programs require a further breakdown by function or activity, use a separate form for each program showing the applicable functions or activities in separate columns. For grants containing several functions or activities which are funded from several programs, prepare a separate form for each activity or function when requested by the Federal grantor agency.

Item 10 — STATUS OF FUNDS

Line a. Enter the total outlays reported on Line 10e of the last report. Show zero, if this is the initial report.

Line b. Enter the total gross program outlays for this report period, including disbursements of cash realized as program income. For reports which are prepared on a cash basis, outlays are the sum of actual cash disbursements for goods and services, the amount of indirect expense charged, the value of in-kind contributions applied, and the amount of cash advances and payments made to contractors and subgrantees. For reports prepared on an accrued expenditure basis, outlays are the sum of actual cash disbursements, the amount of indirect expense incurred, the value of in-kind contributions applied, and the net increase (or decrease) in the amounts owed by the grantee for goods and other property received and for services performed by employees, contractors, subgrantees, and other payees.

Line c. Enter the amount of all program income realized in this period which is to be used in the project or program in accordance with the terms of the grant. For reports prepared on a cash basis, enter the amount of cash

income received during the reporting period. For reports prepared on an accrual basis, enter the amount of the net increase (or decrease) in the amount of accrued income since the beginning of the report period.

Line d. This amount should be the difference between amounts shown on Lines b and c.

Line e. Enter the sum of amounts shown on Lines a and d above.

Line f. Enter the amount pertaining to the non-Federal share of program outlays included in the amount on Line a.

Line g. Enter the Federal share of program outlays. The amount should be the difference between Lines e and f.

Line h. When the report is prepared on a cash basis, enter the total amount of unpaid obligations for this project or program including unpaid obligations to subgrantees. If the report is prepared on an accrued expenditure basis, enter the amount of undelivered orders and other outstanding obligations. Do not include any amounts that have been included on Lines a through g. On the final report, Line h should have a zero balance.

Line i. Enter the non-Federal share of unpaid obligations shown on Line h.

Line j. Enter the Federal share of unpaid obligations shown on Line h. The amount shown on this line should be the difference between the amounts on Lines h and i.

Line k. Enter the sum of the amounts shown on Lines g and j. If the report is final, the report should not contain any unpaid obligations.

Item l — Enter the total cumulative amount of Federal funds authorized.

Line m. Enter the unobligated balance of Federal funds. This amount should be the difference between Lines k and l.

Item 11 — INDIRECT EXPENSE

a. Type of rate — Mark the appropriate box.

b. Rate — Enter the rate in effect during the reporting period.

c. Base — Enter the amount of the base to which the rate was applied.

d. Total Amount — Enter the total amount of indirect cost charged during the report period.

e. Federal Share — Enter the amount of the Federal share charged during the report period.

If more than one rate was applied during the project period, include a separate schedule which shows the bases against which the indirect cost rates were applied, the respective indirect rates, the month, day, and year the indirect rates were in effect, amounts of indirect expense charged to the project, and the Federal share of indirect expense charged to the project to date. (See FMC 74-4, which contains principles for determining allowable costs of grants and contracts with State and local governments.)

Item 12 — Space is provided for any explanation deemed necessary by the grantee or for the provision of information required by the Federal grantor agencies in compliance with the governing legislation.

Item 13 — Complete the certification before submitting this report.

FINANCIAL STATUS REPORT—SPECIAL INSTRUCTIONS FOR JOINT FUNDING

Item 1.—Enter the Federal lead agency name and designation.

Item 10.—Columns (1)–(6) are for providing financial data for each project ele-

ment and subelements. Enter as headings for these columns, the title of project elements and subelements. When more than one federal catalog number is involved in a single element or subelement, a separate column for each catalog number should be established as a back-up to the element or sub-

element. Use as many forms as needed. When more than one form is submitted for a joint funding project, the "Total" column on the first page should be the aggregate totals of all elements and subelements, and this column should be left blank on the succeeding pages.

OMB Approval No. 83-R0123

REQUEST FOR ADVANCE OR REIMBURSEMENT		1. Federal Agency and Organizational Element	2. Federal Grant No. or Other Identifying No.
3. Type of Payment Requested <input type="checkbox"/> Advance <input type="checkbox"/> Reimbursement		4. Basis of Report <input type="checkbox"/> Cash <input type="checkbox"/> Accrued Expenses	5. Partial Payment Request No.
6. Employer Identification No.		7. Grants Account No. or Identifying No.	8. Period Covered (Month, Day, Year) FROM _____ TO _____
9. Name of Grantee Organization STREET NO. AND NAME CITY _____ STATE _____ ZIP CODE _____		10. Name of Project (If different from Item 9) STREET NO. AND NAME CITY _____ STATE _____ ZIP CODE _____	
11. COMPUTATION OF AMOUNT REQUESTED			
	PROGRAMS — FUNCTIONS — ACTIVITIES		
	(1)	(2)	(3)
	TOTAL		
a. Total program outlays to date as of _____	\$	\$	\$
b. Less: Cumulative program income			
c. Net program outlays			
d. Estimated net cash outlays for advance period			
e. Total of Lines c and d			
f. Non-Federal share of amount on Line e			
g. Federal share of amount on Line e			
h. Federal payments previously requested			
i. Federal share now requested			
Monthly advance reimbursements:			
(1) 1st month			
(2) 2nd month			
(3) 3rd month			
12. REMARKS (Attach additional sheets if necessary)			
13. I certify that to the best of my knowledge and belief the data reported above is correct and that all outlays were made in accordance with grant conditions and that payment is due and has not been previously requested.			
Name _____		Title _____	
Signature of Authorized Official _____		TELEPHONE Area Code _____ Number _____ Ext. _____	
		Date Report is Submitted _____	
FOR AGENCY USE ONLY			

Exhibit H-15. Request for Advance or Reimbursement
(Page 1 of 3)

INSTRUCTIONS FOR PREPARING THE REQUEST FOR ADVANCE OR REIMBURSEMENT

Item 1 — Enter the name of the Federal grantor agency and organizational element to which the request is submitted.

Item 2 — Enter the Federal grant number or other identifying number assigned by the Federal grantor agency.

Item 3 — Indicate with an "X" whether the type of payment requested is

- a. An advance, reimbursement, or both.
- b. Final or partial.

Item 4 — Indicate with an "X" whether the report is prepared on a cash or accrued expenditure basis. All requests which are for advances only shall be prepared on a cash basis.

Item 5 — Enter the partial payment request number for this request.

Item 6 — Enter the employer identification number assigned by the U. S. Internal Revenue Service.

Item 7 — This space is reserved for an account number or other identifying number which may be assigned by the grantee.

Item 8 — Enter the month, day, and year for the beginning and ending of the period covered in this request. If the request is for an advance or for both an advance and reimbursement, show the period that the advance will cover. If the request is for a reimbursement, show the period for which the reimbursement is requested.

Item 9 — Enter the name and complete mailing address, including ZIP Code for the grantee organization.

Item 10 — Enter the name and complete mailing address, including ZIP Code of the payee if it is different than the grantee organization shown in Item 9.

PLEASE READ BEFORE COMPLETING ITEM 11 — The purpose of the vertical Columns (1) through (3) is to provide space for separate cost breakdowns when a large project has been planned and budgeted by program, function, and activity. If additional columns are needed, use as many additional forms as needed and mark "continuation" on each form; however, the summary totals of all programs, functions, or activities should be shown in the "total" Column on the first page.

Item 11 — COMPUTATION OF AMOUNT REQUESTED.

Line a — On the stub enter the month, day, and year of the ending of the accounting period to which this amount applies. Enter program outlays to date in the appropriate columns. For reports which are prepared on a cash basis, outlays are the sum of actual cash disbursements for goods and services, the amount of indirect expenses

charged, the value of in-kind contributions applied, and the amount of cash advances and payments made to sub-contractors and subgrantees. For reports prepared on an accrued expenditure basis, outlays are the sum of the actual cash disbursements, the amount of indirect expenses incurred, the value of in-kind contributions applied, amounts owed by the grantee for goods and other property received, amounts owed for services performed by employees, contractors, subgrantees, and other payees, and amounts becoming owed for which no current service or performance is required.

Line b — Enter the cumulative cash income received to date, if reports are prepared on a cash basis. For reports prepared on an accrued expenditure basis, enter the cumulative income earned to date. Under either basis, enter only the amount applicable to program income which was required to be used for the project or program by the terms of the grant.

Line c — This amount should be the difference between the amounts shown on Line a less the amounts shown on Line b.

Line d — Only when making requests for advance payments, enter the total estimated amount of cash outlays that will be made during the period covered by the advance.

Line e — Enter the total of Lines c and d.

Line f — Enter the non-Federal share of the amount shown on Line e.

Line g — Enter the Federal share of the amount shown on Line e.

Line h — Enter the cumulative amount of Federal payments received and amounts included in outstanding requests.

Line i — Enter the Federal share now requested. (Line g minus Line h).

Line j — Show the amount of advances required by month on each of Lines (1), (2), and (3) when requested by the Federal grantor agency for use in making pre-scheduled advances.

Item 12 — This space is provided for any explanation deemed necessary by the grantee and for any information required by the Federal grantor agency in compliance with the governing legislation.

Item 13 — Complete the certification before submitting this report.

**REQUEST FOR ADVANCE OR REIMBURSEMENT—
SPECIAL INSTRUCTIONS FOR JOINT FUNDING**

This form will be used by joint funding grantees to request advances or reimbursements from Federal agencies on nonconstruction programs when a letter of credit is not used. This form may be used on construction programs when authorized in advance by Federal agencies.

Item 1.—Enter the Federal lead agency name and designation.

Item 11.—Each project element and subelement must be reported separately in each column. When a single element or subelement is composed of more than one Federal Domestic Assistance Catalog number, a separate column for each Catalog number should be established as a backup to the

element or subelement. In the column headings, enter the titles of elements, subelements and Catalog numbers. Use as many forms as needed. When more than one form is used, the "Totals" column on the first page should show the aggregate totals for the project and the column should be left blank in the succeeding pages.

OUTLAY REPORT AND REQUEST FOR REIMBURSEMENT FOR CONSTRUCTION PROGRAMS					OMB Approval No. 03-R0181	
1. Federal Agency and Organizational Element		2. Federal Grant No. or Other Identifying Number				
3. Type of Request <input type="checkbox"/> Final <input type="checkbox"/> Partial		4. Basis of Request <input type="checkbox"/> Cash <input type="checkbox"/> Interest Exemption		5. Period Payment Requested		
6. Employer Identification No.		7. Grant Account No. or Subelement No.		8. Period Covered (Month, Day, Year) From _____ To _____		
9. Name of Grantee Organization STREET NO. AND NAME CITY STATE ZIP CODE		10. Name of Person (If different from Item 9) STREET NO. AND NAME CITY STATE ZIP CODE				
11. STATUS OF FUNDS						
CLASSIFICATION	PROJECT ELEMENTS				TOTAL	
	(1)	(2)	(3)	(4)		
a. Administrative expense	\$	\$	\$	\$		
b. Preliminary expense						
c. Land, structures, right-of-way						
d. Architectural engineering basic fees						
e. Other architectural engineering fees						
f. Project inspection fees						
g. Land development						
h. Relocation expense						
i. Relocation payments to individuals and businesses						
j. Consultation and removal						
k. Construction and project improvement cost						
l. Equipment						
m. Miscellaneous cost						
n. Total cumulative to date (Sum of Lines a-k)						
o. Deductions for program income						
p. Net cumulative to date (Line n minus Line o)						
q. Federal share to date						
r. Rehabilitation grants (10% reimbursement)						
s. Total Federal share (Sum of Lines q and r)						
t. Federal payments previously received						
u. Amount requested for reimbursement	\$	\$	\$	\$		
v. Percent of project completed	%	%	%	%		
12. CERTIFICATION: I certify that to the best of my knowledge and belief the billed costs of disbursements are in accordance with the terms of the project and that the reimbursement represents the Federal share due which has not been previously requested and that no inspection has been performed and all work is in accordance with the terms of the grant.						
a. GRANTEE			b. STATE, LOCAL, OR FEDERAL GOVERNMENT REPRESENTATIVE			
Name _____			Name _____			
Title _____			Title _____			
Telephone No. _____			Telephone No. _____			
Signature of Authorized Official _____			Signature of Authorized Official _____			
Date _____			Date _____			

Exhibit H-16, Outlay Report and Request for Reimbursement
and Construction Programs
(Page 1 of 3)

INSTRUCTIONS FOR PREPARING THE OUTLAY REPORT AND REQUEST FOR REIMBURSEMENT FOR CONSTRUCTION PROGRAMS

Item 1 - Enter name of the Federal grantor agency and organizational element to which the report is submitted.

Item 2 - Enter the grant number or other identifying number assigned by the Federal grantor agency.

Item 3 - Mark the appropriate box. If the request is final, the amounts billed should represent the final cost of the project.

Item 4 - Show whether amounts are computed on an accrued expenditure or cash disbursement basis.

Item 5 - Enter the partial payment request number.

Item 6 - Enter the employer identification number assigned by the U. S. Internal Revenue Service.

Item 7 - This space is reserved for an account number or other identifying number which may be assigned by the grantee.

Item 8 - Enter the month, day, and year for the beginning and ending of the period for which this report is prepared.

Item 9 - Enter the name and complete mailing address including ZIP Code for the grantee organization.

Item 10 - Enter the name and complete mailing address including the ZIP Code where the check should be sent, if the payee is different than the grantee organization shown in Item 9.

PLEASE READ BEFORE COMPLETING ITEM 11 - The purpose of vertical columns (1) through (3) is to provide space for separate cost breakdowns when a large project has been planned and budgeted by program, function and activity. If additional columns are needed, use as many additional forms as needed and mark "continuation" on each form; however, the summary totals of all programs, functions, or activities should be shown in the "total" column on the first page.

Item 11 - STATUS OF FUNDS - All amounts are reported on a cumulative basis.

Line a. Enter amounts expended for such items as travel, legal fees, rental of vehicles and any other administrative expenses. Include the amount of interest expense when authorized by program legislation. Also show the amount of interest expense on a separate sheet.

Line b. Enter amounts pertaining to the work of locating and designing, making surveys and maps, sinking test holes, and all other work required prior to actual construction.

Line c. Enter all amounts directly associated with the acquisition of land, existing structures and related right-of-way.

Line d. Enter basic fees for services of architectural engineers.

Line e. Enter other architectural engineering services. Do not include any amounts shown on Line d.

Line f. Enter inspection and audit fees of construction and related programs.

Line g. Enter all amounts associated with the development of land where the primary purpose of the grant is land improvement. The amount pertaining to land development normally associated with major construction should be excluded from this category and entered on Line k.

Line h. Enter the dollar amounts used to provide relocation advisory assistance and net costs of replacement housing (last resort). Do not include amounts needed

for relocation administrative expense; these amounts should be included in amounts shown on Line a.

Line i. Enter the amount of relocation payments made by the grantee to displaced persons, farms, business concerns, and nonprofit organizations.

Line j. Enter gross salaries and wages of employees of the grantee and payments to third party contractors directly engaged in performing demolition or removal of structures from developed land. All proceeds from the sale of salvage or the removal of structures should be credited to this account; thereby reflecting net amounts if required by the grantor agency.

Line k. Enter those amounts associated with the actual construction of, addition to, or restoration of a facility. Also include in this category the amounts for project improvements such as sewers, streets, landscaping, and lighting.

Line l. Enter amounts for all equipment, both fixed and movable, exclusive of equipment used for construction. For example, permanently attached laboratory tables, built-in audio visual systems, movable desks, chairs, and laboratory equipment.

Line m. Enter the amounts for all items not specifically mentioned above.

Line n. Enter the total cumulative amount to date which should be the sum of Lines a through m.

Line o. Enter the total amount of program income applied to the grant except income included on Line j. Identify on a separate sheet of paper the sources and types of the income.

Line p. Enter the net cumulative amount to date which should be the amount shown on Line n minus the amount on Line o.

Line q. Enter the Federal share of the amount shown on Line p.

Line r. Enter the amount of rehabilitation grant payments made to individuals when program legislation provides 100 percent payment by the Federal grantor agency.

Line s. Enter the total of Lines q and r.

Line t. Enter the total amount of Federal payments previously requested, if this form is used for requesting reimbursement.

Line u. Enter the amount now being requested for reimbursement. This amount should be the difference between the amounts shown on Lines s and t. If different, explain on a separate sheet.

Line v. Show the percentage of the physical completion of the project.

Item 12 - CERTIFICATION

a. GRANTEE - Enter the name, title, telephone number, and signature of the grantee official who is responsible for the operation of the program. The date should be the actual date the form is submitted to the Federal grantor agency.

b. STATE, LOCAL, OR FEDERAL GOVERNMENT REPRESENTATIVE - Enter the name, title, telephone number, and signature of the Government representative who is certifying to the percent of project completion. This representative may be a professional architectural engineer under contract to the State, local, or Federal government or he may be a qualified State, local, or Federal government employee.

Exhibit H-16, Outlay Report and Requests for Reimbursement
and Construction Programs

(Page 2 of 3)

OUTLAY REPORT AND REQUEST FOR REIMBURSEMENT FOR CONSTRUCTION PROGRAMS—SPECIAL INSTRUCTION FOR JOINT FUNDING

This report will be used by joint funding grantees to request payments when advance payments are not authorized for construction programs.

Item I.—Enter the Federal lead agency name and designation.

Item II.—Each program element and subelement must be reported separately in each column. When a single element or subelement is composed of more than one Federal Domestic Assistance Catalog number, a separate column for each catalog number should be established as a backup to the

element or subelement. In the column heading enter the titles of elements, subelement and catalog number. Use as many forms as needed. When more than one form is used, the "Totals" column on the first page should show the aggregate totals for the project and the column should be left blank in the succeeding pages.

FEDERAL REGIONAL COUNCIL - REGION _____		JOINT FUNDING PROGRAM	
PARTICIPATING AGENCY GRANT AWARD NOTICE		1. JFP IDENTIFIER	
3. AUTHORITY		2. STATE IDENTIFIER	
4. FUNDING PERIOD		Through	
From		Through	
<p>5. <input type="checkbox"/> The _____ has approved funds in the amount indicated for the project described below, and hereby agrees, upon request, to transfer such funds in accordance with the requirements of a circular _____.</p> <p>6. <input type="checkbox"/> The grantee will provide the required non-Federal matching share in a ratio of _____ % to Federal funds for the purpose of carrying the approved project for the period specified herein.</p> <p>7. <input type="checkbox"/> The funds are approved subject to the attached conditions which have been accepted by the applicant and the participating grantor agencies.</p> <p>8. <input type="checkbox"/> Amendment to award notice to confirm approval for _____</p> <p style="margin-left: 40px;"><input type="checkbox"/> adjustment in grant funds based on lead agency report on use of funds</p> <p style="margin-left: 40px;"><input type="checkbox"/> adjustment in grant funds requested by grantee <input type="checkbox"/> adjustment in grantee matching funds</p>			
9. FED. DOM. ASSISTANCE CATALOG CODE		10. PROJECT TITLE	
11. FOR (Grantee name and address)		12. AGENCY PROGRAM OFFICE CONTACT (Name, Title, and Telephone No.)	
13. TYPE OF ACTION		14. AGENCY FINANCE OFFICE CONTACT (Name, Title, and Telephone Code)	
<p>A. <input type="checkbox"/> INITIAL AWARD B. <input type="checkbox"/> CONTINUATION AWARD C. <input type="checkbox"/> TIME EXTENSION</p> <p>D. <input type="checkbox"/> INCREASE IN AWARD E. <input type="checkbox"/> DECREASE IN AWARD F. <input type="checkbox"/> ADJUSTMENT IN GRANTEE FUNDS</p>			
15.			
SUPPORT		A. TOTAL SHARE OF JFP PROJECT SUPPORTED BY THIS PROGRAM THIS FUNDING PERIOD (LINES B PLUS C) \$ _____	
DETAIL		B. GRANTEE MATCHING FUNDS THIS FUNDING PERIOD \$ _____	
		C. FEDERAL FUND SUPPORT THIS FUNDING PERIOD \$ _____	
		D. ADJUSTMENT IN FEDERAL SUPPORT:	
		(1) PREVIOUSLY APPROVED THIS FUNDING PERIOD . . . \$ _____	
		(2) UNOBLIGATED BALANCE FROM PRIOR FUNDING PERIOD(S) SUPPORT \$ _____	
		E. GRANT SUPPORT THIS ACTION (C MINUS D(1) AND D(2)) \$ _____	
16. AGENCY AWARDING OFFICE (Name & Address)		17. APPROVED BY (Signature, Typed Name & Title)	
18. AGENCY ACCOUNTING CLASSIFICATION		18. DATE	

JOINT FUNDING PROGRAM PARTICIPATING AGENCY GRANT AWARD NOTICE

General. The original and one copy shall be forwarded to the lead agency in the participating agencies.

Items 1 and 2 — These numbers are taken from the grant application face sheet Standard Form 424.

Item 3 — The participating grantor agency enters the legislative authority for the grant program from which the award is made.

Item 4 — The firm dates of the funding period may not be known when the initial Award Notice is prepared by the participating Federal agency. The dates may be added for any amendment made during the first funding period. The funding period dates will be established for continuation grants and will be entered on the Award Notice when prepared.

Item 5 — In the first blank line enter the name of the Federal participating agency preparing this Notice, and in the second blank line, enter the name of the lead agency.

Item 6 — Check this box if appropriate, and enter as a percentage number the required matching non-Federal share.

Item 7 — Check this box if the approval is made subject to specific conditions (such as modifications to standard provisions, monitoring requirements, reporting requirements, etc.) which will be incorporated into the final conditions to accompany the integrated grant award.

Item 8 — Check this box for amendments which modify the support level or time period for expenditure of grant funds currently approved by a previously issued award notice. Check also the type of adjustment. Amendments require that items 13 C, D, E, and/or F be checked, as appropriate, and that the adjustment also be reflected in item 15.

Item 9 — Enter the program code number from the Catalog of Federal Domestic Assistance for the program awarding these funds.

Item 10 — The project title as shown on the application.

Item 11 — The name and address of the applicant or grantee to whom the lead agency will make the joint funding award. This information is taken from the grant application.

Item 12 — The names, titles, and phone numbers of the appropriate persons in the participating Federal agency whom the lead agency can contact concerning the award or project.

Item 13 — Check as appropriate. If block C (time extension) is marked, write "to," followed by the date for the time period for expenditure of the grant funds, in the space below block C.

Item 14 — Self-explanatory

Item 15 — Support detail: Line A is the total of Lines B and C.

Line B — The grantee funds required to match the Federal support on Line C. No entry when there is no requirement for grantee matching funds.

Line C — The Federal funds approved for support of the project from this grant program for this funding period.

Line D — The disposition of prior Federal support from this period.

Line D-1 — Self-explanatory.

Line D-2 — The unobligated balance of grant funded in previous funding periods.

Line E — Funds awarded (new obligational authority) or withdrawn (adjustment) for this funding period. For the initial award, the entries on lines C and E will be the same amount; thereafter, the amount on line C will be subject to adjustments indicated on Line D-1 or D-2 to determine the actual award action on line E.

Item 16 — The full organizational title and address of the office administering the grant program from which the funds are approved.

Item 17 — The signature of the approval authority.

Item 18 — The date the award notice is approved.

Item 19 — For use of agency accounting offices as appropriate.

FORMAT FOR NOTICE OF JOINT FUNDING AWARD

Date:

Name and Address of Primary Recipient

Subject: Note of Joint Funding Award

Project No.

Amendment No. (If Applicable)

Dear _____:

It is my pleasure, acting on behalf of the participating Federal agencies of the _____ Federal Regional Council to advise you of the funds amounting to \$ _____ being made available (increased) to support your jointly funded project for the period _____ to _____.

In accordance with the Joint Funding Simplification Act (P.L. 93-51.) and implementing regulations OMB Circular A-111, this award constitutes approval of all (portions) of your application dated _____ for which we have received firm commitments from the participating agencies. A letter of credit providing authority to disburse the funds for the following programs will be forthcoming:

Agency	Program	Catalog No.	Amount of Federal Award	Required Ratio of Grantee Matching Funds
--------	---------	-------------	-------------------------	--

Note: The amount of Federal award shall be taken from line 15c in "Support Detail" of Exhibit H-17. Participating Agency Grant Award Notices. If an amendment, add additional sentence to read: "This brings the total amount of Federal funds approved for JFP Project No. _____ to \$ _____."

Your acceptance by executing acknowledgement provided at the end of this letter constitutes agreement on your part to: (1) accomplish the work included in the approved budget and funded through the Joint Funding Program; (2) furnish the required non-Federal matching share for the grant funds; (3) comply with the representations, assurances and standard provisions contained in the approved joint funding application, and (4) comply with applicable Federal laws, regulations and policies relating to the project.*

I appreciate your participation in this program.

Sincerely,

Authorized official of lead agency

On behalf of _____, I hereby accept the Joint Funding Award, Project No. _____, Amendment No. (if applicable), dated _____.

Date _____ Signature of grantee agency official(s)

*If there are any special requirements or conditions to which the applicant has agreed to comply, they should be made a part of this notice and added to this paragraph.

Exhibit H-18, Format for Notice of Joint Funding Award
(Page 1 of 1)



Financial And Program Controls Of Selected Community Action Agencies

B-130515

Office of Economic Opportunity

*UNITED STATES
GENERAL ACCOUNTING OFFICE*

AUG. 23, 1973



UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

MANPOWER AND WELFARE
DIVISION

B-130515

Mr. Randal C. Teague
Acting Assistant Director
for Operational Activities
Office of Economic Opportunity

Dear Mr. Teague:

This is our report on the internal financial and program controls of selected community action agencies (CAAs) funded by the Office of Economic Opportunity (OEO) under title II of the Economic Opportunity Act of 1964, as amended. The report summarizes the results of (1) audits of OEO grantees by certified public accountants, the OEO Audit Division, and other independent auditors, (2) our 21 reviews of grantees' financial activities made pursuant to congressional requests, and (3) our review in calendar year 1972 of the financial controls of 12 CAAs and the program controls of 42 CAAs.

Weaknesses in financial controls were found by OEO auditors, independent auditors, and our reviews made pursuant to congressional requests. Our review in calendar year 1972 at 42 selected CAAs found weaknesses in financial and/or program controls which detracted from overall operations.

Grantees were selected for various reasons. Some were selected on the basis of their (1) indicated problems, (2) geographical area, (3) size perspective (large, medium, and small), and (4) proximity to other grantees previously selected to aid our field reviews. Because our selections were not randomly made, the results of our reviews are not representative of all grantees but indicate clearly a continuing need for improved financial and program controls.

A number of programs authorized by the Economic Opportunity Act, as amended, and delegated to the Departments of Labor and Health, Education, and Welfare (HEW) and other agencies, such as the Neighborhood Youth Corps and Head Start, are funded through the CAAs.

An official of the Manpower Administration, Department of Labor, said our observations on CAA financial and program controls would assist Department of Labor officials in their future dealings with CAAs.

Officials of the Office of Child Development said that they plan to evaluate operations of all Head Start programs currently

funded through CAAs and that our observations on financial and program controls would assist them in deciding whether the CAAs should continue to fund Head Start programs.

Accordingly, we are sending copies of this report to HEW and Labor officials.

FINANCIAL CONTROLS

~~The effectiveness of antipovertry programs depends considerably on the manner in which grantees administer individual projects. Accordingly, Federal agencies responsible for operating such programs should require grantees to exercise adequate controls to insure that funds, property, and services are effectively used and properly accounted for.~~

Weaknesses in financial controls were found principally in the areas of payroll, travel, procurement, property management, and maintenance of basic accounting records. The nature and intensity of these weaknesses varied from grantee to grantee.

ANNUAL INDEPENDENT AUDITS OF GRANTEEES

OEO's External Audit Division maintains a system for follow up on corrective action on audit findings. This system includes classifying grantee accounting systems and/or internal controls as adequate, weak, or inadequate, based on independent audit reports.

About 3,500 audit reports were prepared on grantees by certified public accountants, other licensed public accountants, and independent agencies from July 1, 1970, to December 31, 1972. The Audit Division classified more than 40 percent of the audit reports as showing that the grantees had inadequate or weak accounting systems and/or systems of internal controls.

The following table shows the number of audit reports received during fiscal years 1971 and 1972 and the first 6 months of fiscal year 1973 and the Audit Division's opinions of accounting and/or internal control systems discussed in the reports.

	Total reports received	Systems considered inadequate		Systems considered weak		Systems considered adequate (note a)	
		Number	Percent	Number	Percent	Number	Percent
Fiscal year 1971	1,454	111	8	539	37	804	55
Fiscal year 1972	1,472	86	6	552	38	834	56
First 6 months of fiscal year 1973	b621	39	6	222	36	360	58

^aNumber of adequate systems may be overstated. About 60 percent of over 1,000 audit reports on grantee operations issued in fiscal year 1970 reported no major accounting system and/or internal control deficiencies. We reviewed 27 from this group and found that 17 failed to disclose significant deficiencies in grantees' financial operations. See our report to the Congress entitled "Need for More Effective Audit Activities," Office of Economic Opportunity (B-130515, Apr. 4, 1973).

^bTwenty additional audit reports were received which did not contain an evaluation of the accounting system and/or system of internal controls.

Of the 360 systems considered adequate during the first 6 months of fiscal year 1973, OEO's summary showed that 118 contained no deficiencies or questioned costs; OEO did not consider the deficiencies cited in the remaining 242 reports significant enough to require that the grantee be classified as having an inadequate or weak accounting system and/or system of internal controls. Such deficiencies included

- questionable expenditures,
- lack of required personnel or property records,
- excess costs incurred for property and services,
- organizational weaknesses,
- lack of controls over contracting,
- financial statements not prepared and/or used by management, and
- inadequate non-Federal share for grants.

By letter dated May 31, 1973, OEO stated it is mainly concerned with correcting weaknesses disclosed in a given report, rather than the percentage of audits classified under the broad category of weak accounting system. Our April 4, 1973, report indicated that OEO was lenient in disposing of auditors' monetary and

nonmonetary exceptions and, as a result, grantees' deficiencies were perpetuated in many cases.

SUMMARY OF OUR AUDITS OF 21 GRANTEES

During fiscal years 1971, 1972, and 1973, as a result of financial audits of 21 CAAs made at the request of Members of Congress, we reported that:

- Financial controls of three grantees were generally inadequate.
- Financial controls of six of the grantees were generally adequate although various weaknesses were noted.
- Financial controls of the other 12 grantees were weak.

These audits covered various program years between 1965 and 1972, and our tests were limited, sometimes to 1- or 2-month transactions. Although our findings may not be typical of all grantees--since many of the requests stemmed from complaints about grantees' operations--we believe the findings indicate a need for improved financial controls over grantees' operations.

Payroll and personnel records

Seventeen of the 21 grantees did not properly maintain payroll and personnel records.

At five grantees, time and attendance (T&A) records were not maintained or were not kept current for all employees. At seven grantees, T&A records either lacked employees' signatures, their supervisors' signatures, or both. Also, at one grantee, supervisors approved their own T&A records.

At 6 of the 21 grantees, leave records were not maintained for all employees, or they were not kept current. At seven grantees, including one of the preceding, grantees made errors in computing employees' leave and in recording it. OEO instructions required that starting salaries exceeding \$5,000 be limited to an amount which does not exceed, by more than 20 percent or \$2,500, whichever is less, the person's salary at his last employment unless approved by OEO. Personnel files at 12 grantees did not always contain information on employees' salaries at their prior employment. Employees at six grantees were started at salaries exceeding these limitations without OEO approval.

Six grantees had granted employees salary increases above the OEO prescribed limitations without OEO's approval. At one grantee, OEO approved salary increases above prescribed limitations for five employees, but the information the grantee submitted was incorrect.

Other weaknesses follow in internal controls over payroll functions.

- Two grantees did not adequately segregate various payroll functions.
- One grantee allowed six employees to accumulate a total of 894 hours of compensatory time without requiring them to obtain prior OEO approval for the additional time and for insuring that the time was necessary.
- Two grantees had inadequate controls over employee loans and advances; one had made loans to 74 employees, or 31 percent of its staff members.
- Two grantees paid severance pay, totaling about \$7,200, to 15 unauthorized individuals.
- Two grantees prepared payrolls before completing and submitting supporting T&A records.
- Two grantees did not pay for payroll tax liability when due to the Internal Revenue Service.

Travel

Weaknesses existed in internal controls over travel expenditures at 16 of the 21 grantees.

At each of the 16 grantees, adequate documentation was not available to support the reasonableness of all travel costs claimed, including 5 grantees at which travel vouchers were not always submitted. Employees at seven grantees did not always obtain written authorizations before traveling. At one of the grantees, travel had not been authorized in advance for 20 of 33 travel claims paid during a particular month for travel outside the grantee's normal operating area.

Two of the more significant examples of weak controls involved support for the travel costs incurred.

1. A review at one grantee of \$11,756 of \$57,389 reported as travel expenditures during program year 1971-72 showed that expenditures of \$1,960 were not adequately supported.
 - Per diem claims totaling \$1,215 did not show the period of travel, including times of departure and return, which were the basis for computing per diem.

--Travel vouchers for out-of-town travel totaling \$500 had no supporting travel authorizations.

--Mileage claims of \$245 were not properly supported by odometer readings.

2. A review of \$933 of travel costs incurred during a 2-month period at another grantee showed that \$452, or 48 percent, had not been adequately supported by the travel vouchers or other documentation, as required under the Standardized Government Travel Regulations.

We found only check stubs and canceled checks to support \$365 of these costs. The supporting vouchers or other documentation for the remaining \$87 did not show odometer readings or, where odometer readings were shown, mileage computations did not agree with the readings.

At five grantees, travel advances were not recorded in the agencies' books as advances but were charged directly to expense accounts. This lessened the agencies' controls over the funds and increased the possibility of overstating expenses because advances might not be liquidated based on actual expenses incurred.

For example, travel advances of \$1,444 at a grantee had been charged to travel expense accounts instead of to employee receivable accounts pending subsequent offset against travel expense vouchers.

Procurement

We noted weaknesses in the internal controls over grantees' procurement processes in 10 of the 21 grantees audited.

Nine grantees lacked adequate receiving reports or other evidence that certain goods or services paid for had actually been received. Also, at seven grantees, purchase orders generally were not prepared or were prepared after the purchase was effected.

Other procurement deficiencies noted included such things as duplicate payments of invoices, competitive prices not obtained from potential suppliers, and overpayments resulting from a failure to audit billings before payment.

Examples of weaknesses in internal controls over procurement at various grantees follow.

1. For each of the 364 procurement transactions totaling about \$100,000 that we examined at 1 grantee, 1 or more of the following discrepancies existed.

- Large purchases were made without approved purchase orders or evidence of approval by responsible agency officials.
 - Purchase orders supporting recorded expenditures were not on file, and these few on file were frequently incomplete.
 - Vendors' invoices were not on file.
 - Payments were made without evidence that goods and/or services were received or authorized.
 - Preaudits of billings were not made--we identified four overpayments totaling about \$312 resulting from duplicate payments and mathematical errors.
 - State taxes were paid even though the grantee was tax exempt.
2. We reviewed 161 payments made during a 2-month period at another grantee for supplies, services, equipment, and miscellaneous items totaling \$25,228. The grantee had not fully complied with its procedures or OEO guidelines, which provide that purchases be initiated by purchase orders or requisitions and that the receipt of goods and services be adequately documented. Also, the grantee did not have an effective procedure for auditing billings before payment and for examining records to prevent duplicate payments. Of the 161 payments reviewed, 155 totaling \$23,994 were not supported by purchase orders or requisitions. Further, 62 of these payments totaling about \$6,600 were not supported by signed receiving reports showing what was actually purchased and delivered.
 3. Of a grantee's expenditures of \$23,311 in August 1970 for supplies, equipment, contractual services, and space rentals, \$7,210 was questionable for the following reasons.

<u>Cost category</u>	<u>Amount expended</u>	<u>Amount questioned</u>	<u>Basis for questioning</u>
Consultant and contract services	\$ 3,858	\$2,220	Amounts not provided for in budget as required by OEO guidelines
Space rentals	14,998	3,375	Rentals for time periods for which no lease agreement existed
Consumable supplies	2,102	797	No purchase authorization or evidence of receipt
Equipment	2,353	38	Duplicate payment
		780	No purchase authorization
Total	<u>\$23,311</u>	<u>\$7,210</u>	

Nonexpendable property

Controls over nonexpendable property were weak or inadequate at 9 of the 21 grantees audited. Seven grantees either did not always prepare property control cards and those prepared were incomplete, inaccurate, or not current.

At four grantees, documentation was not available showing that annual inventories were taken as OEO required. Three grantees submitted inaccurate or out-of-date inventory reports.

At five grantees, tests of inventory records showed them to be inaccurate. One of the most significant examples follows.

In a test of 88 nonexpendable items valued at \$8,600 on the grantee's inventory listing, 17 valued at \$2,900 were located. Of the remaining 71 items

--61 valued at about \$4,300 could not be positively identified because they did not have any identification numbers matching those on the inventory listing, although items meeting their general description were on hand, and

--10 valued at about \$1,400 could not be located; the acting executive director was unable to furnish us with the locations of these items.

In addition, four items--two fluid duplicators, a copying machine and a recorder--marked as property of the grantee were not recorded on the inventory listing. Also, two stoves and three filing cabinets were on hand, but no information was available as to whether the grantee owned them.

Cash controls

Seven of the 21 grantees had weaknesses in their internal controls over cash.

Control over the signing of checks was inadequate at two grantees--at one, several individuals had access to both required signature stamps and at the other, where two individuals were also required to sign checks, individuals would occasionally sign blank checks if they planned to be away from the main office at a time when a number of invoices were expected to be paid.

At another grantee, 151 checks totaling \$3,380 were made payable to cash from April 1971 through April 1972 and were reportedly cashed by employees of the grantee for purchasing food stamps for needy persons. Because controls were inadequate over these expenditures we could not determine whether the funds were used to acquire food stamps. In addition, 79 of the 151 checks were written in amounts exceeding the \$15 limitation printed on the checks. The amounts on the 79 checks ranged from \$16 to \$129.

We also found that one grantee did not promptly deposit its cash receipts and that another grantee did not promptly reconcile its bank statements, in some cases several months late.

Three grantees were maintaining cash balances exceeding program needs without placing the funds in interest-bearing accounts. An example follows.

The grantee received OEO's check for \$164,000 in July 1970 and held it until September 30, 1970, when it was placed in a non-interest-bearing checking account. No project expenditures were made until October 1970. A large part of these funds remained in the checking account until March 1971, when some funds were transferred to interest-bearing accounts. From October 1970 through March 1971 the grantee had ending monthly cash balances averaging \$124,147, but its monthly program expenditures averaged only \$12,196. An estimated \$3,600 of interest income was lost from July 1970 to March 1971.

RESULTS OF OUR REVIEWS OF FINANCIAL CONTROLS

We made a limited review in calendar year 1972 at the first 12 of 42 grantees selected for our review to determine if they had weaknesses in financial controls, similar to those found by independent audits and those made by us pursuant to congressional requests. Each grantee had weak controls in maintaining basic accounting records and in the areas of payroll, travel, procurement, and property management. The 12 grantees had received about \$14 million from OEO, individual grantees received funds ranging from about \$240,000 to about \$5.8 million. In view of our results at these 12 grantees, we did not pursue this

issue further at the remaining grantees we reviewed. However, our cursory observations at these other grantees showed that several may have had similar weaknesses in financial controls.

Accounting systems not fully implemented

Seven CAAs did not have the basic accounting manual necessary for guiding officials and employees responsible for operating the system.

Five CAAs had not implemented or were not maintaining the necessary accounting records to adequately record their financial activities. For example, yearend adjusting entries were not posted to the general ledger, postings to the general ledger were not current or complete, books were closed without including all expenditures incurred, and cash transfers to delegate agencies were not established as receivables on the grantees' accounting records or as payables on the delegate agencies' accounting records. As a result, the financial reports submitted by the five CAAs to OEO did not agree with accounting records.

Below are specific examples of discrepancies between financial reports and grantee accounting records resulting, at least in part, from incomplete accounting systems.

1. Financial reports submitted by one grantee were not supported by the books of account which consisted of only a cash journal, a general ledger, and a general journal, all of which were incomplete. No recordings had been made in the general journal between June 1971 and July 1972. Also, instead of recording and reporting actual non-Federal funds expended, each month the grantee reported an amortized amount of the total non-Federal funds required by the grant. Accordingly, OEO had no basis for knowing whether the grantee met the requirement of non-Federal funds in operating its programs.
2. On receiving initial funding, one grantee hired a local certified public accounting firm to design an accounting system that would meet OEO requirements. The certified public accountant designed an accounting system that included a general journal, general ledger, cash receipts and disbursements journal, and subsidiary ledgers for accumulated leave, employee earnings, and property. The grantee was not maintaining the general journal and general ledger during the program year and did not complete these records until 1 month after the close of the program year. As a result, we were unable to reconcile amounts reported to OEO with those of the accounting records. The grantee's bookkeeper could not explain the differences in the accounting records and the financial reports to OEO.

3. Some CAAs were reporting to OEO, as expenditures, funds advanced to delegate agencies or other contractors. In one instance, about \$70,000 granted to about 35 communities for various projects was not shown as assets on the CAA's accounting records as provided by OEO guidances, and accountability for these funds was lost.

Payroll and personnel matters

Our review showed weaknesses in the internal controls over payroll and/or personnel records in 9 of the 12 grantees. At eight of the grantees, the responsibilities for performing various payroll functions were not adequately separated to insure that no one person controlled a transaction from beginning to end. Separating duties provides a check on the accuracy of the work and substantially reduces the opportunity to commit fraudulent or other irregular acts.

At 4 of the 10 grantees where T&A records were examined, the T&A system was weak. At one grantee, the T&A records were completed 4 to 6 days before the end of the bimonthly pay period so that the payroll could be prepared and checks distributed on the last day of the pay period. The bookkeeper at another grantee prepared the payroll before receiving the individual T&A records.

At a third grantee, we tested 19 T&A records and found that 11 were not current. The T&A records for some employees at a fourth grantee did not show employees' working hours but only their attendance and leavetaking. Also, not all T&A records were approved by the employee's supervisor.

In addition to the weaknesses in the T&A records, weaknesses existed in the systems for maintaining employees' leave records at three of the above grantees. At one grantee, employees absent for less than 4 hours charged their absence to administrative leave rather than to annual or sick leave as appropriate. At the second grantee, leave was not always authorized in advance. For example, advance authorization was not given for 319 hours of the 439 hours of leave taken by five employees over a 16-month period in 1971. Also, 24 part-time employees were paid for a holiday for which they were ineligible. At the third grantee, sick leave taken was not supported by requests for leave, and in 1971, employees were granted three additional holidays--the day after Thanksgiving and 2 days at Christmas--without the grantee board of directors' authorization.

Three grantees were paying employees in excess of OEO instructions on compensation without obtaining required waivers from OEO. At one grantee three employees received excess salaries of \$170, \$105, and \$5 per month.

The second grantee paid four regular employees excessive amounts, ranging from about \$40 to about \$300 per month. In addition, two doctors working part time for the grantee were paid at hourly rates of \$13.58 and \$17.03 although OEO instructions restrict hourly rates to \$7.21 unless a waiver is granted by OEO.

During the year ended March 31, 1972, at the third grantee, four employees received excessive pay increases totaling about \$900.

Travel

The following weaknesses existed in controls over travel expenditures at six grantees.

- Travel was not authorized in advance.
- Travel advances were charged to an expense account instead of accounts receivable.
- Travel vouchers were not submitted or when submitted did not show purpose and location of travel, odometer readings, time of arrival and departure, or proof that travel had been performed.
- Travel claims were paid based on itineraries rather than on a travel voucher.
- Per diem was not calculated in accordance with the Standardized Government Travel Regulations.

Travel transactions were improperly administered and, as a result, expenditures were made for travel that were not approved or were reimbursed in amounts over those allowed. Travel policies and procedures at three CAAs were inadequate, obsolete, or nonexistent.

Procurement

Weaknesses were noted in seven of the nine CAAs where we examined internal controls over the grantees' procurement functions. At six of the nine grantees, adequate supporting documentation, such as properly approved purchase requisitions or purchase orders, price quotations, or vendor invoices, was not always available to support procurement expenditures.

For example, at one grantee, adequate supporting documentation was not available for about \$1,500, or 23 percent of about \$6,500 in procurement transactions tested. OEO auditors found similar weaknesses at another grantee.

Nonexpendable property

Controls over nonexpendable property at all 12 grantees were, for the most part, inadequate. Each of the grantees reviewed had numerous weaknesses in its controls over property; for example:

- Property records were not always maintained and those maintained were incomplete or not current.
- Control accounts were not established.
- Property was not marked for identification purposes.
- Physical inventories were not taken annually or were taken by the same individuals who were responsible for maintaining property records.
- Adjustments were not made between the physical inventory amounts and the control account.
- Equipment was not used after it was acquired, and deteriorated because of inadequate storage.
- Equipment was used for personal use.
- Inventories were not furnished to the OFO regional offices.

We also noted poor property controls. At liquidation, one CAA reported that the inventory of property acquired with OEO funds at December 31, 1970, amounted to \$134,955. The successor grantee, however, did not accept the CAA's inventory but reinventoried the property and found inventory valued at only \$95,506, or \$39,449 less than the amount reported. The accuracy of the former CAA's physical inventory could not be determined because perpetual inventory records were not current.

PROGRAM CONTROLS

In August 1971 OEO became less directly involved in the program monitoring of grantees and took steps to insure that its grantees would adopt adequate planning procedures and accumulate needed program information regularly to assess the progress of programs toward achieving their goals.

On January 1, 1972, OEO reemphasized to its grantees the importance of adequate program planning. A new work program format was designed which required that grantees logically state their proposed activities in terms of

- multiyear and annual goals, quantified to the extent possible;
- program priorities assigned by the grantee;
- activities required to achieve goals; and
- training and technical assistance needs.

OEO anticipated that this format would become the basis for subsequent program monitoring and self-evaluation.

To provide the information for making such assessments, the program control system should include (1) establishing realistic goals and milestones, quantified to the extent possible, (2) accumulating and reporting data on accomplishments in relation to goals, and (3) formally evaluating programs, including validating accomplishments.

RESULTS OF OUR REVIEWS OF PROGRAM CONTROLS

During calendar year 1972, we reviewed the program control systems at 42 OEO grantees to determine whether the systems provided them with information necessary to assess program quality and effectiveness and whether program funding should be continued at the same or modified levels.

Adequate information for making assessments of program operations was not available at 40 of the 42 grantees because their systems contained one or more of the following deficiencies:

- Program objectives were stated too generally.
- Program goals were not sufficiently quantified.
- Program accomplishments were not adequately reported.
- In-house evaluations of programs were not always made, were inadequate, or were not available for use.

Unclear statements of program goals

Program goals are standards against which results may be compared to judge an activity's relative success. The established goals at 31 grantees were not clear because they were stated only in general terms or had not been quantified to the extent possible.

For example, at one grantee, the work programs for its delegate agencies for the most part merely reflected general statements of planned activities, such as

- create and implement an economic development program;
- expand the agency's multiphasic health program for the elderly;
and
- establish and implement better methods and procedures for housing the elderly and all people in public and/or private housing.

The grantees's quantification of goals was generally limited to estimates of that segment of the target population which would be served by all programs of each delegate agency rather than to specific numbers of persons to be served by each program. At another grantee, the number of persons eligible for services rather than the number to be served was included in the work program.

Inadequate progress reporting

Of the 42 grantees covered by our review, 14 did not require all of their programs to submit progress reports, and 24 submitted progress reports containing data not related to program goals. In addition, 31 grantees did not verify program data submitted.

Even when the grantee required progress reports, our review disclosed the following deficiencies:

- Reports were not being submitted or were submitted late.
- Reported data was inaccurate, inconsistent, or misleading.
- Statistical information on persons served or services provided was not required.
- Operators of vocational training programs were not required to report the number of graduates or the number of graduates who were placed in jobs.

Lack of program evaluations

Most of the 42 grantees had not evaluated all of their in-house and delegated programs at the time of our review.

For example, one delegate agency had not been evaluated by the CAA even though the agency had been funded since 1965 and received \$640,000 in OEO funds for the year ended May 31, 1971. This same delegate agency was not submitting regular progress reports to the CAA.

CONTINUED

2 OF 3

We found other cases in which

- evaluations were performed but were not recorded,
- prior evaluation reports were lost,
- CAA board of directors' evaluation committees were not functioning entities, and
- evaluations were not being performed regularly.

Without adequate program information and evaluation, a grantee cannot assess program quality and effectiveness or decide whether one program needs funding over another.

In August 1972, while our review was still in process, OEO directed that each CAA establish a Program Progress Review system which would generate reports on the achievements of proposed goals, provide the basis for modifying activities and milestones for successive periods, and facilitate self-evaluation.

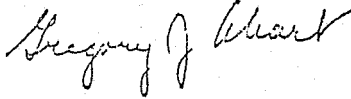
Under the new system, each grantee was required to review its programs at least twice yearly and prepare a report summarizing and analyzing accomplishments in relation to established program goals. In addition to preparing the basic report, each grantee was required to prepare an annual summary covering

- the impact of program accomplishments,
- problems affecting program progress and corrective action taken,
- overall mission effectiveness,
- planned changes in goals and program management, and
- technical assistance needed.

The system was designed to assist the grantees' internal program management, and the reports furnished to the OEO regional office were designed to allow the office to monitor grantee progress and to identify grantees requiring technical assistance. The revised system had not been effectively implemented at the completion of our review.

We shall be happy to meet with you or with members of your staff to discuss our findings.

Sincerely yours,



Director

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THE COMMUNITY SERVICES ADMINISTRATION AND THE OPERATION OF COMMUNITY ACTION AGENCIES: LEGISLATION AND FUNDING

Functions

Community Action Agencies (CAA's and also known as CAPS) are local community organizations which administer a multiple of various projects or components to provide a range of services and activities designed to have a measurable and potentially major impact on the causes of poverty. In effect, each CAA serves as a local umbrella anti-poverty organization to provide services to the poor¹ in areas including housing, health, manpower, transportation, legal assistance, education, food and nutrition, energy, community development, child development, and consumer affairs. In addition, CAA's provide special programs for the elderly, youth, migrants, and native Americans. [See Appendix A—Types of CAA Programs—based upon information provided by the National Center for Community Action (NCCA), a national CAA research, information and technical assistance back-up center funded by the Community Service Administration (CSA)].² Generally the specific functions of a community action agency include:

- (1) Planning activities, establishing priorities, evaluating programs.
- (2) Encouraging other agencies assisting the poor to plan for, secure and administer assistance, provide planning or technical assistance to them, and undertaking efforts to improve existing efforts to attack poverty.
- (3) Initiating and sponsoring projects responsive to the needs of the poor which are not otherwise being met.
- (4) Establishing effective procedures by which the poor and area residents concerned will be able to influence the program.
- (5) Joining with and encouraging business, labor, and other private groups and organizations to undertake activities in support of the community action program.

Legislative authority

From 1964 through 1974, the Office of Economic Opportunity administered the CAAs under the authorization of the Economic Opportunity Act of 1964, as amended. Effective January 4, 1975, the CAAs began to be administered by the Community Services Administration, the successor agency to OEO, under the authorization of the "Headstart, Economic Opportunity, and Community Partnership Act of 1974," also known as the Community Service Act of 1974 (P.L. 93-644). The Community Services Act of 1974 re-established the Federal anti-poverty effort in a new agency and includes new provisions which significantly alter various aspects of the program. See CRS Report No. 75-32 ED, "Summary of Headstart, Economic Opportunity and Community Partnership Act of 1974." The establishment of CAAs is authorized under sections 210 and 211 of the Act and the funding of the programs is authorized under section 221. The CAA program is one of numerous programs funded by CSA.

Section 221(a) provides that: The Director may provide financial assistance to community action agencies for the planning, conduct, administration, and evaluation of community action programs and components. Those components may involve, without limitation, other activities and supporting facilities designed to assist participants including the elderly poor—

- (1) To secure and retain meaningful employment.
- (2) To attain an adequate education.
- (3) To make better use of available income.
- (4) To provide and maintain adequate housing and a suitable living environment.
- (5) To undertake family planning, consistent with personal and family goals, religious and moral convictions.
- (6) To obtain services for the prevention of narcotics addiction, alcoholism, and the rehabilitation of narcotic addicts and alcoholics.

¹ Eligibility is determined by the special income poverty guidelines of the Community Services Administration (CSA) which are computed by adjusting the previous year's Census Bureau poverty levels by the average percentage change in the Consumer Price Index and adding variations for Alaska and Hawaii. See Appendix B for 1974 CSA poverty guidelines (issued April 1975).

² See also the NCCA publication, "Human Works and Human Needs: Catalog of Community Action Programs" which identifies and describes successful CAA sponsored programs and projects.

(7) To obtain emergency assistance through loans or grants to meet immediate and urgent individual and family needs, including the need for health services, nutritious food, housing, and employment-related assistance.

(8) To remove obstacles and solve personal and family problems which block the achievement of self-sufficiency.

(9) To achieve greater participation in the affairs of the community.

(10) To make more frequent and effective use of other programs related to the purposes of this title.

He may also provide financial assistance to other public or private nonprofit agencies to aid them in planning for the establishment of a community action agency.

Funds appropriated under the authority of section 221 are commonly referred to as "local initiatives" and provide the seed money³ used by CAAs to assemble their local anti-poverty program.⁴ In addition to the grant which a CAA receives from CSA for such programs, a CAA typically administers a variety of other federally financed programs for which the CAA is eligible to receive funds as a prime sponsor or grantee. CAAs are eligible to receive grants from legislative programs administered by numerous agencies, including the Department of Agriculture, the Department of Commerce, the Department of Health, Education, and Welfare, the Department of Housing and Urban Development, the Department of Transportation, Action, Appalachian Regional Commission, Legal Services Corporation, and the Small Business Administration.⁵

Organization

The establishment of the CAP agencies was designed to provide the "maximum feasible participation" from the community residents. In practice this involved many segments of the community who had never been involved in decisions affecting their lives and their communities, particularly minority people, in urban communities. Under the Act, the State, city or county government (or a combination of these) functions as the community action agency unless the officials of the political subdivision desire to designate a public or private nonprofit agency to serve as the community action agency for the area. The large majority of CAAs have been established as private nonprofit agencies.

Each CAA is governed by a broad-based board of directors which is composed of 51 members representing all sectors of the local community. It must be constituted so that one-third of the members are public officials, at least one-third are representatives of the poor, and the remainder are members of business, industry, labor, religious, welfare, education, and other major groups and interests in the community. Each member of the board selected to represent a specific geographic area must reside in the area he represents. Except for the public officials, no person is permitted to serve on the community action board for more than five consecutive years, or more than a total of ten years. The powers of every community action agency governing board include the power to appoint persons to senior staff positions, to determine major personnel, fiscal, and program policies, and to approve overall program plans.

National coverage

There are approximately 865 community action agencies throughout the country. (Three of these (North Dakota, Montana and Utah) are also State Economic Opportunity Offices (SEOOs).) ⁶ 770 are established as private nonprofit corporations and 95 are public nonprofit corporations.) Approximately 50% of the agencies serve urban communities and the other half serve rural communities. (CSA designates an area as "urban" when 50% or more of the population (household population) live in urban places, and there is at least one place with a population of 10,000 or more. All other areas are designated "rural".) There are also 53 SEOOs (State agencies which serve through the Governor's office as liaison in coordination with CAAs in the State and commonly designated as the principal grantee) serving each State, Puerto Rico, Virgin Islands, and Micronesia. Of the 3,141 counties in the U.S., 2,193 of them are served by CAAs, 948 are not served by CAAs. (Some of the areas not served by CAAs are served by SEOOs.)

³ Many CAAs receive a very small amount of funds from CSA for program administration and rely on State and local contributions.

⁴ See Appendix C, Funding History of CAAs.

⁵ A comprehensive compilation of federal programs for which a CAA is eligible to receive funding grants is found in a 1975 NCCA publication entitled, "Where the Money Is: Federal Funding Guide for Community Action Agencies and Non-Profit Organizations."

⁶ A listing of the CAAs can be found in the CSA publication, "Directory... Community Action Agencies and State Economic Opportunity Offices, September 1975."

According to CSA, CAAs and SEOs cover a total area in which approximately 83% of the nation's poor population is located.

CAA's within the administrative structure of the Community Services Administration

The Community Services Administration is established with a three-tier administrative structure. The National office of the CSA is located at the top with the ultimate authority, and the regional offices in the middle with certain authority to oversee the operation of the local CAAs. There are 10 regional offices located in the following cities: Boston, New York, Philadelphia, Atlanta, Chicago, Kansas City, Dallas-Ft. Worth, Denver, Seattle and San Francisco.

The new Act provided that OEO was to become the Community Services Administration. However, it also provided that the President may request that the CSA be transferred to the Department of Health, Education, and Welfare (HEW). In order to effectuate that request, the President must submit to Congress a reorganization plan to transfer CSA.⁷ The transfer plan is subject to congressional approval; within 60 days of its submission, Congress can reject the transfer plan by passing a joint resolution of disapproval by a simple majority vote in each House. The joint resolution is subject to Presidential veto; in case of a veto, a two-thirds vote in the House and Senate would be needed to kill the transfer plan.

However, whether CSA continues as a completely independent agency or becomes located in HEW, the Act requires that the agency be headed by a separate director appointed by the President with Senate confirmation. The director is responsible for all policy-making functions including the final approval of grants or contracts. If CSA becomes located in HEW the director will be directly responsible only to the Secretary of HEW.

Each regional office has authority over the administration of the CAAs located in the geographical area served by the regional office (see Appendix E). In the past the regional offices have played a strong and influential role in the administration of the CAAs within their jurisdiction. The major functions of the regional offices have been to oversee the operation and funding of CAAs and the programs administered by each CAA. In addition, the funds necessary to defray the costs of administering the CAAs (which are generally not included in the funding of specific programs administered by the CAAs), although funded directly by the CSA, are funneled through the regional offices for disbursement to the individual CAAs.

The regional office in the past has had grant-making and policy-making authority delegated to it, but now under the provisions of the new Act, regional offices no longer exercise such authority. Under section 601 of the Act, the CSA is no longer permitted to delegate such authority to the regional offices.

Under the new Act, the CSA is also not permitted to delegate policy-making functions and final approval of grants and contracts to CAAs, but the Director of CSA has the discretion to delegate to the CAAs other functions "as he deems appropriate" and which are "in accordance with criteria and guidelines established by him." Before such delegation of authority takes place, however, it is required under the Act that "all the community action agencies *within such State* formally indicate their approval of such proposed delegation" (emphasis added). Furthermore, if the delegation is approved, and the delegated functions include the authority to approve programs within such State, the Director "shall make available, to the State, in addition to an amount not less than the amount made available to such State for State agency assistance . . . in the previous fiscal year, an amount in each fiscal year equal to such State's share . . . of the aggregate amount made available during the fiscal year ending June 30, 1974, for the operation of regional offices of the Office of Economic Opportunity."

Funding

Under the provisions of the "Headstart, Economic Opportunity, and Community Partnership Act" there is authorization for the extension of operations of all programs through fiscal year 1978. Furthermore, the Act authorizes appropriations for fiscal years 1975-1977 with an automatic one-year extension unless Congress passes or formally rejects legislation extending the authorization of appropriations or adopts a concurrent resolution negating the application of these provisions.

⁷ At this writing, the President has not submitted a reorganization plan.

The most fundamental change in the anti-poverty program is the decrease in the Federal share and the corresponding increase in the local share requirement for CAAs.⁸ CAAs annually receiving grants of under \$300,000 from OEO will continue to be governed by the 80 percent Federal-20 percent local matching requirement for FY 1975. In fiscal 1976 this will drop to 75 percent Federal-25 percent local and to 70 percent Federal-30 percent local in 1977. CAAs annually receiving grants of over \$300,000 will have Federal-local matching of 80-20 in fiscal 1975, 70-30 in fiscal 1976 and 60-40 in fiscal 1977.

The Director of the Community Services Administration will continue to be authorized to provide Federal assistance in excess of those percentages if he determines that to do so would further the purposes of the program. Waivers exempting CAAs from the matching share requirements are provided on a case-by-case basis when the CAA demonstrates the need for such assistance. New regulations implementing that policy were issued by CSA on July 1, 1975 in the Federal Register, pp. 27667-27671. The regulations state that the "objective of CSA's exemption policy has been to assure that the poorest counties in the nation are able to participate in Community Action Programs despite their lack of local economic resources to match Federal grant funds. These exemptions will be continued."

Previously, the anti-poverty agency based its exemption policy on per capita income factors. For example, communities whose annual per capita income fell below \$750 were exempted to the extent that they were unable to raise the non-Federal share; a partial exemption was also extended to about 500 low-income rural counties whose annual per capita income was above \$750 but below \$1,000. Both groups were expected to provide the non-Federal share whenever possible. Under the new regulations (regulations for non-Federal share requirements for Title II, sections 221, 222(a) and 231 programs, Federal Register, Vol. 40, No. 127, Tuesday, July 1, 1975), CSA has revised its waiver policy by "eliminating the per capita provisions and substituting criteria which reflect a percentage of the population below the poverty threshold." The 193 counties with 35% or more poor families will be eligible for waivers of a portion of the non-Federal share. In addition, 442 counties with at least 24.5% of the families poor may request a waiver of at least a portion of the non-Federal share. A complete listing of the counties in each category was published along with the regulations.

The Act also made some minor modifications in the formula by which the "local initiative" funds under section 221 and the special program funds under section 222 are allotted among the States.⁹ The language under section 225(a) now reads as follows: "The remainder shall be allotted among the States, in accordance with the latest available data, so that equal proportions are distributed on the basis of (1) the relative number of public assistance recipients in each State as compared to all States, (2) the relative number of unemployed persons in each State as compared to all States, and (3) the relative number of related children living with families with incomes below the poverty line in each State as compared to all States. For purposes of this subsection, the Director shall utilize the criteria of poverty used by the Bureau of the Census in compiling the 1970 decennial census. The Director shall insure that for the fiscal year ending June 30, 1975, and for each succeeding fiscal year, no State shall be allotted for programs under section 221 and section 222(a) an amount which is less than the amount received for use within such State for programs described in such sections during the fiscal year ending June 30, 1974."

Possible new directions for CAA's under community partnership agreements

One of the new programs created by the "Headstart, Economic Opportunity, and Community Partnership Act of 1974" is the Community Partnership Agreements. This program provides Federal funds to match cash funds from State and local governments for the expansion of programs run by community action agencies and other similar private or public nonprofit agencies authorized under

⁸ A bill was introduced in the 94th Congress to amend the Community Services Act so as to restore the previous Federal-local funding match of 80 percent-20 percent (H.R. 8578). The bill was approved by the House on November 19, 1975; see Congressional Record, pp. H 11437-11445. At this writing, the bill is pending before the Senate Labor and Public Welfare Committee.

⁹ The local initiative funding level for CAAs under the CSA budget is \$330,000,000 for fiscal year 1976.

the Act. The financial assistance may be used for new programs or to supplement existing programs but cannot exceed 50 percent of the cost of such new or supplemental programs. This program is a recognition of the need to encourage productive relationships between State and local governments and community action agencies. The Act also establishes an Intergovernmental Advisory Council on Community Services composed of 9 members appointed by the President, including three members from State and local government, three from representatives of community action agencies, and three from other interested groups, for the purpose of encouraging such agreements and overseeing the activities of the programs.

The Act authorizes appropriations of up to \$50 million for fiscal year 1975 and "such sums as may be necessary during each of the two succeeding fiscal years." There is a limitation of 12½ percent of such additional amounts for any one State. The program has not yet been implemented, receiving no appropriations for either fiscal years 1975 or 1976.

APPENDIX A

TYPES OF CAA PROGRAMS

Aging programs

- Transportation.
- Feeding and nutrition.
- SSI outreach.
- Occupation guidance and rehabilitation.

Child development

- Headstart.
- Follow-Through.
- Day care.
- Child abuse.

Community development

- Economic development programs.
- Public education/public relations.

Consumer

- Education and counseling.
- Credit unions.
- Buying clubs.

Education

- Adult education.
- Student grant-in-aid.
- Tutorial programs.
- Bilingual programs.

Energy

- Winterization.
- Energy vouchers.
- Fuel stockpiling.
- Small loan fund.

Food and nutrition

- Food stamp outreach.
- Home gardening and processing.
- Infant/maternal feeding.
- Food buying co-op.
- Food and nutrition education.
- Food banks (crisis intervention).

Health

- Family clinic, dental clinic, rural health.
- Child health.
- Alcohol/drug abuse, HMO, Aid to handicapped.
- Family planning.

Housing

- Rural housing.
- Rehabilitation (other than winterization).
- Low-income housing development/construction.

Legal assistance

- Legal services, tenant rights.
- Welfare rights, ex-offender rights.

Manpower

- Title I.
- Title II.
- Title III.
- Title VI.

Transportation

- Designed to serve rural, urban, elderly/handicapped youth.

Youth

- Work experience (with and without recreation).
- Job counseling.
- Summer youth program.
- Youth center.
- Camping programs.

Migrants

- Education and referral.
- Feeding and consumer.

Native American programs

APPENDIX B

1974 CSA INCOME POVERTY GUIDELINES

Family size	Nonfarm family	Farm family
CSA poverty for all States except Alaska and Hawaii:		
1.....	\$2,590	\$2,200
2.....	3,410	2,900
3.....	4,230	3,600
4.....	5,050	4,300
5.....	5,870	5,000
6 ¹	6,690	5,700
CSA income poverty guidelines for Alaska:		
1.....	3,250	2,750
2.....	4,270	3,620
3.....	5,290	4,490
4.....	6,310	5,360
5.....	7,330	6,230
6 ²	8,350	7,100
CSA income poverty guidelines for Hawaii:		
1.....	2,990	2,540
2.....	3,930	3,340
3.....	4,870	4,140
4.....	5,810	4,940
5.....	6,750	5,740
6 ³	7,690	6,540

¹ For family units with more than 6 members add \$820 for each additional member in a nonfarm family and \$790 for each additional member in a farm family.

² For family units with more than 6 members add \$1,020 for each additional member in a nonfarm family and \$879 for each additional member in a farm family.

³ For family units with more than 6 members add \$940 for each additional member in a nonfarm family and \$800 for each additional member in a farm family.

APPENDIX C

Funding history of CAAs

Sect. 221—Local
initiative funding
(actual obligations
millions) ¹

Fiscal year:

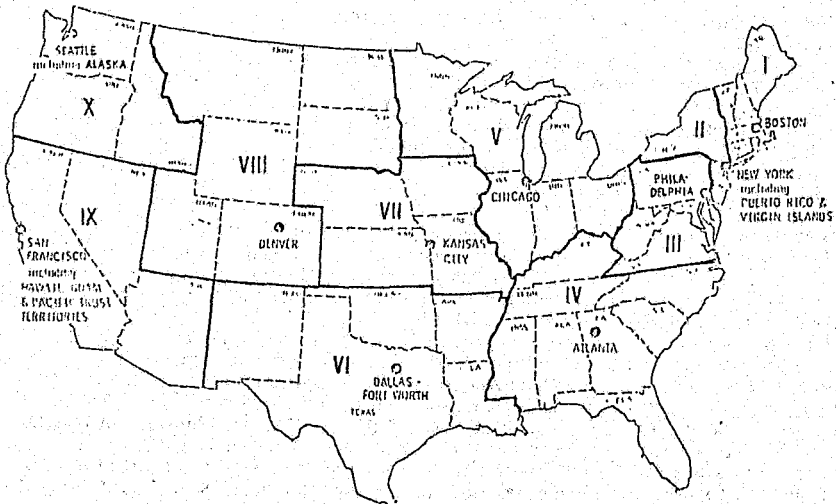
1965	-----	\$119.
1966	-----	278.
1967	-----	271.
1968	-----	321.
1969	-----	332.
1970	-----	323.
1971	-----	356.
1972	-----	298.2
1973	-----	324.8
1974	-----	² 174.7
1975	-----	325.7
1976	-----	330.

¹ These amounts do not represent the total annual funds received and administered by CAAs. These amounts do not include administrative costs or funds received under special programs of sec. 222(a) of the act or other Federal funds for which a CAA is eligible to receive grants. Figures for the total amount of funds received by CAAs are not maintained by CSA.

² This amount represents refunding for an average period of 6 to 7 months in fiscal year 1974.

APPENDIX D

LOCATION OF REGIONAL OFFICES AND BOUNDARIES OF JURISDICTION



THE LIBRARY OF CONGRESS,
CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C.

BACKGROUND INFORMATION AND EMERGING ISSUES CONCERNING COMMUNITY ACTION AGENCIES (CAAs) UNDER THE COMMUNITY SERVICES ADMINISTRATION

The "Headstart, Economic Opportunity, and Community Partnership Act of 1974," commonly known as the Community Services Act of 1974, created a number of changes both in the structure and the future direction of the anti-poverty

A. BACKGROUND AND CURRENT ISSUES

effort. First of all, the Office of Economic Opportunity, which over a ten-year period served as an independent agency and as an advocate for the poor in this country, was abolished and replaced by the Community Services Administration. This new agency, which came into existence on January 4, 1975, while bearing a new title has essentially continued the ongoing operation of OEO. Its creation and the abolishment of OEO represented a transition into the beginning of a new period in Federal efforts to alleviate the problems of the poor.

One of the questions which still remains unresolved is whether CSA will remain an independent agency as was OEO in the past, or whether the agency will be transferred to the Department of Health, Education, and Welfare. Under the provisions of the Community Services Act, the President may request that the CSA be transferred to HEW, with the Community Economic Development Program transferred to the Department of Commerce. In order to effectuate that request, the President must submit a reorganization plan, which is subject to Congressional approval. To date the President has submitted no such transfer plan. In the fiscal 1976 budget request, the President indicated that he intended to have a transfer plan drafted for his consideration. However, the fiscal 1977 budget request was silent on this matter. CSA and CAAs throughout the country have urged that a decision on the administrative status of the agency be made to alleviate the uncertainty and enable CSA to make more definitive future planning of anti-poverty efforts.

The most fundamental change in the anti-poverty program is the decrease in the Federal share and the corresponding increase in the local share requirement for Community Action Agencies (CAAs). Under the Community Services Act, beginning with fiscal year 1976 those CAPs receiving annual grants of under \$300,000 will be required to come up with a 25 percent non-Federal share, and 30 percent beginning in fiscal year 1977, rather than the 80-20 match in previous years. For those CAPs receiving grants of \$300,000 or more, a 30 percent non-Federal share will be required for fiscal year 1975, and 4 percent beginning in fiscal 1977.

This legislative change has caused financial problems for some Community Action Agencies. Not only is it difficult for the CAPs to testify the previous share requirement of 20 percent but under the current economic conditions faced by our cities, these increased shares become even more onerous. In June 1975 John Gunther, Executive Director of the United States Conference of Mayors, testifying before the Subcommittee on Equal Opportunities of the House Committee on Education and Labor, stated that any matching requirement for CAPs "will further exacerbate the problems of our over-burdened tax structures particularly when there is no emergency intergovernmental fiscal assistance to those localities hit hardest by our recession. The insistence on a matching requirement as contained in section 225(c) (of the Community Services Act) will hurt local programs and local governments and affect most severely those local governments least able to cope with this program."

There have been numerous suggestions for Congressional action to alleviate the situation created by the change in the local share. Some suggest that Congress amend the Community Services Act to restore the 80-20 match. A bill, H.R. 8578, to restore the match to 80-20 was introduced in the House and was subsequently passed on November 19, 1975 by a vote of 244 to 172. An identical bill, S. 3098 was introduced in the Senate on March 9, 1976 and is pending before the Committee on Labor and Public Welfare. Others have suggested the total elimination of the local share. Still others are of the opinion that Congress should carefully examine the effects of the change on the operation of the CAAs in conjunction with the provision of the Act which permits the Director to waive the non-Federal share requirement in instances when to insist upon it would be contrary to the interests of the program, and to allow a waiver would further the overall purposes of the anti-poverty program. CSA's regulations implementing the waiver provision, which were published in the July 1, 1975 Federal Register state that the "objective of CSA's exemption policy has been to assure that the poorest counties in the nation are able to participate in Community Action Programs despite their lack of local economic resources to match Federal grant funds. These exemptions will be continued."

Previously, the anti-poverty agency based its exemption policy on per capita income factors. For example, communities whose annual per capita income fell below \$750 were exempted to the extent that they were unable to raise the non-Federal share; a partial exemption was also extended to about 500 low-income rural counties whose annual per capita income was above \$750 but below \$1,000. Both groups were expected to provide the non-Federal share whenever possible. According to the proposed regulations, CSA has revised its waiver policy by "eliminating the per capita provisions and substituting criteria which reflect a percentage of the population below the poverty threshold." The 193 counties with 35% or more poor families will be eligible for waivers of a portion of the non-Federal share. In addition, 442 counties with at least 24.5% of the families poor may request a waiver of at least a portion of the non-Federal share. A complete listing of the counties in each category was published along with the proposed regulations.

Currently the Community Services Administration is being funded at a 1976 appropriation level of \$494.7 million, \$330 million of which represents funding for the Community Action Agencies. An additional sum of \$23 million in supplemental appropriations has been approved. The Administration's request for fiscal year 1976 was only \$295 million for CAPs, but the House approved an appropriation for the Community Services Administration which would maintain the CAPs at the \$330 million level.

The President's budget for fiscal year 1977 is \$334 million, of which \$260 million is earmarked for CAAs. The CAAs are again subject to a significant decrease in funding under the 1977 budget request. Although the program has been funded at a \$330 million level for the past three fiscal years, the Administration's budget request of \$260 million is designed to reflect the smaller Federal (Community Action Agency) share mandated under P.L. 93-644. The same was set forth under the 1976 budget, but was not accepted by Congress which maintained the Federal level of funding.

The House Labor-HHW Appropriations Subcommittee has approved a funding level of \$496 million for CSA. The Subcommittee allotted \$330 million of the funds for CAAs. The funding level approved by the Senate Appropriations Subcommittee is \$558.5 million, \$330 million of which is for CAA's. The Senate Subcommittee version provides increased funds for the Emergency Food and Energy Components, as well as providing new funds for manpower services for migrants.

B. FUTURE ISSUES

The following issues and areas of concern affecting CAAs are emerging and should be of importance in the next several years:

(1) *Federal-local matching share requirements.*—Should Congress act to restore the 80-20 match (discussed in section A)?

(2) *Aging programs.*—The Congress over the past several years had made programs for the elderly one of its priorities. Efforts in this area are currently being made by CAAs and will probably be continued over the next several years. In order to avoid duplication of effort and to better coordinate efforts on behalf of the elderly poor, CSA has recently entered into an interagency agreement with the Administration on Aging (AOA), the lead agency for such programs, to accomplish these objectives.

(3) *Manpower.*—CAAs have numerous programs designed to provide poor people in their communities with outreach and job placement services. The Department of Labor is the lead agency in this area under Title I of CETA.

(4) *Transportation.*—CAAs have mounted several innovative programs to provide transportation services more accessible to poor people. Of particular interest are such programs in rural areas where such services are even less available for poor people than in urban areas.

(5) *Energy conservation.*—The CAA's have taken initiative in this area and used funds to winterize home of people with low-incomes, grant small emergency energy loans, and stockpile various forms of fuel for the poor.

(6) *Economic development.*—The Community Services Administration funds the Community Economic Development Program which is designed to provide business and job opportunities and development in low-income communities. CAA's have developed many innovative projects to enhance employment and business opportunities for poor people.

U.S. GENERAL ACCOUNTING OFFICE,
Washington, D.C., July 20, 1976.

B-130515(6).

Hon. SAMUEL R. MARTINEZ,
Director, Community Services Administration.

DEAR MR. MARTINEZ: We have reviewed the Community Services Administration's (CSA's) policies and procedures for evaluating the effectiveness of Community Action Agencies (CAA's) funded to deliver social services to the poor. Our review centered on the agency's system requiring grantee self-evaluation. We assessed how grantees in CSA's Chicago, San Francisco, and Philadelphia regions had implemented the system. Our review included discussions with Federal, State, and local program officials and an examination of self-assessment, planning, and other related reports used in evaluating antipoverty programs.

In January 1975 the Congress enacted the Community Services Act of 1974 (Public Law 93-644) creating CSA, an independent executive agency, to succeed the Office of Economic Opportunity (OEO). During the 3 years preceding the act, OEO employment levels dropped from over 2,000 to under 1,000 because of the transfer of several OEO functions to other Federal agencies and the uncertain future of an antipoverty agency. As of July 1, 1976, CSA still had less than 1,000 employees, whose primary mission was to administer, fund, monitor, and evaluate the operations of some 865 CAA's. CAA's and their delegate agencies employ about 110,000 staff members nationally and are responsible for administering Federal, State, and local program funds estimated at about \$1.5 billion annually.

Both CSA and OEO have had a significant problem in monitoring and evaluating community action activities with limited staff. As a partial solution to this problem, the agencies in recent years have used a CAA self-evaluation process, which reduces the amount of direct Federal oversight required. However, we believe implementation of the process has lagged because of uncertainty of an independent Federal antipoverty agency's future and the delay in adopting a new organizational structure for CSA.

SELF-EVALUATION SYSTEM FOR CSA PROGRAM GRANTEES

To increase the independence and self-reliance of its grantees, OEO in 1972 established a system whereby it would rely on grantees' self-evaluations of program progress rather than the then-existing practice of intensive onsite team evaluations by OEO employees. As part of the new system, OEO required each grantee to establish a program progress review system and to report twice a year on progress toward its goals. CSA still uses the system OEO established, and CSA regional officials are primarily responsible for monitoring and evaluating CAA's and other CSA funded programs. CSA field representatives may periodically visit CAA's and other grantees to give technical assistance or monitor grantee operations; such visits are usually made as needed.

Title IX of the Community Services Act of 1974 gave CSA's Director authority similar to that of OEO's Director with regard to making program evaluations covering CAA's and other grantees and developing standards for program evaluation. The act also included a provision that program measurement against the standards be considered in determining whether to renew or supplement financial assistance.

In July 1975 CSA issued standards to evaluate the effectiveness of CSA administered programs and projects. In June 1976 CSA was completing development of guidelines for using these standards in making CAA funding determinations. Following are CSA's standards which generally restate the 1969 OEO standards of effectiveness for local community action and other programs.

Strengthen community capacity to plan and coordinate poverty-related programs.

Improve organization of services related to needs of the poor.

Maximize participation of poor in the program.

Broaden community resources invested in antipoverty activities.

Increase innovative approaches attacking the causes of poverty.

Maximize employment and training opportunities for groups served.

In June 1975 the President's National Advisory Council on Economic Opportunity reported that past programs for the poor have not had uniform evaluation procedures, and project monitoring was generally inconsistent and often either insufficient or overzealous. The Council noted that the new Community

Services Act contained a valuable component which focuses on CAA's program results and the standards for measuring them which could be used to modify or terminate ineffective programs and expand and duplicate successful ones.

The Council also found that CSA did not have the personnel within its own organization to initiate and operate even a limited evaluation program. Furthermore, procedures established for reporting evaluation results of program and grantee project performance were inadequate to conform to the act's requirements. To correct these weaknesses, the Council recommended that CSA (1) strengthen its evaluation capabilities and reporting procedures to maintain information on grantee performance and (2) establish procedures for evaluations to be made by trained staff within a reasonable time after initial project funding and at regular intervals thereafter.

CSA headquarters needs to provide better oversight and guidance to its regional offices on implementing the self-evaluation process. Specifically, we found that:

- Regional and headquarters offices had not established or appropriately staffed formal organizational structures for oversight of CAA evaluation activities.

- Regional offices were not obtaining and using relevant CAA self-evaluation and planning reports.

- Inconsistent regional guidance contributed to disparity in the existence and quality of CAA self-evaluation systems.

CSA ORGANIZATIONAL STRUCTURE FOR PROGRAM EVALUATION

The former CSA Director recognized the need for a new organization plan during confirmation hearings held shortly before enactment of the Community Services Act in January 1975. The agency began initial efforts on the reorganization plan in March 1975 and submitted the proposed plan in July 1975 for his consideration.

The plan called for separate evaluation units in CSA headquarters and regional offices. In CSA headquarters the plan called for an Evaluation Branch charged with—

- Analyzing the overall effectiveness of CSA programs.

- Maintaining liaison with other agency evaluation units.

- Developing an implementation plan for effectiveness standards and providing technical assistance to operating staff.

- Developing methods for grantees to make self-evaluations and for CSA evaluations.

- Coordinating and participating in joint poverty-related program evaluations involving other Federal agencies.

The reorganization plan provided for regional Plans, Budget and Evaluation Divisions, which were delegated the last three of the above functions, to complement the headquarters Evaluation Branch.

The CSA Director did not implement the plan immediately. In July 1975 a reorganization committee was established consisting of CSA headquarters senior staff and regional directors.

The agency's inability to reach internal agreement on the plan, and related staffing problems, caused more delay, and the Subcommittee on Manpower and Housing, House Committee on Government Operations, requested CSA to submit the plan for discussion at hearings held in September 1975. The Subcommittee indicated that completion of a reorganization plan was the most pressing matter facing the agency. After its hearings, the Subcommittee reported that the plan appeared to have been hastily assembled and noted that the regional offices had 1 week before the hearings to complete requirements to fill the plan. At the time of the hearings, CSA officials said they would submit the reorganization plan to the Office of Management and Budget and the Civil Service Commission by October 31, 1975, for their approval. However, delays occurred, and in January 1976 the Subcommittee reported that the reorganization plan had not been implemented.

On February 18, 1976, the CSA Associate Director for Administration, with concurrence of the then CSA Director, advised agency officials that the reorganization had reached the implementation stage. The Associate Director noted in his directive that CSA's employment ceiling was being reduced to 960, as compared to 1,187 called for in the reorganization plan, and unless an adjustment was obtained, regional staff levels would have to be reduced. He told us that if the

ceiling was retained, each region would probably be limited to one staff member for the evaluation function, which would be insufficient.

As of July 1, 1976, the reorganization plan was still being considered. However, one region had, on its own initiative, begun transferring staff members into the proposed evaluation unit positions.

CSA regional evaluation efforts

CSA regional offices are responsible for appraising CAA progress and effectiveness. CSA's directive provides that this will be accomplished primarily through review of reports on grantee self-assessments of program progress and that such reviews will be supplemented by information gained through CSA program assistance field visits, State Economic Opportunity Office (SEOO) evaluation reports, and certified public accountant audit and CSA inspection reports.

CAAs have been required since 1972 to submit program progress review reports twice a year to CSA containing self-assessments of progress in relation to locally established goals and national mission effectiveness standards. CAA reporting systems were to be established with CSA's guidance and assistance.

We reviewed the fiscal year 1975 records relating to CSA's self-evaluation process for 21 CAAs in 3 regions. These CAAs covered a broad spectrum ranging from large urban CAAs to small rural CAAs. Based on our review and discussions with CSA and CAA officials, we found that:

CSA was receiving less than half the required program progress review reports.

Some reports did not discuss required national effectiveness standards.

A number of CAAs had not established formal self-evaluation systems, including one in a major city.

Regional officials said that the reporting conditions were generally representative of all CAAs in their region.

In February 1976, while our review was in progress, the then CSA Director notified all grantees, CSA officials, and affected organizations that the 1972 instructions for program progress review reporting were still in force. The reminder was issued to alleviate confusion among grantees regarding OEO policies remaining in effect after 1973, when the continued operation of OEO became uncertain.

Limitations also existed in using information intended to supplement data available through CAA self-evaluation reports. In one region, field monitoring reports were generally not written and, thus, were unavailable for CSA evaluators. In another region, field reports ordinarily were not used for evaluation, and CSA staff charged with evaluation maintained limited contact with CSA field representatives. Also, little correlation existed between the problems cited in CSA field reports and CAA self-evaluation reports.

In the three regions, SEOO reports usually were not received and limited use was being made of the reports that were received for evaluation purposes. Officials in one region said that during their field visits to CAAs they seek participation of SEOO officials to obtain some informal views for inclusion in CSA's field visit report.

Contrasts in CAA self-evaluation systems

We found material differences in the existence and quality of systems established by CAAs for self-evaluation. These differences are partly due to the lack of guidance from CSA headquarters to its regional offices, specifying the elements and criteria required for an effective CAA self-evaluation system.

CSA headquarters has delegate responsibility for establishing CAA self-evaluation systems requirements to its regional offices. Only two of the three regions we reviewed had issued guidelines to local CAAs specifying the basic requirements for CAA self-evaluation systems. Officials of the third region said that they were reluctant to issue self-evaluation guidelines without uniform guidance from CSA headquarters.

Guidelines issued by the two regions differed in the following respects:

One region advocated evaluation participants comprised primarily of CAA staff and board members; the other advocated individuals from the community at large served by the CAA.

One region's instructions concluded that the self-evaluation was an eligibility requirement for CSA funding; no reference was made to this requirement in the other region's instructions.

One region's guidance emphasized a systematic approach to conducting and reporting on the evaluation; the other region's guidance centered on documenting actions to meet local agency objectives.

One region's guidance provided instructions concerning the organizational structure of evaluation teams; the other region offered no specific guidance on this subject.

One region's guidance provided suggested time frames and deadlines for self-evaluation; the other region's guidance made such agency responsible for developing its own evaluation schedule.

Because of the uncertainty of OEO's continued existence and the lack of uniform CSA self-evaluation guidelines, many CAAs had not developed or implemented self-evaluation systems. We questioned officials of the 21 CAAs in our review and found that 7 had no written procedures for self-evaluation and 2 had written procedures that were not being used. Another CAA had developed general one-page instructions for use in its self-evaluation process. Many CAA officials indicated the need for increased guidance and technical assistance from CSA in developing self-evaluation systems for their agencies.

Of three large urban CAAs, only one had developed and implemented evaluation procedures and regularly reported its results to CSA. The other two had not submitted any required program progress review reports during 1974 or 1975. One CAA's board of directors had authorized a subcommittee to make evaluations but had not staffed the subcommittee. The other CAA had developed evaluation procedures but had not used them because they were too complex for its small evaluation staff to follow.

One medium-sized CAA had developed a reasonably comprehensive system of self-evaluation with detailed written procedures requiring semiannual evaluations of each CAA unit. The system includes two parallel evaluations—one by the CAA internal representatives and a second by a team of outside evaluators drawn from local government agencies, banks, private businesses, and other sources in the community. Both groups use the same locally developed evaluation procedures and results are compared to provide a system of checks and balances.

The results of the completed evaluation and planned actions are conveyed to all participants in the evaluation process. The CAA executive director said that its open evaluation policy has both increased community interest and support for its goals and provided the CAA with an independent check on its accomplishments.

Separate independent evaluations of a local CAA by outside evaluators may not always be possible. Accordingly, CSA should have the capability to make such evaluations when necessary.

CONCLUSIONS AND RECOMMENDATIONS

Increased guidance to CSA regional offices and a viable CSA organizational structure for evaluating CAA regional programs are needed. CSA's limited staff resources have delayed the effective implementation of the self-evaluation process. As a result, CSA cannot determine with certainty whether CAA program grantees are meeting national standards and program objectives set in accordance with enabling legislation. To obtain more effective control over CSA programs through the present system of evaluation, we recommend that you:

- Provide for appropriate staff and organizational units within CSA to effectively administer the self-evaluation process for CAAs.

- Make a national survey to determine which CAA's have not established required self-evaluation systems and which CAA systems need improvement.

- Establish meaningful target dates for completing needed CAA systems and improvements.

- Develop and disseminate uniform national guidelines for CAAs to use in establishing self-evaluation systems and for regions to use in evaluating the systems.

- Make grant approvals contingent upon CSA acceptance of a satisfactory grantee self-evaluation system and evaluation report submission or an evaluation by CSA.

As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the House and Senate Committees on Government Operations not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

We are sending copies of this report to the Chairmen, Senate Committee on Labor and Public Welfare; House Committee on Education and Labor; and Subcommittee on Manpower and Housing, House Committee on Government Operations; and to the Director, Office of Management and Budget.

Sincerely yours,

GREGORY J. AHART, *Director.*

STATEMENT OF WILLIAM J. KAYLOR, CHAIRMAN OF THE BOARD, THE NATIONAL CENTER FOR COMMUNITY ACTION, INC., EXECUTIVE DIRECTOR PEOPLE, INC., WASHINGTON COUNTY AND BRISTOL, VA.

"A RURAL PERSPECTIVE"

Ms. Chairperson and members of the committee; I came to this testimony after ten years of experience related to Community Action, both as a member of NCAA Board of Directors, and as Executive Director of a local Community Action Agency. Before that, I had been a pastor in a rural setting in Alabama where poverty in terms of real property and purchasing power was the norm.

My father was a rural minister in Alabama, and during the lean years of the Great Depression, had to find any and every possible means of support to keep a family of nine children from starving. He and my mother managed well. We never failed to have food on the table, and clothes on our backs. But we never had much in the way of luxuries either. We were poor in terms of possessions. So, I have known poverty in terms of economics.

However, I must hasten to add, I have not known the poverty of spirit that so many of our people live under today. The despair, the hopelessness that mark so many of our people's existence, and with which Community Action Agency personnel come in contact every day, was completely foreign to me as a young boy in Alabama—even during the depression.

What we are witnessing in modern society is a deterioration of society, a time when land is becoming scarce, and jobs—even as sharecroppers—in rural America are no longer available to an ever-increasing number of Americans. The bigness and de-personalization of industry has also had its impact on agriculture. Many, far too many, small farms have been swallowed up by industry and urban sprawl, so that there is less and less for rural people to do toward earning a living. Big mechanized farms have replaced the small family farm.

So the youth of Rural America do not remain in their homes—they migrate to the already over crowded cities. Those who remain behind are the less talented who join in the despair of their families, often becoming a heavier burden to the taxpayers.

It is from my perspective as a local CAP Director in a setting similar to that described above that I make the remarks which follow.

When I first arrived on the scene at Abingdon, Virginia, I had hopes that the agency which had just employed me would be one in which the development of programs for the poor would be foremost in emphasis. We set to work with Board members and community representatives to design a proposal that would be our best possible effort. With the small amount of Training and Technical Assistance funding we had, we engaged a competent consultant who gave us very valuable assistance. The Field Representative from our Regional Office assisted us by providing us with knowledge of possible resources. A training Seminar sponsored and paid for by OEO funds gave me a good basis for doing my own job as Executive Director.

It seemed that we were off to a good start. Despite local political struggles, and even some political opposition, we discovered that State and Regional personnel gave us the assistance necessary to get our proposal approved and funded.

Then the axe fell! President Nixon appointed Howard Phillips to "dismantle OEO," a task which he attacked with a vengeance. The rest is history. The local scene was one of attempting to "divide the spoils." My own board members (representatives of other agencies in particular) began to find ways to "use" our projects. The Welfare Superintendent felt he could assimilate the Manpower Program under his "benevolent" umbrella. The Community College would be heir apparent to the Head Start Project—and it could continue as a training ground for their student teachers. Others were waiting in the wings to assume the resources if not the advocacy role of my agency.

At the State level, the small amount of technical assistance and support rapidly disappeared and the State Economic Opportunity Office *literally* became impossible to locate. There *was* an Office of Human Affairs which the CAA's in the State *believed* to be funded by OEO, and who sent a representative to National SEEO Association meetings. But to admit that the office was there for any real assistance to CAA's-technical or otherwise was unheard of. There was no assistance in dealing with local political problems. Yet *all* grant actions had to go through a very painful A-95 review process.

And at the Regional level, there was no longer any technical assistance to be rendered. The person who had been responsible for performing that function was exiled to a back office and to this day remains in exile. It became a fact of

life that the advocacy role of Regional Office had long since ceased. We found bitter competition developing between local CAA's who had been in the closest of relationships of mutual support—competition for the ever diminishing resources that came to us through our Regional Office. Local CAA's in trouble were bound for extinction because there was nowhere to turn for assistance from CSA.

The first bright spot to appear on the Horizon was the coming of Al Arnett, for all his fairness and dedication to the cause of the poor, proved to be an anachronism, and was soon done in.

However, the work of the National Center, I believe, served as the continuing advocate not only of the poor, but of the CAP itself. Through it services, which will be (or have been) described by others here today, it has inspired, trained, educated, and assisted the CAP World toward a recovery of its own organizing and advocacy roles, and to a position of respect in the scheme of Social Services.

I have had no greater single honor in my lifetime than my appointment by Region III CAP Directors Association to the Board of Directors of this Agency, and my subsequent election to the Presidency of the Board.

In many ways the National Center has fulfilled the Advocacy role that had been abdicated by National, Regional, and State levels of the Office of Economic Opportunity and its successor the Community Services Administration.

The task of Community Action has only begun. During the lean years, we have learned how to keep the effort going with far too limited resources. We have learned many lessons that will enhance the future of Community Action. And if the resources are made available, we can go on with the task.

Poverty in the midst of plenty is not a viable option for us. We must develop the human and physical resources that have in the past made this nation great.

The means must be provided that will enable social and economic development of all our people, including those who have become and are becoming disenfranchised and dispossessed. Such development and utilization of our human resources constitutes the only real alternative to the welfare state.

Thank you for this opportunity to share my thoughts with you.

STATEMENT OF KWAME J. C. McDONALD, THE NATIONAL CENTER FOR COMMUNITY ACTION, INC.

Chairperson Collins and distinguished members of the committee, I am pleased to be asked to be here as a member of the staff of the National Center for Community Action to give my views on the effective delivery and sharing of resources with our fellow citizens who, at this point, find themselves economically, socially, educationally and politically impoverished.

Poverty is the result of a complex and varying set of causes, and eliminating it requires an imaginative and flexible range of programs. The Economic Opportunity Act of 1964 signalled just that type of approach. Rather than perpetuate and expand existing government welfare programs that merely treat social symptoms, the Nation committed itself to seeking out and eradicating the roots of the problem through a unique yet simple concept now known as "community action."

In its purest form, "community action" is local communities developing their own solutions to the problems of their low-income residents. The basic concept behind community action was—and remains—poor people helping themselves. The local mechanism that coordinates and carries out this effort is the Community Action Agency (CAA). The CAA's role is to determine the best approaches to solving the problems of poverty in its area and to bring together a wide range of Federal, State, and local resources—funds, materials, professional skills, technical know-how, and volunteers—to build into these solutions.

The Community Services Administration (CSA, formerly the Office of Economic Opportunity) is the independent Federal agency that is responsible for providing the seed money and overseeing the activities of CAAs. But the CAA is a locally controlled, independent entity in which representatives of the poor have full participation in policy making.

The nearly 900 CAAs nationwide are varied but they all operate at least one or more programs in the following areas: aging, child development and youth, community and economic development, consumer assistance, education, energy, nutrition, health, housing, legal aid, manpower, migrant assistance, civil rights and transportation.

Despite CAA's administration of local antipoverty programs totalling approximately \$1.5 billion nationwide, CSA funds for their operation totalled only \$330 million last year. In addition, each agency must match its Federal allotment with a percentage of locally generated funds.

In its 1975 annual report, the President's National Advisory Committee on Economic Opportunity addressed a concern of the committee. How can the Community Services Administration best serve the poor.

The present staff allocation pattern of CSA are not appropriate for an agency with such a viable and important mission. To better serve CAA's and the poor, CSA should:

1. Inform grantees and others in and out of government of the intent and provisions of the Community Services Act.

2. Vitalize and regularize contact with other Federal agencies.

3. Develop needed support for itself and for CAA's by undertaking to educate officials and the public about the nature, mission, capabilities, and merit of CAAs.

4. Establish a communications and technical assistance system with its grantees—newsletters, guidance papers, grantee conferences, reporting techniques, training and technical assistance, staffing and other means to facilitate, exchange and increase expertise about program problems and accomplishments.

5. Provide technical assistance to educate CAA board members regarding their responsibilities, functions, prerogatives, and potential.

6. Fund and implement the Migrant and Seasonal Farmworkers program. The Council found that because of their broader and more flexible mandate, these programs authorized to CSA are more relevant to the needs of that poverty sector than those authorized and operated under the authority of the Comprehensive Employment and Training Act of 1973.

For similar reasons of experience, capability, flexibility, and direct access to local low-income communities, the Council also felt that CSA was the logical agency to conduct energy programs for the constituency.

8. Work for full funding of the Community Partnership section of its law.

9. Promote community economic development, stating that the primary objective of all antipoverty efforts must be economic independence.

While concurring with the above, it is the view of the CAAs that the single most critical goal for CSA must be to assert its legislatively mandated prerogative to advocate for the poor at every office and level of government, with the press and with the people. The agency should also:

1. Establish reliable funding schedules for grantee; and

2. Develop new approaches to the problems of poverty by stimulating Research and Demonstration projects in every funding category and seeking substantial additional R. & D. moneys from Congress (Head Start and Legal Services were originally R. & D. projects.)

We also demand that an equitable portion of the Federal budget be allocated to the neediest sector. The CSA funding should be restored to the level of the pre-Vietnam commitment.

In 1974, the National Community Action Agency Executive Directors Association (NCAEDA) established the National Center for Community Action (NCCA). NCCA initially funded with a CSA grant, is a private nonprofit corporation with offices in Washington, D.C. It provides an ongoing and comprehensive program of research, information, training, technical and other supportive services to CAAs. It is guided by a Board of Directors composed of 27 members. Twenty-one represent community action agencies at all levels and from all 10 Federal regions. Other members serve for national organizations with low-income and minority interests.

NCCA's program is administered by an experienced staff of former CAA administrators, research professionals, lawyers, journalists, and training and program specialists.

The Community Services Administration and other Federal, State and local agencies have recognized NCCA's services as an important contribution to the community action world. But NCCA believes that its success depends primarily upon the cooperation and support of CAAs and related organizations in the field.

NCCA's coordinated program is delivered through three organizational components: Research and Information, Field Services, and Network Services.

Research and Information collects, analyzes, and distributes information on Federal administrative and legislative developments affecting the poor. Its focus is at the national level; it is concerned with specific programs that CAAs can tap for funds and other resources and with general Federal policy trends. Its services include the National Center Reporter, a monthly journal of indepth and timely articles on low-income issues at they relate to aging, manpower, energy, health, law and civil rights, rural development, transportation, education, child development, community economic development, nutrition, housing, revenue sharing, etc. The NCCA Special Reports, covering issues of more immediate or special concern to CAAs. The Special Reports are:

1. A review of the Emergency Jobs and Unemployment Assistance Act of 1974 and the Conference Committee Report of the U.S. Congress.
2. Save Energy: Save Money, January, 1975.
3. A Brief Review of the Community Services Act of 1974 and The Conference Committee Report of the U.S. Congress, January, 1975.
4. Background and Implications of Increase of Food Stamp Costs on Poor, January 30, 1975.
5. Community Services Administration Budget Fiscal Year 1976 Analysis and Implications for CAAs, February 3, 1975.
6. Federal Energy and Winterization Programs for the Poor, February 18, 1975.
7. An Update on Housing and Manpower, March 20, 1975.
8. Title XX of the Social Security Act: The Social Service Amendments of 1974 (Public Law 93-647), April 28, 1975.
9. Energy Problems and CAAs, July 8, 1975.
10. Update on Title XX, July 15, 1975.
11. Unpublished USDA Report on Food Stamp Program, August 13, 1975.
12. Freedom of Information Act Analysis.
13. Proposed Regulations for Health Service Agencies, October 28, 1975.
14. Community Services Administration: Budget Fiscal Year 1977.
15. The Non-Federal Share for fiscal year 1977: Impact on the Nation's 889 Community Action Agencies, March 2, 1976.
16. Telling the World About Community Action: Two Models, April 20, 1976.
17. A guide for Anti-Poverty Planning: A Description of the Putnam Tables, May 1976.
18. Resources for Board Training, July 30, 1976.
19. Public Works Employment Act of 1976, July 30, 1976.
20. Congressional Oversight Hearings on the Comprehensive Employment and Training Act, October 13, 1976.
21. Audio-Visual Resources: A Bibliography for Community Action Groups, November 1976.
22. The Carter Cabinet, January 1977.
23. President Ford's Final Budget Message, Budget fiscal year 1978: Brief Analysis and Implications for CAAs, January 1977.

Special research projects and monographs, such as Where The Money Is, a digest of Federal funding sources for nonprofit organizations and a Washington information service that handles mail, telephone and personal requests for program information on an individual, case-by-case basis.

Field Services designs and delivers training programs and provides technical assistance on issues that are of major concern to CAA staff and board members. The department attempts to select topics that are timely and that have been recommended by CAAs and their constituents.

Training sessions are presented through a series of two- or three-day seminar/workshops in cities throughout the country. Limited funds and personnel generally preclude NCCA's answering individual requests for on-site technical assistance. But it makes every attempt to provide such help through written or telephone communication. This role is also filled through attendance and participation at national and regional working conferences.

Some of the seminar/workshops the Center has conducted thus far include:

- Health Resources.
- Resource Mobilization.
- Program Planning and Evaluation.
- Program Development and Fund Raising.
- Program Evaluation.
- Problem Solving.

These sessions are taken to the people, therefore, they have been held in such places as:

- Albany, New York.
- Atlanta, Georgia.
- Austin, Texas.
- Cincinnati, Ohio.
- Denver, Colorado.
- Jacksonville, Florida.
- Kansas City, Missouri.
- New Orleans, Louisiana.
- Pittsburgh, Pennsylvania.
- San Diego, California.
- Seattle, Washington.
- Silver Spring, Maryland.

The schedule will next take us to:

- Charlotte, North Carolina.
- Cincinnati, Ohio.
- Dallas, Texas.
- Denver, Colorado.
- Lincoln, Nebraska.
- Seattle, Washington.

These seminar/workshops will result in the training of more than 1,700 individuals representing virtually every State in the union, at a cost of about \$135 per trainee. Exhibit A presents a typical course outline for our seminar/workshops.

Network Services links NCCA with the nearly 900 CAAs and related organizations. It serves as a clearinghouse for local CAA programs, collecting, recording and distributing information that is utilized by other departments of NCCA, by CAAs, SEOOs, and CDCs, national low-income interest groups, Federal and local officials and, upon request, congressional staff. The department's services include a Program Information Network listing and describing hundreds of specific CAA programs. Human Work for Human Needs is a NCCA publication that highlights CAA activities nationwide. Network services is capable of linking the resources of one local agency with the program requirements of another in any of the 10 Federal regions. It also conducts surveys and studies of CAA problems, needs and profiles in an attempt to develop an accurate scenario of the community action world.

Some of the surveys and studies include:

- A Community Action Agency Profile.
- A Survey on Non-Federal Share.
- Training Needs Assessment Survey.
- Survey for the National Center for Appropriate Technology.
- Survey on Women and Child Abuse for HEW.
- Survey on the National Water Demonstration Program.
- Survey on Drug Abuse Programs in Community Action Agencies.

In a recent survey of the National Center Reporter readers, we found the following information: of the respondents, 96 percent receive the reporter on a regular basis, 58 percent said they read all of the articles while 34 percent reported they read all of the articles sometimes. Eighty percent of the respondents have been receiving the reporter since its inception and the remaining 20 percent, less than a year.

In answer to their overall attitude toward the *Reporter*, 61% said they had a "very positive" attitude and 39 percent reported a "positive" attitude. There were no negative responses concerning the overall attitude of the Reporter's readers.

Most often cited as articles particularly well-received include articles on Title XX, CSA Act Analysis, Utility Rate Structures, Food Stamps, Health Planning Act and the special features, News Briefs and Reflections.

Ninety-six percent of the respondents claim that the information in the magazine is presented in a clear, easy to read manner, is not too technical and is pertinent to their needs. Seventy-six percent said the information is useful for solving problems at the local level. Sixty-six percent said it was detailed enough, whereas 34 percent claimed the information presented was not detailed enough.

The answers to the questions "What areas of information are you most interested in", and "What type of information would you like to receive more of?" pretty much coincided, with the most mentioned area (84%) that of legisla-

tion, legislative matters, and in-depth analysis of current legislation. The second most important need (80%) centers on technical information and "how-to" information, including how to get funding, and how to deal with CSA. Specific areas of program information requested most include Community, Development, Food and Nutrition, Housing and programs concerning Rural Areas.

In response to the question "How has the National Center Reporter been helpful to you?", most respondents said it gave them a better understanding of topics covered and motivated them to follow through on some of the leads provided. As to what happens to the Reporter after the reader is finished with it, the majority of the respondents said they passed it on to other staff and/or put it in a central location for ready reference. Twenty-six percent said they discussed it with staff and/or board.

Here are some miscellaneous comments from readers:

"Difficult to select three from the many fine articles published in NCR."

"I think CSA needs to get its own management tightened up. How can we be effective in trying to bring this about? CAPs need better planning and evaluation systems. We need more analysis of how to improve ourselves. Over all we need a better image . . . summary statistics of how many lives we affect and in what ways. I am not interested in what individual CAPs do, but in the over all impact. Do more CAP surveys—on programs."

"The most current and informative reporting we receive."

"News Briefs keep me in touch with changes in capsule format."

"This issue—fiscal year 1977 budget is the first really clear explanation I have seen—really outstanding."

"Legislative Update—all issues—one of a kind information—the only way I get this type of information."

"News Briefs—great overview when I don't have time to read everything."

"Some material is necessarily dry. Even though essential. More uses of boxes (inserts would help the presentation of such material)."

"March 1976 was excellent."

After 200 years of national development, about one out of every nine Americans remains poor. The U.S. Bureau of the Census' latest figures show that more than 24 million persons are below the official poverty level of just over \$5,000 in annual income for a family of four.

While the majority of the Nation's poor is white, it is also true that large proportions of America's black, Hispanic, and Indian populations are in poverty. Many of the poor are huddled in urban ghettos, but many more live in rural areas. They can be found in New England villages and Appalachian hollows. They crowd California migrant camps, fill slums near Miami resort hotels and live on Western Indian reservations, just off scenic highways. In virtually every corner of every State, poverty continues to strain the health and welfare of Americans.

STATEMENT OF JOHN WILSON, DEPUTY DIRECTOR, JEFFERSON CLARION ECONOMIC OPPORTUNITY ASSOCIATION, PUNXSUTAWNEY, PA.

Chairperson Collins and members of the committee, I am pleased to be here this morning to testify concerning government efforts in the alleviation of poverty in our nation.

The United States is a nation of extreme economic contradictions. Despite the existence of a very prosperous economy for a substantial number of our citizens, there is a very large category of Americans totally unable to provide for the basic necessities of life: food, shelter, clothing, health services, education and cultural activities. For these citizens—despite a mass of remedial public and private programs—economic and social conditions continue to deteriorate without any real indications of improvement. Adverse critics point to this lack of demonstrable success and recommend a decrease in the amount of resources this nation commits to combatting the causes of poverty. We contend the weight of the evidence more readily supports another view; that national policies should be designed and implemented which are based upon a realistic understanding of the causes and symptoms of poverty.

Poverty is caused by—and continues to perpetuate—a gross imbalance in the nation's cultural, economic, educational, health and political resources. It is a deliberate and systematic attempt to foster and perpetuate the total life styles of the advantaged at the expense, and to the detriment, of the disadvantaged. It operates to maintain extremely disadvantaged groups, which vary from place to

place, within a specific set of circumstances, circumstances which prevent them from enjoying the barest minimum opportunity in business development, cultural enrichment, education, employment, health and medical services, housing, daily nutrition and adequate social services. This insulation from the mainstream of opportunity occurs in both rural and urban America.

The United States can achieve its full economic and social potential only if the full resources of the public and private sectors are mobilized to remove the causes and symptoms of poverty from our midst. It should be the sense of the Congress that to insure the implementation of the national commitment against poverty, an independent agency, either bearing the name Community Services Administration or some other designation, shall exist within the structure of the Federal Government to provide the primary advocacy and leadership role within the public sector and to participate in the formulation of public policy, as it relates to the condition of poverty, on behalf of the disadvantaged within our society.

WHETHER SERVICES PROVIDED BY CSA COULD BE PROVIDED THROUGH ANOTHER AGENCY

Today in 1977, no less than in 1964, there is a need for CSA to be a strong, independent agency; and it should be mandated the responsibility for administering the total war-on-poverty programs. The only allowable change would be one in which the Congress were to replace CSA with a stronger, higher funded and more independent agency. The CSA functions should not be carried out by DOL, HEW, HUD or any other department or agency. A move such as the latter would only result in the CSA functions becoming lost in a maze of bureaucratic emphasis on other more popular (politically) and higher funded programs.

Traditionally, the Department of Labor has been the domain of organized labor and its constituency, the working class. While DOL has been heavily involved in manpower training programs in recent years, as its major contribution to helping the poor, there is no evidence that its leadership or vast bureaucracy is in step with the total needs of poor people. The Department of Housing and Urban Development has acquired its own constituency: the housing interests and the large(r) city mayors. The latter's interests do not always coincide—sometimes they conflict—with organizational, advocacy and housing needs of the poor. Similarly, the Department of Health and Welfare has factors which work against its being the controlling agency of the anti-poverty effort. Currently, HEW is alleged to be too unwieldy a bureaucracy to remain under one administrative roof. Its critics say it should be broken up into two separate departments, one for health and welfare services and another for education.

We suggest that whatever roles these departments have should be done under formal arrangement with an independent CSA or its successor agency, with the latter's director having the weight of authority needed to initiate such arrangements and to monitor the programs and activities under them. The war on poverty is itself a highly innovative idea. As such it must be conducted by an agency that is free to establish its own import, derived from the *pathos* of the impoverished, developed free of the practices and traditions, that, while necessary in the *modus operandi* of other departments and agencies, would not contribute to the peculiar needs and unique circumstances surrounding the poverty agency.

WHY CSA MUST ASSUME AN ADVOCACY ROLE

In both rural and urban America, CSA could greatly enhance the development of an effective poverty policy if it assumed an advocacy role. In urban areas the housing crisis is an exemplary example which demonstrates the need for CSA to assume an advocacy role. The problem of housing in the inner city can not be divorced from the racial exclusionary practices of the housing industry and CAAs must be armed with additional support to counter this problem and practices.

Patterns of housing segregation can be explained not by conditions of low income but by the workings of the exclusionary interests, i.e., real estate boards, builders associations, redlining practices of lending institutions and suburban zoning devices, that establish vast sanctuaries from which Blacks and poor people are excluded. Likewise, patterns of slumlording can exist only through the maintenance of these patterns of housing segregation.

Government policies subsidize slumlords through lax or nonexistent code enforcement, thereby saving them millions of dollars; offer them generous tax treatment: and then pay them handsomely for their property when slums are

bought under urban renewal. The economics of ghetto housing insures that bad housing is profitable and that good housing cannot be maintained. In short, bad housing drives out good. As neighborhoods deteriorate, further deterioration is induced.

Slum owners persist in their business because they make an adequate return; and it is possible for the more disreputable and dishonest to do fairly well. However, the curtailment of existing practices through code enforcement might drive out some of the slum lords. Indeed, it is the lack of law enforcement, coupled with the existence of housing segregation, that leads to slum lords profitability.

There is a great variety of available suburban housing. The existing suburban housing supply, in terms of housing cost, provides ample opportunity for desegregation now. However, the single crucial factor in ensuring the profitability of slums is racial segregation. The all-white sections are essential to successful slum development. With a "white only" barricade around the ghetto there is no escape for those who live within its confines. As buildings are subdivided, crowded, and deteriorate more, they become almost impossible to maintain. Soon it becomes impractical to try to maintain neighboring houses. The latter houses then become a profitable investment and slum development spirals.

One thing desperately needed, then, is an honest enforcement of the law. There are laws against discrimination in renting and the sale of apartments and houses. There are laws to ensure adequate plumbing and to enforce building codes; but the enforcement of these laws is slanted in favor of those who have some influence in this society. The truth of the matter is that profit-making incentives run counter to the best interests of the poor as far as the maintenance of housing is concerned. Tax laws and condemnation procedures combine with the peculiarly vulnerable situation of those who are poor to pay the most profit for the worst housing. Where enforcement is pitted day by day against the slum lord's incentive to make profit, enforcement is bound to be in trouble.

What is a must here is for CAAs to apply their community organization/action skills to mobilize their constituents, and their constituent's supporters, to press for an all out enforcement of such laws as well as to push for changes in the law where existing remedies are inadequate. Yet, CSA has done almost nothing to arm CAAs so they can be effective in this role. Further, CSA should assist CAAs to assume the role of local housing sponsors where it is necessary to broaden the supply of housing for the poor. Housing is only one example of the need for CSA/CAAs to take up the advocacy role. According to the information compiled by the Congressional Rural Caucus, 44% of the nation's poverty exists in rural areas. This is the very part of the nation which supplies the vast food supplies to feed our urban populations and also supplies the raw physical resources which support our nation's commerce, (i.e., wood, ores, coal, water power, natural gas).

The Washington Post carried a small article—on page A2, February 28, 1977—which probably attracted very little attention in the Washington metropolitan area. To some of us in the community action world, however, the article merits great attention because it points up the need for something which we have advocated for a long time and which is long overdue: a national policy to reverse the decline in small farms and thus restore strength to the rural economy. Said the article:

"Senator James Abourezk (D.S.D.), is introducing a bill that would require agribusiness corporations to sell their farm properties within five years. Abourezk said that since World War II, 2,000 farms and 300 rural businesses have been driven out of business each week. He cited estimates that by 1980, half the American food supply will be under corporate control. By 1985, he said, corporations will control nearly 75 percent. His bill would require corporations that hold more than three million in non-farm assets to dispose of their farm properties."

In many rural areas the people have the land and the capacity to grow food-stuffs which have a heavy consumer demand. It is ironic that at a time when the numbers of farm(ers) is less than in the past, the amount of acreage under cultivation is at an all-time high because of the rise of the corporate farms with their complete mechanization, which enables them to farm more land with less manpower than that used by the family farms. The latter simply cannot meet the costs associated with trying to compete with the agribusiness conglomerates.

Without fostering the impression that the National Center is in support of any effort to break up these corporations—because we are not—we suggest that here is a perfect example of the need for a strong advocacy role by CSA and CAAs. We assert here that the Community Service Administration and Community Action Agencies should be advocating the creation of new mechanisms which will enable us to link the farming skills of families in rural communities with the food purchasing power of consumers located in CAA urban areas.

Repeat! We assert here that the CSA/CAA alliance should be advocating the creation of new mechanisms which will enable us to link the farming skills of families in rural communities with the food purchasing power of consumers located in urban areas.

The average CAA target area in an urban center contains a large number of low income families that expend heavy percentages of their income on food purchases. What is needed in the urban centers is a mechanism, i.e., more and heavier funded CDC, which will enable the residents to purchase produce and meat from the family farms and then sell quality food items to themselves, thus keeping the profits from such sales in their own communities, thereby lending additional support to their own economic development. This self-support would include the jobs created by these businesses. The urban mechanisms can guarantee markets to the family farms, thus giving rural communities a stronger foundation for their own economic development plans.

The need also exists in education, where the situation has reached crisis proportions in the inner cities. Similarly it exists with respect to the availability of health services in low income areas where the poor often have to go without medical treatment, with respect to the need for true welfare reform wherein welfare recipients will be helped in accordance with real need as opposed to the current punitive levels, with respect to impoverished areas getting a fairer share of the block grant dollars; and the advocacy role is necessary if CAAs are to receive legal recognition as controllers of the categorical programs. In all of these problem areas the need is the same: for CAAs to apply their organization/action skills to mobilize public opinion in support of the interests of the poor.

STATEMENT OF AMBROSE I. LANE, EXECUTIVE DIRECTOR, THE NATIONAL CENTER FOR COMMUNITY ACTION, INC.

Madam Chairlady and Members of the subcommittee, I am pleased to respond to your invitation to testify regarding the important matters outlined in your recent letter to the National Center.

As an introductory I should say that, the positions that we will take today are not positions that our Board of Directors has taken or officially approved. If it chooses to do so, our Board may submit testimony for the record that will represent their official views.

Nonetheless, we will respond to your inquiries in the order presented in your letter of invitation.

I. APPRAISAL OF SERVICES RENDERED TO CAA BY CSA AND ASSESSMENT OF CSA'S PERFORMANCE AS AN ADVOCATE FOR THE POOR

In our view, the CSA has 8 principal roles to play. They are as follows:

1. The CSA should be the primary Federal agency to develop and promote a national strategy for the elimination of poverty.
2. The CSA should be the primary Federal advocate for the poor and CSA's principal constituency agencies, the Community Action Agencies.
3. The CSA should be the primary Federal innovator and initiator of new and better ways to enable poor people to help themselves out of poverty.
4. The CSA should be the vigorous and efficient administrator of the National Community Action Program, providing its constituent agencies with the managerial and technical assistance tools and resources to do an increasingly better job for the poor.
5. The CSA should be the primary Federal agency to seek new sources of funds to be channeled through CAA's, where appropriate, rather than seeking new ways to spin off its own programs to other agencies.
6. The CSA should be the primary Federal evaluator of all Federal programs designed to enable the poor to move out of poverty.
7. The CSA should take the lead in establishing multiple Federal interagency agreements and in promoting extensive use of joint funding arrangements in behalf of CAA's.

8. The CSA should assume leadership in educating the general public, as well as Congress and the White House, regarding CAA's and the poor and in promoting a national atmosphere of understanding, support, and concern.

If there are the primary roles that the Community Services Administration should play, our appraisal must be that CSA's services to CAA's have been inadequate, at best, and totally inconsistent, at worst.

That appraisal must, however, be viewed against the historical backdrop of the agency's existence. Of its nine National Directors, only one had a strong commitment to its success and continuation, and even he did not clearly understand what was needed to effectuate those ends. The actions of all of the others, with one exception, clearly indicated that OEO/CSA was little more than a "way station" in the achievement of their personal ambitions. The one exception was Howard Phillips, whose sole aim was to destroy the agency.

Further, of three Presidents, not counting President Carter, only one gave strong support. And his support waned near the end of his term.

President Carter's recent characterization of CSA as "sluggish" and "politicized" was accurate. With the exception of a dedicated few CSA staffers who are either "old timers" who have hung in or recent staffers who have been "converted," the old vigor and dedication and love of service that characterize the National and Regional Offices are in short supply. This is the awful legacy of the 1973 Howard Phillips scourge. Although he is long gone, many of his philosophical brethren are still employed at the agency.

It must be burned into our memories that, after the difficult 1967 reauthorization battle and the restrictive amendments that were produced that year, the major national support given to CAA's came from Congress. It came neither from the agency itself nor from the Executive Branch.

Our appraisal of the CSA's performance as an advocate for the poor differs little from our appraisal of the services that it has rendered to CAA's. A national debate has been publicly engaged for several years regarding Federal programming for the poor. In that debate, CSA's voice has either been timid or totally mute.

A current example is its lack of a publicly-defined policy position in the current discussions regarding appropriate Federal programming to meet the needs of our nation's unemployed. Another is the absence of a publicly-defined policy position regarding specialized Federal programming for youth unemployment. Another is the agency's current public silence in the nation's debate regarding overall economic policy and the impact of Federal policies and programming on the poor.

A failure of long standing is the non-use of legislative authority given OEO/CSA by Congress in 1964. Section 612 of the Economic Opportunity Act of 1964 provided, in part, that "the head of each Federal agency administering any Federal program is directed to give preference to any application for assistance or benefits which is made pursuant to or in connection with a community action program approved pursuant to Title II of this Act." That is still the law. It has never been used. Further, the Congress amended this section in 1967 and provided a mechanism and procedure for joint funding or projects to CAAs, as well as provided for the establishment of a single local share and the waiver of restrictive inconsistent regulatory requirements. For CAAs, the Joint Funding Simplification Act was not necessary. Congress, by the passage of the 1967 amendment to Section 612, had already acted, but the agency never used its authority to advocate for its constituency.

Another current example of CSA's failure to strongly advocate for the poor is its weak response to the Congressionally-provided power to evaluate the services being provided to the poor by other Federal agencies. Although appropriations were not made available for this title in the law, data-collection power is present and could be used to gather and analyze the magnitude and effectiveness of the services of other Federal agencies.

Perhaps, one of the major obstacles blocking CSA in its advocacy is its unclear vision that advocacy for the poor is inextricably tied to advocacy for its constituent agencies that serve the poor. This is not to say that CSA does not have a separate advocacy function not directly tied to CAAs. It is simply to contend that it must understand that the two advocacy functions are bound together. Further, CSA must understand that it must keep the plight of the poor, successful efforts to enable the poor to move out of poverty, and the agencies that continue to successfully accomplish that—CAAs—before the American People in a positive stance. The other side of the coin is that CSA must appropriately defend the poor and CAAs when false negatives are directed their way.

ITEM: Some of the general public that are aware of CAAs as "War on Poverty" agencies believe that most of their staffs are drawing "fat salaries." A 1975 NCCA study revealed that 38% of all CAA employees earned less than \$5000 a year; 40% earned between \$5001 and \$8000 per year; 96% earned less than \$12,000 per year; and only 1% earned more than \$15,000 per year. A 1976 survey by an independent contractor commissioned by CSA generally confirmed our figures.

ITEM: Before Congressional committees and in public forums, CAAs have been charged with having high administrative costs, ranging from 21% to 80%. Former HEW Secretary Casper Weinberger repeatedly made such charges. Using a Freedom of Information Act request, the NCCA forced HEW to admit in its response that neither HEW nor its Secretary had any documentation for his charges. Our own investigations showed that the real administrative costs of CAA programs was between 6% and 7%. A 1976 survey by Mariscal and Company confirmed our figures.

When such public misconception are given public currency, it is a part of the advocacy role of CSA to publicly spread the truth before the American People. Moreover, it is CSA's advocacy role to publicly emphasize the leanness, speed and flexibility of CAAs as deliverers of services to the poor. During the oil crisis of 1973 and this year's severe winter, the only Federally-supported agencies that moved to address the needs of the nation's poor were CAAs and CSA. More vigorous education of the general public by CSA of the vital roles played by itself and its constituent agencies should have been undertaken.

II. COULD CSA SERVICES BE PROVIDED THROUGH ANOTHER AGENCY?

As the question is couched, only administrative logic is called for and administrative logic would lead only to a yes response. If the question were "Could CSA services be provided through a new agency" or "an existing agency," the answer would be the same. Since we do not believe that this is the thrust of the question, we will address the question of whether CSA services should be provided through another agency. Our response is negative.

It is our belief that:

1. CSA should be properly staffed. When Howard Phillips became Director, he inherited a staff of 2160; when he left, the staff had been reduced to 1006. President Ford originally proposed a further reduction to 960, but later approved an increase to 1067. Since the original 2160 was inadequate, 1067 does not represent proper staffing.

2. CSA must have the strong support of the President as well as the continued strong support of Congress.

3. CSA must have a strong National Director who has the strong support of both the President and the Congress. In addition, he/she must be given the legal tools to reorganize the agency and sweep but the agency's "deadwood."

4. Programs started by OEO/CSA and latter "spun off should be "spun in." Further, other appropriate Federal programs serving the poor should be "spun in." Similarly, all Federal youth, manpower, noninstitutional education, job training, child care, evaluation, research, and demonstration money designed to serve the poor should be "spun in."

5. Section 612 of the Economic Opportunity Act, as amended should be fully implemented, as well as the Joint Funding Simplification Act.

6. Vigorous efforts should be undertaken by CSA to develop and promulgate extensive interagency agreements, with teeth and follow up.

7. A national strategy to address the needs of the poor must be designed by CSA and recommended for the President and Congress for implementation and to the American public for their support and commitment.

8. A vigorous utilization of the provisions of Title IX must be made.

9. A strong capacity must be developed by CSA to provide monitoring, evaluation, training, and technical assistance to its constituent agencies.

10. The mammoth volume of regulations and instructions governing CSA and its constituent agencies must be drastically reduced.

It is our belief that if these things develop, the question will never be posed again.

III. THE ROLE OF NCCA

Rather than consume the Committee's time spelling out the functions and role of NCCA, we have provided our current work program and copies of our work products for the members' use and study.

Thank you for this opportunity to be of service in the important work of this distinguished Committee.

APPENDIX D

D- Articles and Correspondence.

D-1 Enlisting Ourselves in the War on Crime.

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[From the Washington Post, July 24, 1977]

ENLISTING OURSELVES IN THE WAR ON CRIME

(By John Hollister Stein)¹

Americans persist in believing that crime control is and, indeed, should be the exclusive responsibility of state and local government. It is a costly concept which prevents us from using the most cogent forces of crime control at our command—ourselves.

For experience shows that the contest with criminality is basically the private citizen's to win or lose, not the public servant's.

Police officers like the public to think that arrests are the product of police acumen, though in fact most are the result of citizens' timely emergency calls or their identification of suspects with whom they are acquainted. Prosecutors take pride in their legal skills, but some, at least, recognize that prosecution success is usually attributable to the strength of "civilian" testimony, actual or potential.

Citizens rarely get credit for their contributions to the system's effectiveness; nor do they get the blame when the system fails (which is most of the time). Yet research findings tend to underline how crucial the private citizen's role is:

Surveys conducted by the Census Bureau show that, of every three crimes, only one is reported to the police.

A study in Kansas City, attempting to determine how long it takes the police to respond to crime calls, discovered that police "response time" was not the problem: the common practice of victims was to wait 15 to 20 minutes or longer before calling the police and it was this which made on-scene arrests unlikely.

Most prosecutions in most jurisdictions fail to convict anyone. Studies in Washington, using the computer-based Prosecutor's Management Information System, show that the chief cause of prosecution failure is that crucial witnesses stop cooperating with the authorities in mid-course.

Put bluntly, the average citizen, functioning as the principal custodian of his neighbors' security, is a sorry incompetent. It is not difficult to discern why—not, at least, where the injustice of crime is most acute, in big-city neighborhoods.

Urban dwellers don't look out for their neighbors for the simple reason that they frequently don't know their neighbors. Instead, they tend to live in isolation, somewhat rootlessly. A disturbance in the street or in the adjoining apartment, a group of unknown teenagers in the hall, all are disconcerting but outside the shrunken space the urban alien calls his own.

And when, as can so easily happen, his space is violated—when he, too, becomes a robbery, burglary or assault victim—he fears retaliation if he seeks legal redress. He is, after all, more or less on his own and manifestly vulnerable. Though he may have a wide circle of friends, they are not centered in his immediate environs. For him, neighborhoods are no longer a social organism.

CITIZENS FIGHT BACK

Compounding the problem are the public agencies of criminal justice. For when the crime victim or witness meets his civic duty, he often encounters police, prosecutors and other officials who are no more consumer-oriented than other public bureaucrats. When he stops cooperating with them, they will classify him as another drop-out, though in fact he may well have been pushed out.

¹ Stein, director of the Blackstone Institute, a criminal justice research center in Washington, is the author of "Assisting Crime Victims and Witnesses," to be published this year by the Law Enforcement Assistance Administration.

On occasion, however, urban residents shake off their paralysis, often with surprising success. In the past several years, three instructive case histories of collective citizen's action in response to crime, with mixed results, occurred in Adams-Morgan, a racially and socially Northwest Washington neighborhood that has changed from an urban backwater to the archetypical "back to the cities" area. Many blacks and Spanish-speaking residents, once three-fourths of the mix, are being exiled in the process, with possible bitter social repercussions.

Adams-Morgan's crime rates have been relatively high but steady for years. According to the police, reports of serious felonies numbered around 1,000 for 1974, 1975 and 1976—fairly high for a neighborhood of some 20,000 people. But in 1977, 1005 such reports were filed in the first six months alone.

If those reported rates reflect a major increase in actual crime, they may impel a collective citizens' reaction of the kind that gripped one block of Adams-Morgan eight years ago.

"It was a modest effort, really, a mundane, American thing, like raising a barn," Tedson Meyers has said about the project he and other residents of the 1800 block of Wyoming Avenue instituted in 1969.

That effort was in response to a rash of violent crimes on the block. Once, months earlier, Meyers himself had rushed outside at the sound of an "explosion," a shotgun blast, he discovered, which wounded a neighbor. The young man couldn't talk and, as Meyers knelt beside him, "he looked at me, and I looked at him" until, a few minutes later, the victim died.

When neighbors began threatening to move away, Meyers hosted a meeting of about 20 Wyoming Avenue residents, some black but mostly white. "Did we take matters into our own hands?" he asks rhetorically. "We certainly did."

The project involved trimming the shrubs bordering the street so that they could no longer conceal a waiting mugger, neighbors also trimmed a few boughs off the city's trees, to improve the illumination of the streetlights, and installed their own floodlights on the exterior walls of 22 rowhouses and apartment buildings along the block.

VANISHING CRIME

The visible changes helped to draw other neighbors to the group's monthly meetings. Residents began knowing each other by name and pausing to chat as they met each other on the block. Night-time motorists who chanced down the block drove slowly, baffled by the extraordinary brightness of all.

Not so the criminals, who recognized what the block residents were up to. Crime didn't diminish—for a time it vanished. From as many as three muggings a week, Meyers recalled, the block experienced none for 18 months, and relatively few in the years afterwards.

A newspaper article described the enlightenment of Wyoming Avenue—local and national TV reports followed, as did Meyers' appointment to the City Council and the installation of sodium vapor lights on most of Washington's residential streets. Ironically, despite local objections, the sodium vapor lights were also installed on Wyoming Avenue, which all but ended the floodlighting.

Yet only two or three distant blocks, less preyed-upon than Wyoming Avenue, followed its example. And militants attacked Meyers and his neighbors as racists, on the theory, perhaps, that resisting street crime camouflages racial antipathy toward its perpetrators; thought to be exclusively black.

That common impression is misleading. The Community Release Organization (CRO), which worked with Adams-Morgan adults arrested on criminal charges from 1972 to mid-1976, found that 11 percent of these defendants were white and another 8 per cent were Spanish or "other."

Robert Walsh, who directed CRO, moved to the 1800 block of Wyoming Avenue in 1975. His impression is that, in recent years, the block has been relatively safe, if not exactly crime-free. He had heard about the earlier crime-prevention program—something to do with shrub trimming and Tedson Meyers, he recently told a visitor. He did not, however, know the historical significance of the floodlights attached just outside his third-floor apartment windows; he had never turned them on.

He and the visitor sought to analyze why community endeavors like Wyoming Avenue's seem so transitory. One major reason, they believed, was the mobility of Americans generally, which also affects neighborhood activists like Walsh himself (in fact, the conversation was interrupting his packing to move to a new job in Charlottesville). He regrets these breaks in the social ties of Adams-Morgan, especially the involuntary displacement of working-class families who often have stronger social roots in the neighborhood than their more affluent neighbors.

Another reason for the demobilization of the Wyoming Avenue effort; they supposed, was its success—the crisis brought on by several odious crimes had passed. Regrettably, neighborhoods which respond only to the most frightening crimes seldom show interest or concern over the much more common lawbreakers in the community, whose crimes are usually less serious and who are rarely banished to prison for their misdeeds.

Programs like CRO, which can attract volunteers to work constructively with neighbors who are accused or convicted of such crimes, generally need a paid staff to recruit, train and supervise those volunteers. When CRO's funding ended, so did that neighborhood effort to deal humanely with the effects of crime.

THE LACK OF PERSISTENCE

The protagonist of the second story is a young man, who over several weeks in 1976, surreptitiously followed three lone women to their doorways, forced them inside and raped them. One such victim, though stabbed repeatedly and twice shot in the face, survived and gave the police an excellent description of her assailant.

Such informal block associations as existed in the immediate area of the crimes sprang to life under these attacks. The same thing had occurred a few months earlier, when another series of rapes had prompted a special meeting of the Lanier Heights Association. The attendance was unprecedented both in size and composition—black participants, for once, outnumbered white. The new outbreak of rapes induced a similar sharing of fear.

One encountered it not only in meetings among neighbors, but in the composite drawing of the rapist, which was soon posted on neighborhood trees. A few of the white neighbors, still angry over the first series of rapes, then volunteered to investigate other neighborhoods' crime prevention methods.

At last, a person who worked in a store on Columbia Road connected the police drawing to a regular customer. Within hours, the suspect, William Edward Thomas, was in custody; he confessed and last week he was sentenced by a Superior Court judge to serve at least 37 years in prison.

Meanwhile, the crime prevention investigators had contacted the Citizens Local Alliance for a Safer Philadelphia (CLASP) and had talked to members of a similar group on Capitol Hill. Although interested in both programs, the Adams-Morgan volunteers could find neither the time to attend CLASP training sessions in Philadelphia nor the energy to start a prevention program of their own. Two months after Thomas' arrest, all remnants of their mobilization had disappeared.

There is certainly nothing un-American in that relapse toward private lifestyles. But in this case, it was hastened by the intricacies of race and class in Adams-Morgan. Despite evidence that the neighborhood's repugnance to violent crime crossed social divides, the self-appointed volunteers—all white, mostly homeowners—found no allies among black and Spanish residents of the neighborhood. As one of them said, "We looked for some spontaneous action among our black neighbors and, when we didn't see it, we took that to be a signal."

DISCOMFORTING CHOICE

The natural forum for such a dialogue would have been either the Adams-Morgan Organization (AMO) or the Advisory Neighborhood Commission (ANC). The integrated leadership of both bodies is similar in outlook, and both are chaired by Frank Smith Jr.

Smith is a veteran of the civil rights movement, from which he still carries a certain skepticism toward the privileged classes. His most persistent campaign in Adams-Morgan is to preserve the economic balance of the neighborhood—which translates into slowing down the influx of wealthier homeowners, mostly white, and the departure of low-income tenants, mostly black and Spanish.

When Smith was approached during the period of crisis over the rapist, he was reluctant to put crime control on the AMO/ANC agenda. He estimated that a publicized anti-crime program in Adams-Morgan would achieve its greatest effects as a free source of advertising for the real estate interests seeking middle-class settlers in the area.

Smith's choice, as he saw it, was between the preservation of neighborhood diversity and the restoration of neighborhood tranquility. Elsewhere, in fact successful crime prevention efforts have led to increased real estate values and the very change Smith feared.

And yet, Smith's choice was discomforting. Like other blacks from the South, Smith is appalled at the contempt many youngsters in the city show toward their elders. "The social fiber that has bound black families has broken down," Smith says. Crime is only one manifestation of the breakdown and he hopes it can be alleviated by helping low-income tenants get a stake in the community through home ownership and by improving economic and recreational opportunities for their children.

Elsewhere, black politicians, once known for their abhorrence of "law and order" politics, have been turned around through constituent pressure. Atlanta's black public safety commissioner, Reginald Daves, expressed this new impatience in what he called Daves' Law: "No matter how poor you are, there is no excuse for knocking a lady in the head or stealing her purse."

There are other problems.

One summer night in 1973, four black teenagers from a distant part of the city were walking along the 1800 block of Kalorama Road (paralleling Wyoming Avenue) when they noticed an open window on the first floor of a townhouse. They were soon inside that apartment and had tied up the two occupants at gunpoint. As the gang members collected the victims' valuables, they berated them for being white. After leaving, the gang knocked on the door of the second-floor apartment and, when it was opened, barged in and attacked that couple in just the same manner—only this time they also gang-raped and sodomized the woman resident.

Detective Tom Kelly of the Sex Investigation Division was assigned to investigate both Kalorama Road cases. His first intuition was to connect these home invasions to three others involving rape which had occurred in the preceding month around Adams-Morgan. The gang's size had varied from case to case, and a black couple had been among the victims. Yet Kelly suspected that it was all the work of a single confederation.

Ten days later, Kelly was called by 3d District Det. Peter Banks. Banks had just been interviewing a burglary suspect, Charles Isaac Kirkland, who had almost bragged of his burglaries of unoccupied homes, but had been suspiciously adamant in denying involvement in any crimes of violence.

Kelly got a copy of Kirkland's photograph, assembled it with pictures of eight other young men of similar appearance and showed his "photo lineup" to the Kalorama Road victims. Independently, all picked Kirkland out as one of the assailants, indeed the apparent ringleader.

So Charlie Kirkland was rearrested and, with his prospects looking miserable, began to talk. Four others soon joined him behind bars; a fifth, involved in only one of the cases, was arrested weeks later.

As the months passed, the 12 victims of the home invasions were brought together to observe police lineups, to give grand jury testimony and to identify their belongings from property taken from the defendants. Each trip strengthened the victims' chance alliance.

Whenever the proceedings began to wear excessively on one member, others would band around with comfort and support. Two, who worked for a local justice agency, began to monitor the case for the group. Two others became the victims' emissaries to the U.S. attorney's office.

As Assistant U.S. Attorney John F. Evans later told a reporter, the group was unusual "in the amount of contact and cooperation they offered us." Evans added, "I'm sorry we disappointed them."

What "disappointed" the victims ("infuriated" is the word they used) were the effects of the plea bargains agreed to by the prosecutors. (Despite what they thought were assurances to the contrary, the victims were not fully consulted in these negotiations.)

Kirkland, for example, was offered a plea of guilty to one armed rape, two armed robberies and a burglary—a heavy dose of culpability, claimed the prosecutors. The victims disagreed.

VICTIMS EXCLUDED

Their fears of relatively lenient sentences were not groundless. In a hearing before Judge Leonard Braman, Kirkland's lawyer seemed to get the judge's agreement to sentence Kirkland and the others under the Youth Corrections Act, which is designed to rehabilitate young first offenders.

In reaction, one victim sent Detective Kelly a note saying, "We've sent letters to Judge Braman and have contacted the Post re: publicity—what else can we do???" As it turned out, the group did not need Kelly's help, since their initial efforts proved successful.

Judge Braman withdrew the Youth Corrections Act possibility (and in doing so, allowed two defendants to withdraw their guilty pleas). And by the time each of the gang members faced a sentencing judge (the two holdouts having been convicted on practically all counts), their violent rampage through Adams-Morgan had been well publicized in the press. For the five principal offenders, the sentences ranged from a low of 10 years in prison up to Kirkland's sentence of 144 years.

The victims' alliance had affected the course of justice, and they were satisfied. And yet, what makes this "consumers' revolt" most memorable is that it was exceptional, perhaps unique, and achieved only accommodation, not reform.

Take, for example, the question of whether crime victims should be consulted when prosecutors enter plea negotiations. Unlike many others, Washington's prosecutors generally make these private arrangements with defense counsel alone, sometimes on grounds of principle, not convenience—"justice" should not be swayed by the vindictive motives of victims.

This is one of the more regrettable byproducts of the latitude given American prosecutors, judges and parole boards in punishing offenders. In order to temper the harshness in this overly discretionary system, one of the two parties who have a legitimate stake in the outcome—the victim—is simply excluded.

For all its unique qualities, Adams-Morgan has two characteristics which make it comparable to certain neighborhoods in other cities. First, it suffers from a high rate of crime—not as high as many depressed neighborhoods, but certainly high enough.

And second, it is a thoroughly integrated community; its crime victims come from all strata, while its victimizers are mostly from the poor, who in this case are mostly black. As Adams-Morgan has demonstrated, that circumstance can inhibit a sustained, collective response to crime, lest the motives be considered bigoted.

Therefore, it is worth examining one integrated neighborhood which has overcome that inhibition, to see what lessons it has for others which have not.

The Citizens Local Alliance for a Safer Philadelphia is an outgrowth of a crisis which afflicted a section of West Philadelphia in 1971. When Ellie Wegener's neighbor was raped—the third such attack in a few weeks—she and her husband, a Lutheran pastor, invited a few neighbors in to discuss the crime situation. Instead, about 30 showed up.

They mapped out several approaches to the problem. One was to seek more police protection (on the popular misconception that saturation patrols appreciably reduce crime). Within a few days, their petition contained nearly 800 signatures. When this got a chilly reception from the police, the group returned to its alternative strategy of self-help.

The technique hit upon was "block organizing." Working with Ross Flannagan, a member of a Quaker-rooted community in West Philadelphia, Mrs. Wegener encouraged neighbors to have meetings to which every block resident was invited.

The monthly meetings involved a mix of discussions about crime—from victimization stories to reports on crime prevention techniques—plus an equally long period of socializing, so that newly acquainted neighbors could get to know one another not just as victims but also as parents, basketball fans, house painters, whatever.

Many of the crime prevention measures which the block clubs adopted were of their own invention—like the use of a small freon horn which neighbors sounded whenever they were attacked or as soon thereafter as they could. To a person on an organized block, that signal means to call the police and then to sound your own horn. More than one would-be criminal has been forced to flee from a cacaphony of these devices.

While crime was the medium of organizing, the Wegener-Flannagan message involved something larger. To Wegener, "People can't live together without taking responsibility for each other."

VULNERABILITY REDUCED

That viewpoint suffuses the entire program. Organized blocks sponsor flea markets, summer-long volleyball tournaments in the streets, programs for ex-offenders and many other social and civic activities. Teams of neighbors regularly tour their streets in the evenings, armed only with freon horns, to chat with other neighbors and to indicate that they have reclaimed their neighborhood turf.

On integrated blocks, blacks and whites got to know each other, often to their mutual relief. Residents of primarily black streets also began showing interest in the program, but more in terms of "block building," not "crime prevention"; they were relatively unenthusiastic about techniques to secure their houses and apartments, over the freon horn device or over other crime prevention concepts.

And yet, just as crime prevention on Wyoming Avenue "accidentally" produced a network of friendships on the block, so the restored social networks on certain black blocks in Philadelphia reduced their vulnerability to crime. From this, Flannagan concludes, "the restored fabric of community in a neighborhood is the real basis for protecting its streets."

The block organizing led to the formation of the West Philadelphia Block Association, from which CLASP drew its citywide (now statewide) program ideas and its original co-directors, Wegener and Flannagan. Over 900 blocks in Philadelphia have been organized in this fashion and perhaps half of them continue to hold regular meetings, even long after crime and fear have gone down. (The figures are Mrs. Wegener's best estimates; the CLASP program has not been carefully evaluated.)

One offshoot of the CLASP model was "Friends in Need," a project which trained volunteers to serve as "crisis intervenors" for people left traumatized by crime. The service was effective for a time, but eventually succumbed to a case of too many demands and too few resources.

Flannagan is discouraged over the demise of "Friends in Need" and not just because crime victims who experience psychological crisis can be, but rarely are, helped. "If you leave that victim upset and unattended," he reasons, "he or she is likely to poison all the neighbors' confidence you've tried to build."

The program uncovered racial tensions which still concern Flannagan. Once, after a black youth murdered a young white man, the group fanned out to canvass the entire neighborhood, to dispel rumors and fearfulness. Another time, in helping track down a rapist, the picture of a black suspect was posted around the neighborhood with an inscription, "This brother needs help."

If, as Flannagan believes, CLASP got much of its initial momentum from white fear, it seems to be past that now. Mrs. Wegener describes the "absolutely extraordinary" success the program has had in low-income, high-crime sections of North Philadelphia over the past 1½ years—in neighborhoods which are virtually all black.

CLASP's ability to achieve what the Wyoming Avenue neighbors could not—to establish and sustain block organizations—is by no means unique. There are dozens, perhaps, hundreds, of community crime prevention programs around the country, and many have found ways to endure long after the crises which spawned them.

The instinct to get involved in the prosecution and sentencing of offenders—which motivated the Kirkland gang's victims—has also been institutionalized in some neighborhood justice programs. Two examples:

In Chicago, activists in the Organization of the North East (ONE) lobbied successfully to get two assistant prosecutors moved from headquarters to their area. These "community prosecutors" handle, from arrest through appeals, the most fearsome crime cases referred to them by neighborhood groups. Recently, ONE convinced the branch office prosecutors, probation workers and police to concentrate efforts on certain high-crime "hot spots" in the area. ONE volunteers will work closely with both the victims and the offenders in these target areas.

Trained volunteers who live in Boston's Dorchester section serve on two panels. One panel hears cases involving family or neighborhood strife and seeks to work out a mediated settlement between the disputants. The other hears cases of convicted minor offenders and fashions recommendations which are accepted by sentencing judges in over 90 percent of the cases. These neighborhood advisers have almost never recommended jail terms; but they often recommend that offenders make restitution to their victims.

These programs and many others offer a variety of techniques by which neighborhoods can resist crime. Together, they add up to an ascent "neighborhood justice" concept which has a comprehensive panoply of reforms to offer:

The organization of block residents to prevent crime and help the police apprehend suspected offenders.

The decentralization of criminal justice agencies into urban neighborhoods in order to make them more accountable to an organized citizenry and to encourage a compassionate response to the worst casualties of crime.

The adoption of reforms which recognize the legitimate status of victims in criminal prosecutions and which seek to involve neighbors in devising just sentences for local offenders.

Even without scientific findings, sponsors of the new neighborhood justice programs have ample impressionistic evidence that the programs work; that organized neighborhoods actually reduce crime; that they often become an effective social force of much broader scope, and that, far from exhibiting repressive instincts, such programs are usually civil and caring.

Those encouraging reports must be tempered with four reservations:

First, for every organized West Philadelphia neighborhood, there may be 50 Adams-Morgans, mobilized only fitfully, if at all.

Second, despite the impressive voluntary energies these programs inspire, virtually all of them have, and need, at least some financial support to stay alive.

Third, without alternatives, some neighborhoods still rise up in arms over crime—literally.

Finally, even though neighborhood justice programs can instill a degree of harmony in integrated neighborhoods, their economic effects, intended or not, are to “upgrade” the neighborhood and, at times, to displace many of its poorer residents—a harsh problem which calls for stabilization programs to complement the anti-crime efforts.

THE NEED FOR STABILITY

The idea of organized neighborhood involvement in crime control is very promising but equally fragile. As the Adams-Morgan experience shows, the concept requires more than citizen anger and mutual goodwill to survive. Inescapably, its fate is largely dependent on governmental support. As the Philadelphia experience demonstrates, such programs require a core of full-time staff people to sustain the effort once the emotional drive provoked by the immediate crisis is dissipated.

Most of the pioneer neighborhood justice programs were started by indigenous organizations with modest funding from state and local agencies receiving grant money from the Law Enforcement Assistance Administration (LEAA).

Recently, however, Congress required the national LEAA office to begin supporting such projects directly. The \$15-million Community Anti-Crime Program will begin making grants to neighborhood organizations this fall. The program is designed to minimize bureaucratic red tape. It encourages applicants to devise crime-prevention programs which also take on other elements of the neighborhood justice concept, such as services to crime victims and neighborhood participation in the sentencing and rehabilitation of offenders.

The federal government's involvement in this novel approach to crime control is salutary. Even if crime rates have leveled off, as seems to be the case, that plateau is very high: criminals victimize about 40 million Americans, or 1 in every 6, each year. These figures add up to a terrible volume of suffering. They mandate remedial inventiveness at every level of public responsibility, including the federal level. The neighborhood justice concept is an excellent candidate for that kind of experimentation.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C. May 26, 1977.

HON. GRIFFIN B. BELL,
U.S. Attorney, Department of Justice,
Washington, D.C.

DEAR MR. ATTORNEY GENERAL: On October 15, 1976, the President signed into law the Crime Control Act of 1976, which authorized the establishment of an Office of Community Anti-Crime Programs within LEAA and earmarked \$15 million in funds for community anti-crime programs. Six months later the Department of Justice has spent none of the money which was appropriated and it appears that no grants will be awarded until September at the earliest. Guidelines for the community anti-crime programs were not even promulgated by the new office until the end of April.

I find this delay to be inexcusable. At best it will have taken the Justice Department almost one year to implement a critical program to fight crime.

While I understand that one ostensible reason for the inordinate delay was that LEAA was awaiting a statutory interpretation from the General Accounting Office regarding the grant-making authority of the new Office of Community Anti-Crime Programs and an interpretation of the authority of LEAA to expend

funds appropriated for grants to be administered by that office, I find a certain bitter irony in the fact that a \$15 million program was put in suspended animation for five months while the Department of Justice sought legal advice from an outside agency, the GAO. I am also curious as to why it will have taken two months from the date of GAO's reply to draft guidelines for this program.

Congress felt strongly that the participation of local communities and citizens at the neighborhood level was crucial to the law enforcement effort. I am chagrined to find that the Department of Justice apparently does not share this sentiment and has frustrated the will of Congress by inaction.

I would appreciate your looking into this matter to see what steps can be taken to get this program moving as quickly as possible.

AUGUST 2, 1977.

HON. GRIFFIN B. BELL,
Attorney General, Department of Justice
Washington, D.C.

DEAR MR. ATTORNEY GENERAL: I am writing to express to you my concerns regarding the Community Anti-crime Program within the Law Enforcement Assistance Administration, and to call to your attention certain shortcomings of LEAA in carrying out legislative intent expressed in the legislation authorizing this program. This matter was the subject of a May 26, 1977, letter to you from me.

The Community Anti-crime Program was created by the Crime Control Act of 1976, which was signed into law on October 15, 1976. In the more than nine months that have passed since then, I have as Chairman of the Subcommittee on Crime, through personal meetings, written correspondence, and, finally, through a legislative hearing, attempted to communicate to the leadership of LEAA my understanding of what Congress intended in passing this law, and to convince LEAA to implement the program in a manner consistent with legislative intent. I want to stress, Mr. Attorney General, that I have no desire or intent to usurp proper executive discretion in implementing legislation such as this. In this situation, however, I find that discretion is being exercised in areas where no discretion is permitted by the statute, or to reach a result contrary to the mandates of the statute.

To date, my attempts have not succeeded in convincing LEAA. The Office of Community Anti-crime Programs created by the Crime Control Act of 1976 has not been staffed other than on a skeleton basis, and is headed by a part-time Director with several other program responsibilities. The Program was created to provide financial assistance to grass-roots neighborhood citizens' groups. At a Subcommittee hearing on the Program in May, I noted that the proposed Program guidelines contained insufficient provisions to guarantee that the money would reach this level. LEAA's response was to relax even further the language in question when the final guidelines were issued, an action which suggests to me an open and arrogant insult to myself and the Congress.

Associate Deputy Attorney General Walter Fiederowicz has been furnished by Subcommittee staff with considerable detail and documentation regarding my exceptions to the manner in which this Program is being approached by LEAA. I ask you to review the matter, and, if you agree with my conclusion that Congressional intent is not being carried out, to use your policy direction authority to order proper remedial steps.

Sincerely,

JOHN CONYERS, JR.,
Chairman, Subcommittee on Crime.

