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Improvements Needed In Federal Agency Coordination And Participation In The Model Cities Program B-171500

Office of Management and Budget
and other Federal Agencies

**UNITED STATES
GENERAL ACCOUNTING OFFICE**

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JAN. 14, 1972



UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

CIVIL DIVISION

B-171500

Dear Mr. Shultz:

This is our report on improvements needed in Federal agency coordination and participation in the Model Cities Program by the Office of Management and Budget and other Federal agencies.

61-4) Copies of this report are being sent to the Senate and House Committees on Appropriations and Government Operations and their related subcommittees and to other Senate and House committees and subcommittees interested in the matters discussed in this report. 1300
1500

Copies are also being sent to the Secretary of Health, Education, and Welfare; the Secretary of Housing and Urban Development; the Secretary of Labor; the Secretary of Transportation; and the Director, Office of Economic Opportunity.

Sincerely yours,

A. T. Samuelson

Director, Civil Division

The Honorable George P. Shultz
Director, Office of Management
and Budget

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ABBREVIATIONS

CDA City Demonstration Agency
DOL Department of Labor
DOT Department of Transportation
GAO General Accounting Office
HEW Department of Health, Education, and Welfare
HUD Department of Housing and Urban Development
OEO Office of Economic Opportunity
OMB Office of Management and Budget

D I G E S T

WHY THE REVIEW WAS MADE

The Model Cities Program was established in 1966 to demonstrate that the living environment and general welfare of people living in slum and blighted neighborhoods could be improved substantially through concentration of Federal, State, and local efforts.

2 The Department of Housing and Urban Development (HUD), has overall administrative responsibility. At the Federal level nine agencies administer programs which involve model cities activities. 23

HUD selected 150 cities to participate in the program. As of April 1971 HUD had awarded grants totaling about \$704 million to 139 of those cities to implement model cities projects.

Because the success of this program depends to a great extent on the cooperation and coordination among the participating Federal agencies, the General Accounting Office (GAO) examined into the policies and procedures established by HUD and other Federal agencies to coordinate Federal financial and technical assistance.

FINDINGS AND CONCLUSIONS

Federal agency studies--made for the purpose of examining into the manner in which Federal participation in the Model Cities Program could be strengthened--indicated a need for improvement in Federal agencies' responses to the Model Cities Program.

In a Federal interagency report, it was pointed out that Federal agency financial and staff commitments to the Model Cities Program had not been adequate to accomplish the objectives of the program. Recommendations to improve the level of coordination among Federal agencies were not always adopted by the agencies. (See pp. 11 to 19.)

GAO noted that HUD and other Federal agencies often had not agreed on the appropriate levels of Federal funding and staffing commitments necessary to accomplish the goals of the Model Cities Program.

Also HUD and other Federal agencies have not agreed on the roles of their respective agencies relative to the responsibilities for reviewing, approving, and administering model cities plans and programs. (See pp. 24 and 25.)

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Federal agencies could participate in the Model Cities Program more effectively

- if regional representatives assigned to coordinate Federal agency participation had adequate staff support and authority to represent their agencies and
- if specific and timely information was provided to cities on the availability of Federal funds to support model cities projects and if procedures to identify and solicit potential sources of financial and technical assistance for such projects were developed and implemented. (See pp. 26 to 30.)

The success of the Model Cities Program depends to a great extent on the continuous support of, and the funding and staffing by, participating Federal agencies. Measures therefore should be initiated at the Federal level to help ensure that adequate participation is provided. Further an agency having central authority should, as a minimum, establish procedures to monitor and evaluate the Federal level of participation and commitment to the program. These evaluations should include an analysis of the differences in concepts, views, and practices that exist among the Federal agencies in their responses to the cities' expressed needs for increased levels of Federal financial, technical, and administrative assistance. (See p. 32.)

RECOMMENDATIONS OR SUGGESTIONS

The Director of the Office of Management and Budget should

- monitor and periodically evaluate the level of Federal agencies' responses to the model cities concept and
- make such suggestions and recommendations to the participating Federal agencies as appear to be appropriate under the circumstances, to help ensure that the agencies respond to the model cities concept at a level that is consistent with the Administration's expressed support of the program. (See p. 33.)

AGENCY ACTIONS AND UNRESOLVED ISSUES

We presented our draft report to HUD, the Office of Management and Budget (OMB), and four other Federal agencies for their review and comments. (See pp. 34 to 38.)

The Assistant Secretary for Community Development, HUD, although deferring to OMB on the question of whether OMB should monitor and periodically evaluate the Federal agencies' responses to the model cities process, told GAO that HUD welcomed assistance which might help accomplish its mandate under the Model Cities Act.

Officials of OMB stated that the interagency problems under the Model Cities Program were being considered under the Administration's recent proposals on the reorganization of the executive branch of the Federal Government and on revenue sharing.

The Administration's proposal on the reorganization of the executive branch of the Federal Government, as initially sent to the Congress, would replace seven of the present executive departments and other agencies with four new departments. Implementation of these proposals would reduce the present fragmentation of responsibility and authority. Since there would be four Federal departments, however, a need still would remain for interdepartmental cooperation and coordination to accomplish the basic objectives of the Model Cities Program. GAO's recommendations to the Director of OMB on this matter are on page 33.

CHAPTER 1

INTRODUCTION

The Model Cities Program was established by title I of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3301) which is referred to as the Model Cities Act. The Department of Housing and Urban Development has primary administrative responsibility for the program. Other Federal agencies participating in the program include the Office of Economic Opportunity (OEO) and the Departments of Agriculture; Commerce; Health, Education, and Welfare (HEW); the Interior; Justice; Labor (DOL); and Transportation (DOT).

The Model Cities Program was established to demonstrate that the living environment and general welfare of people living in slum and blighted neighborhoods could be improved substantially through a comprehensive, coordinated Federal, State, and local effort. Specifically the purposes of the program are to:

- Rebuild or revitalize large slum and blighted areas.
- Expand housing, job, and income opportunities.
- Reduce dependence on welfare payments.
- Improve educational facilities and programs.
- Combat disease and poor health.
- Reduce the incidence of crime and delinquency.
- Enhance recreational and cultural opportunities.
- Establish better access between homes and jobs.
- Generally improve living conditions for the people in such areas.

At the local level the development and execution of the Model Cities Program is the responsibility of a City Demonstration Agency (CDA). The CDA may be an administrative

unit of the city or county or a separate local public agency that is responsible to the sponsoring city or county.

The CDA essentially is a planning and coordinating organization and usually arranges for the administration of the model cities projects with other local agencies. Generally a comprehensive local model cities program involves public and private agencies operating outside the jurisdiction of the CDA. In addition, State, county, and metropolitan agencies responsible for programs in the areas of health, education, planning, employment, welfare, economic development, transportation, community action, pollution control, recreation, and related fields are expected to contribute financial and technical assistance to local model cities programs.

A local model cities program consists of (1) a 5-year comprehensive plan which describes the needs of the city in terms of the projects required to make a substantial impact on the social, economic, and physical problems of the city and (2) a first-year "action" program which outlines projects or activities to be initiated during the first year of program operations.

RESPONSIBILITIES OF HUD

Under the Model Cities Program, HUD provides financial and technical assistance to CDAs in the development of their comprehensive plans. HUD reviews model cities plans and consults with other Federal agencies which are expected to provide financial and technical assistance to CDAs in the planning and implementing of their comprehensive plans.

HUD provides grants to cities to pay up to 80 percent of the costs of developing model cities plans. These grants are provided for identifying the needs of the model neighborhood; coordinating the planning activities of Federal, State, and local agencies; and involving neighborhood residents in the planning process. As of April 1971 HUD had provided \$22.2 million to 150 cities for planning purposes.

After its approval of a model cities plan, HUD provides grants to the city to carry out projects or activities that are included in the approved model cities program. The

amounts of the grants are established by taking into account the extent and intensity of economic and social pressures in the model cities neighborhoods. Such pressures result from population densities, poverty levels, unemployment rates, public welfare participation levels, educational levels, health and disease characteristics, crime and delinquency rates, and the degree of substandard and dilapidated housing.

These grants are provided to the cities primarily to assist in supporting new projects and activities not aided under other Federal categorical grant-in-aid programs, such as social and welfare assistance programs administered by HEW. Also to the extent that such grants are not necessary to fully support new projects, they may be used as the required non-Federal contribution for model cities projects or activities assisted under other Federal grant-in-aid programs. Such grants generally are referred to as HUD supplemental grants.

Although HUD supplemental grants may be used as the non-Federal contribution for individual model cities projects, section 108 of the Model Cities Act limits the amount of HUD supplemental grants to the cities to 80 percent of the total amount of non-Federal contributions that are required to carry out those Federal programs included in the HUD-approved model cities plans. A listing of the 150 model cities and the amounts of HUD supplemental grants allocated to each city is included as appendix I.

FEDERAL AGENCY COORDINATION

Section 103 (b)(2) of the Model Cities Act provides that the Secretary of HUD:

"*** insure, in conjunction with other appropriate Federal departments and agencies and at the direction of the President, maximum coordination of Federal assistance ***."

The act provides also that the Secretary consult with other Federal agencies before issuing regulations governing the program and before making grants to cities.

In its attempts to provide coordinated Federal support of the program, HUD established the Washington Interagency Coordinating Committee composed of representatives of HEW; DOL; OEO; and the Departments of Agriculture, Commerce, and Justice. The purpose of this committee is to advise HUD on the development and implementation of model cities policies and on the coordination of Federal agencies' efforts at the headquarters level.

At the regional level HUD established Regional Interagency Coordinating Committees composed of representatives of the various Federal agencies involved in the Model Cities Program. The Regional Interagency Coordinating Committees are responsible for implementing model cities policies, coordinating Federal agency activities at the regional office level, and providing information and technical assistance to CDAs and to the various public and private agencies carrying out model cities projects.

To further promote Federal interagency coordination, the President--in January 1969--established the Council for Urban Affairs. The Council was composed of the President; the Vice President; the Attorney General; the Secretary of Agriculture; the Secretary of Commerce; the Secretary of Health, Education, and Welfare; the Secretary of Housing and Urban Development; the Secretary of Labor; and the Secretary of Transportation. Specific responsibilities of the Council included assisting the President in developing a national urban policy, promoting the coordination of

Federal programs in urban areas, encouraging cooperation among all levels of government, and encouraging local decisionmaking.

In June 1969 the Council was given direct responsibility by the President for the development of interdepartmental policy affecting the Model Cities Program. In July 1970 this Council was abolished and its functions were transferred to the newly formed Domestic Council composed of various officials of the Executive Office of the President.

STATUS OF MODEL CITIES PROGRAM

HUD selected 150 cities to participate in the Model Cities Program. The District of Columbia and cities located in 45 states and in Puerto Rico were selected. In the spring of 1968, HUD awarded planning grants to 75 of the first cities requesting assistance under this program. Such cities generally are referred to as "first-round cities."

In the fall of 1968, grants were made to the remaining 75 cities. We were informed by HUD officials that these cities, known as "second-round cities," had been included in the program because the Congress--in fiscal year 1969--had appropriated additional funds for the Model Cities Program.

As previously mentioned a total of \$22.2 million was awarded to 150 cities for planning their model cities programs. Subsequently most of these cities were awarded supplemental model cities grants to assist in the implementation of the planned projects. As of April 1971 HUD had provided supplemental grants of about \$704 million to 139 of the 150 cities.

SCOPE OF REVIEW

Our review which was made at the central office of HUD in Washington, D.C., and at three model cities--Atlanta, Georgia; Chicago, Illinois; and Seattle, Washington--was directed to an examination of the efforts of HUD and other Federal agencies in providing financial, technical, and administrative support to the Model Cities Program.

Our review did not include an in-depth examination of the execution of individual projects, a review of the effectiveness or results of individual model cities programs, or an analysis of the views expressed and positions stated by the Federal agencies regarding their levels of participation in the program. Our review efforts, however, included discussions with Federal, State, and local representatives of those matters affecting the overall administration of, and interagency coordination and cooperation under, the Model Cities Program.

CHAPTER 2

NEED FOR IMPROVEMENT IN FEDERAL AGENCY

COORDINATION AT HEADQUARTERS LEVEL

The results of our review and certain interagency studies--made for the purpose of examining into the manner in which Federal participation in the Model Cities Program could be strengthened--showed a need for certain improvements in the administration of the Model Cities Program. We noted that recommendations made as a result of interagency studies and directed, in many cases, toward improving the level of coordination among Federal agencies, had not been adopted by the agencies.

Our review and the interagency studies showed that HUD and other Federal agencies differed in their views on the appropriate levels of Federal funding and staffing commitments necessary to accomplish the goals of the Model Cities Program. Also officials of HUD and other Federal agencies have not agreed on the roles of their respective agencies relative to the responsibilities for reviewing, approving, and administering model cities plans and programs.

FEDERAL INTERAGENCY STUDY AND AGENCIES' RESPONSES

In September 1969 an interagency study team completed an examination of Federal agencies' responses to the Model Cities Program and made certain recommendations for improvements in the administration of the program. This examination was made at the request of the Under Secretaries' Group for Model Cities, which was established by the Council for Urban Affairs. The Under Secretaries' Group for Model Cities consisted of the Under Secretaries of Commerce; Health, Education, and Welfare; Housing and Urban Development; Labor; and Transportation and the Deputy Director of the Office of Economic Opportunity. The interagency study team consisted of representatives of HEW, HUD, DOL, DOT, and OEO.

The study team reported that Federal agency financial and staff commitments to the Model Cities Program had not been adequate to accomplish the objectives of the program.

Summaries of the study team's conclusions and recommendations are presented below.

Funding of Model Cities programs

Conclusions

Federal funds are inadequate to meet the needs of the 150 model cities, and Federal agencies are reluctant to re-direct their priorities toward meeting those needs; there is not an adequate system for setting aside categorical grants for model cities; overly rigid application of individual Federal program guidelines prevents the funding of model cities projects; and Federal agencies have not used section 108 of the Model Cities Act, which allows funds for model cities to be carried over from one fiscal year to the next.

Recommendations

Develop an annual funding commitment or earmarking process through which Federal agencies provide cities with firm funding levels based on projections of demands by city and program; help ensure that categorical grant program guidelines are applied flexibly to model cities projects by separating statutory from administrative requirements and by issuing statements and instructions for applying guidelines; and have agencies uniformly apply section 108 of the act.

Technical assistance provided to model cities

Conclusions

Federal employee resources are inadequate to meet the needs of the 150 model cities, and available employees have been spread too thin by trying to provide assistance in the overall program planning as well as in the development and processing of project applications.

Recommendations

Federal employees should inform CDAs of the available Federal programs and should assist CDAs primarily in the processing of project-funding applications rather than assist in program planning.

Processing of model cities plans

Conclusion

Review and approval of comprehensive model cities plans are carried out primarily by HUD, even though this function is important in establishing a true interagency approach to the Model Cities Program.

Recommendation

Strengthen the process of reviewing comprehensive model cities plans by providing for each regional interagency coordinating committee member to have veto power over individual projects in the plan as well as over the entire plan.

Local coordination and control

Conclusion

Relationships between CDAs and OEO's local Community Action Agencies have been studied and debated for some time, but differences have not been satisfactorily resolved. As a result CDAs and Community Action Agencies often duplicate staff, planning, coordination, and programming in model neighborhoods.

Recommendation

Call high-level meetings between HUD and OEO to resolve the issues between CDAs and Community Action Agencies.

Organization

Conclusion

Regional Interagency Coordinating Committees lack continuity of membership, authority, and staff support.

Recommendation

Reconstitute the Regional Interagency Coordinating Committees as the key operating and coordinating bodies in the regions. Provide a full-time representative from each

agency who has the authority to speak for his regional administrator. Also each agency should provide adequate staff support to its representatives.

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The above conclusions and recommendations of the inter-agency study team were presented to the Assistant Secretaries' Working Group for Model Cities, which was established by the Council for Urban Affairs and which consisted of representatives of the Federal agencies participating in the Model Cities Program. The study team also suggested that a Federal interagency group be established under the direction of the Office of Executive Management, Bureau of the Budget,¹ to help ensure the effective and timely implementation of the above recommendations.

The Assistant Secretaries--representing their respective agencies--submitted to the Under Secretaries' group their views and comments on the specific recommendations that were made by the study team. The views expressed by these officials on the reasonableness and/or feasibility of the study team's recommendations varied widely. For example, in response to the recommendation that agencies earmark funds for cities (see p. 12), HEW officials stated that giving higher priority to as few as 15 but not more than 50 cities would be essential for realistic HEW support of the Model Cities Program.

On the other hand OEO officials, in responding to this recommendation, stated that the earmarking of new funds was not as important to the program as was the effective utilization of the programs that were already available to model neighborhoods. OEO officials stated also that their review of the comprehensive plans of the first 30 model cities had

¹Effective July 1, 1970, the Office of Management and Budget was established pursuant to Reorganization Plan 2 of 1970, and functions of the Office of Executive Management, Bureau of the Budget, were transferred to the newly established Organization and Management Systems Division, Office of Management and Budget.

shown that the cities were not utilizing fully the existing Federal programs. Officials of DOT, in replying to the study team's recommendation on earmarking, stated that certain DOT policy or legislative revisions might be necessary for them to implement the study team's recommendations.

Further evidence of the divergent views of the Federal agencies was noted in connection with the study team's recommendation that Regional Interagency Coordinating Committee members have veto power over individual projects in the model cities plan as well as over the entire plan. (See p. 13.) HEW officials stated that, at the level of the Regional Interagency Coordinating Committees, Federal agencies should have final approval authority over only those projects which fall within their respective areas of expertise and which are to be funded with HUD supplemental funds.

HUD officials, on the other hand, expressed strong objections to this recommendation, stating that the Model Cities Program could not be administered effectively by a committee of agency representatives who had equal authority and responsibility for the review and approval of program plans.

On the basis of the findings and recommendations presented by the interagency study team and of the subsequent views of the Federal agencies, the Assistant Secretaries' group made certain recommendations to the Under Secretaries' group on those matters which, in their opinion, represented the most critical issues. These recommendations follow.

1. Each Federal agency should earmark funds for each model city on the basis of the projected program demands of the individual cities.
2. Each Federal agency should make its administrative guidelines flexible enough to respond to local model cities plans.
3. In the processing of applications for categorical grants for projects connected with local model cities plans, each agency should establish a priority for

those projects which were initially funded with supplemental funds but which were funded with the intent that categorical grants would be substituted in subsequent years.

4. To strengthen the capacity of the Regional Inter-agency Coordinating Committees, each agency should take steps to assign to each committee a full-time representative having access to regional administrators and functional program specialists.
5. To prevent undue hardship to cities, the review and announcement of approval or disapproval of model cities plans by appropriate parties, following regional approval, should take a maximum of 60 days.
6. There should be interagency development of an appropriate interpretation and process for applying section 108 of the Model Cities Act by each Federal agency.
7. To improve interagency planning, each agency should have a common system to provide CDAs with information on the overall Federal dollar flows to their cities and States and to provide key information on Federal application processing.
8. The Assistant Secretaries' group should continue to investigate alternative organizational arrangements for providing functional and program specialists to assist the Regional Interagency Coordinating Committees.
9. Each agency should work out a strategy for effecting an increased and more coordinated State response to funding and technical assistance needs of model cities.
10. The Assistant Secretaries' group should develop a common system for ensuring that the local chief executive (such as the mayor of a city) has the opportunity to review applications for Federal funds to be used in the model neighborhood prior to submission of fund applications and prior to approval by Federal agencies.

11. The Assistant Secretaries' group should carry out policies and perform conflict-solving tasks. The Under Secretaries' group should remain as a policy body.

As mentioned previously the Assistant Secretaries' group submitted these recommendations to the Under Secretaries' group. Our review showed that as of June 1971 these recommendations had not been acted upon by the Under Secretaries' group. A HUD official informed us that the consideration of these recommendations by the Under Secretaries' group no longer would be appropriate in view of the Administration's proposal to incorporate the Model Cities Program into the pending urban community development special revenue-sharing program.

We noted, however, that, at the request of the Under Secretaries' group, the Assistant Secretaries' group had made an effort to have the participating Federal agencies earmark Federal funds. Summaries of the positions of the agencies on the subject of earmarking funds for model cities were prepared in September 1969, and the agencies again expressed divergent views on the need for such commitment of funds. The Assistant Secretaries' group subsequently reported to the Under Secretaries' group that the participating Federal agencies had not made clear priority commitments to the Model Cities Program.

In addition to making the above effort to have agencies earmark funds, the Assistant Secretaries' group presented to the Under Secretaries' group specific recommendations for certain actions to be taken by each Federal agency to improve interagency funding for fiscal year 1970. The Assistant Secretaries' group recommended that, by October 30, 1969, each participating Federal agency allocate funds for model cities by specific region and program.

By letter dated June 8, 1970, we requested the Assistant Secretary for Model Cities,¹ HUD, to provide us with

¹Effective March 1, 1971, responsibility for the administration of the Model Cities Program was transferred to the Assistant Secretary for Community Development.

certain data on the actions taken by the participating Federal agencies relative to the earmarking of funds in fiscal year 1970 for model cities programs and on the measures planned by HUD to help ensure that the agencies--to the extent feasible--were earmarking funds pursuant to the objectives of the Model Cities Program. In addition, because many of the matters recognized by the interagency study team still existed at the time of our review, we requested the Assistant Secretary to advise us as to whether the study team's recommendations (see pp. 15 to 17) were to be adopted by the participating agencies.

In a letter dated July 9, 1970, the Assistant Secretary for Model Cities informed us that both of the above matters were still under review by the participating agencies and by the Council for Urban Affairs.

On October 21, 1970, we met with the Assistant Secretary who advised us that the cabinet-level review of the Model Cities Program had resulted in the adoption of a new approach to the program. He stated that the Domestic Council, which had assumed the functions of the Council for Urban Affairs on July 1, 1970, had been requested by the President to develop proposals which would help to improve the Federal capacity for responding to the model cities concept and to increase the ability of model cities to build local capacity for meeting locally defined problems.

The Secretary of HUD informed us that, to make the model cities efforts a more effective part of the Administration's national urban policy, significant planned variations in the program would be initiated immediately in 12 to 18 participating model cities. The major variations would

- eliminate all but statutorily defined Federal reviews concerning the use of supplemental and categorical funds in cities;
- permit development of model cities plans and programs for entire cities rather than just model neighborhoods; and
- grant local chief executives the right to review, comment, and sign off on all Federal agency categorical programs prior to use in their cities.

HUD officials advised us that each of the above variations-- as well as certain combinations of these variations--would be tried in the cities to be selected. On July 29, 1971, the Secretary of HUD announced the selection of 20 cities for participation in the planned variations.

With respect to earmarking funds for model cities, the Assistant Secretary for Model Cities advised us that certain members of the Domestic Council had requested the Office of Management and Budget (OMB) to develop, for use by Federal agencies, certain strategies which would make the earmarking process more responsive to the needs of the model cities. In this regard an OMB official informed us in November 1970 that OMB had participated in discussions of fund reservations at Domestic Council meetings and had presented suggestions to the Council for use in Federal agency deliberations on the earmarking of funds.

DIFFERENCES BETWEEN HUD AND
OTHER FEDERAL AGENCIES REGARDING
PARTICIPATION IN MODEL CITIES PROGRAM

In reviewing the manner in which HUD had carried out its responsibility for ensuring maximum coordination of Federal assistance under the Model Cities Program, we examined into the type and extent of coordination established between HUD and three other major Federal agencies participating in the program. These three agencies--DOL, HEW, and OEO--were selected because they represented the major program areas in which financial and technical assistance was needed for many of the projects that were included in approved model cities plans. We found that these agencies disagreed on (1) the need for certain types of commitments to the program and (2) their respective responsibilities relative to certain aspects of the administration of the Model Cities Program.

Funding and staffing commitments

We believe that there is a need for agreement between HUD and other Federal agencies regarding appropriate levels of funding and staffing commitments to be provided to the Model Cities Program.

HUD and DOL have disagreed on the adequacy of DOL support of the Model Cities Program and on the manner in which such support should be provided. After the study of the Federal agencies' responses to the Model Cities Program was completed in September 1969 (see p. 11), HUD recommended that DOL earmark funds for model cities.

DOL officials, in response to this recommendation, stated that DOL did not plan to make specific fund allocations for any of the model cities. These officials, although taking the position that DOL funds would not be allocated for model cities, stated also that existing DOL programs represented DOL's major contribution to the model cities effort. For example, DOL officials said that the Concentrated Employment Program for which Federal funds of about \$150 million were provided, was the primary DOL contribution to the Model Cities Program.

In addition to requesting DOL to earmark funds for model cities projects and activities, HUD requested DOL to

establish, for those model cities programs for which funds could not be earmarked, some type of priority system under which the cities would be given additional assurances relative to receiving Federal financial assistance for DOL programs established in model neighborhoods.

DOL officials, however, stated that CDAs should use existing DOL programs in the development and execution of their model cities programs. They stated also that appropriate priority consideration for model cities projects could be obtained if CDAs participated in the existing Cooperative Area Manpower Planning System which was sponsored by DOL and other Federal agencies for the purpose of coordinating manpower programs at the local level.

Information obtained from HUD showed that HUD and DOL could not reach an agreement on the amount of DOL funds that should be made available for model cities programs. HUD officials stated that, in their opinion, further negotiations between the two agencies on this matter would not be beneficial. In June 1970, however, DOL agreed to transfer about \$4.4 million to HUD for the hiring, training, and upgrading of employees under a Public Service Career program which was to be conducted in connection with the Model Cities Program.

In addition to making requests for DOL funding, HUD recommended in September 1969 that DOL instruct its technical assistance contractors and its staff to provide technical assistance to model cities on the basis of a plan which was to be developed jointly by DOL and HUD. DOL officials stated that certain improvements were being made in various DOL manpower training systems which involved technical assistance and that, to the extent that such systems and the accompanying technical assistance were improved, the Model Cities Program would be benefited. A separate DOL-HUD plan, however, was not developed.

In contrast to the DOL position that funds would not be earmarked for model cities, HEW was in favor of earmarking funds. HEW's policy was to earmark for model cities approximately one third of the HEW program funds available for new projects. HEW subsequently decided that, to provide a realistic level of support for the model cities effort, its funds must be concentrated in fewer than 150 model cities.

For fiscal year 1969--the first action year for many of the model cities--HEW earmarked about \$65 million and obligated about \$62 million for 110 model cities. In evaluating its fiscal year 1969 efforts, however, HEW officials stated that the funds had been spread too thin and often had been made available for programs which had not been responsive to the greatest needs identified by the model cities.

Therefore in October 1969 HEW developed earmarking procedures to be used in fiscal year 1970, which were designed to overcome weaknesses noted in earmarking funds in fiscal year 1969. HEW decided to earmark about \$55 million for new model cities projects and to concentrate the funds in only 55 cities.

In March 1970, however, HUD officials stated that the entire amounts of funds reported by HEW as earmarked for model cities had not been made available to the cities and that many programs that had been funded by HEW had not been responsive to the needs of the model neighborhoods' residents.

In an attempt to improve the earmarking process and to determine the level of the cities' demands for its funds, HEW established a preapplication process for certain model cities programs. Under this process HEW provided CDAs with information on the programs for which funds had been earmarked and requested the cities to submit preapplication forms to the appropriate HEW regional offices. Preapplications did not constitute formal application documents, and the individual agencies and bureaus of HEW were not committed to provide funds for specific projects by approving the preapplications submitted by the cities. The HEW regional offices, however, provided certain technical assistance to the cities in developing their formal applications for funding of projects included in the preapplication process.

In an additional attempt to be responsive to the model cities planning process, the Secretary of HEW, in November 1969, approved a recommendation of the HEW Task Force on Interagency Funding relative to the establishment of a procedure for CDA review and approval of all projects financed with HEW grant funds not identified for specific ongoing programs (discretionary grant funds) which should have a significant impact on the model neighborhood.

Before HEW approves a project for funding under this procedure, the CDA director is required to certify that the project is consistent with the plans and strategies set forth in the city's overall model cities program.

In addition, at the time of our review, consideration was being given by HEW to extending the scope of the CDA review and project approval procedure to include other local government bodies not participating in the program. The implementation of this procedure, according to HEW officials, would ensure that projects funded by HEW were consistent with local comprehensive plans for municipal development and that the projects duly reflected locally established priorities.

Effective fiscal year 1972 HEW discontinued earmarking funds for model cities and abolished the previously established preapplication process. HEW stated that this action had been taken because of the anticipated sharp reduction in discretionary funds and because of its plan to incorporate the model cities earmarking process into the HEW operational planning system which is designed to help ensure that any available discretionary funds are directed to model cities.

In response to inquiries from HUD, OEO stated as early as June 1968 that it would be extremely difficult, if not impossible, for OEO to earmark funds for individual model cities. After a further review of its position, OEO stated in October 1969 that it would maintain the current funding level of \$400 million annually for its local community action agencies serving the 150 model cities, that it would continue to fund at \$4 million annually a project to develop resident participation in the Model Cities Program, and that it would reserve \$13.3 million from other fiscal year 1970 funds specifically for model cities.

OEO officials subsequently reported that, because of OEO budget reductions, CDAs should not expect to receive the \$13.3 million in OEO funds. In March 1970 an OEO official stated that the only firm earmark for fiscal year 1971 would be a continuation of the \$4 million project for the development of resident participation. This official stated also that OEO had been reluctant to earmark funds for model cities because executive-level commitment to the program was

lacking, because OEO funds were appropriated by the Congress for cities and priorities as OEO deemed appropriate, and because OEO believed that its system of assisting the cities was more successful than the Model Cities Program.

With regard to HUD's commitment to the Model Cities Program, we noted that, for fiscal years 1969 through 1971, about \$1.2 billion was earmarked from the various categorical programs. Also, in an effort to strengthen the CDA as a planning and coordinating institution, in 1968 HUD developed a project referral and approval system which permitted the mayor of a city, working through the CDA and its citizen participation structure, to review all programs which materially affected the model neighborhood and its residents. According to HUD, because this type of project approval ensures certain levels of priority in both the processing of applications and the funding of projects, the CDA can direct many of the public and private agencies' programs to serve the intent of the model neighborhood and its residents.

In response to HUD's requests to earmark specific funds for the Model Cities Program, DOL and OEO did not agree that the earmarking of funds was essential to the fulfillment of the basic objectives of the Model Cities Program and suggested that HUD give more attention to coordinating and re-directing existing Federal programs as a means of accomplishing the objectives of the Model Cities Program.

Responsibility of Federal agencies for
review, approval, and administration
of model cities plans and programs

In addition to the need for agreement and coordination between HUD and other Federal agencies regarding financial support of the Model Cities Program, there appears to be a need for agreement between Federal agencies on the role that each agency will play in the review, approval, and administration of model cities plans and programs.

HUD, in defining its role and its relationship with other Federal agencies, stated in December 1967 that it had final administrative responsibility for the Model Cities Program and that, for the program to be successful, effective cooperation must be established between Federal agencies at

the headquarters and regional office levels. Regarding approval of comprehensive model cities plans, HUD stated that, if other agencies had major reservations about a particular model city plan, action would be taken, when possible, to correct the problems before HUD finally approved the plan. HUD officials stated, however, that in their opinion too much delay in the review and approval of the plans would force the cities out of the Model Cities Program.

We noted that participating Federal agencies on several occasions expressed objections to HUD's having final approval authority of model cities plans because, in their opinion, HUD had attempted to exercise control over all programs operating in the model neighborhoods. In a September 1969 report summarizing the difficulties encountered in HUD-DOL interagency relationships in the Model Cities Program, DOL officials cited examples of model cities plans on which HUD had taken actions that were contrary to the positions of other Federal agencies. DOL officials stated that HUD often chose to establish certain operational policies for the Model Cities Program without consulting with the other participating Federal agencies.

In addition to emphasizing the need for control over projects in their areas of program responsibility, DOL and HEW officials, in several cases, questioned the feasibility and/or future funding of projects initiated in their program areas with HUD supplemental funds. DOL officials reported that they had received contradictory responses from HUD on whether the use of HUD supplemental funds for a certain manpower project eliminated the need for DOL consultation and guidance on that project.

We believe that the roles and operating relationships of the Federal agencies expected to participate in the program were not defined and clarified adequately. We believe also that the above information clearly demonstrates the disagreement and the apparent lack of coordination between HUD and other Federal agencies relative to their individual roles and operating relationships under a program which requires a high degree of Federal agency cooperation.

CHAPTER 3

NEED TO IMPROVE FEDERAL AGENCY

PARTICIPATION AT REGIONAL LEVEL

Effective cooperation is mandatory among Federal agencies, in their regional as well as in their headquarters offices, to help ensure that the HUD-approved plans of the cities to develop and carry out their local programs are accomplished. Our review showed that certain measures should be implemented at the regional office level to improve the Federal interagency coordination under the Model Cities Program.

We believe that there is a need for

- increased regional office staff and authority to effectively coordinate Federal agency participation in the Model Cities Program,
- specific and timely information on the availability of Federal funds to support model cities projects, and the development and implementation of procedures to identify and solicit potential sources of financial and technical assistance for such projects.

REGIONAL-LEVEL STAFF COMMITMENT, AUTHORITY, AND INFORMATION ON AVAILABILITY OF FEDERAL FUNDS

Our review indicated that the Federal agency representatives designated as members of the Regional Interagency Coordinating Committees, in carrying out their responsibilities for the review of model cities plans, may have been hampered by the lack of adequate staff support. In reviewing the level of Federal agencies' regional office coordination, we visited three regions involving model cities participation by three major Federal agencies--HEW, DOL, and OEO. These agencies represent the major program areas of the approved model cities plans in which significant levels of Federal support (financial, technical, and administrative) are required.

In two of the regions we were advised by DOL and OEO committee members that they did not have sufficient staff support from their agencies to review adequately the model cities plans, attend committee meetings, provide the required technical assistance to the model cities, and perform additional functions essential to the program.

We noted that certain problems relative to the coordination of the Federal agencies' responses at the regional level were attributable, in our opinion, to the lack of (1) authority of the agencies' representatives and (2) pertinent data on the availability of Federal funds for model cities projects.

Guidelines relative to the functions of the Regional Interagency Coordinating Committees, dated December 1967, that were prepared under an interagency agreement among the Secretaries of Health, Education, and Welfare; Housing and Urban Development; and Labor; and the Director of OEO, indicated that each agency would establish and delegate to their representatives the level of authority that they considered appropriate to carry out the functions of the committees.

We found that, in meeting these responsibilities, the Federal agencies other than HUD had not authorized their committee members to make any commitments regarding the agencies' future roles in carrying out specific model cities projects or programs. Therefore members of the Regional Interagency Coordinating Committees acted primarily as an advisory body, and HUD had the final authority for the approval of the model cities plans. Under this arrangement model cities plans often were approved by HUD without any assurances that the other agencies participating in the reviews of the plans would be able to provide adequate financial and technical support for projects included in the approved plans.

In the area of Federal financial assistance, we noted that the committee members frequently had reported that they did not have sufficient data on the availability of their agencies' funds for model cities projects. During our review at one HEW regional office, we found that funds which had been reported by the committee members as being

reserved for the Model Cities Program had been committed previously to other ongoing programs of the agency.

We recognize the difficulties included in evaluating the impact that the above-mentioned weaknesses may have had on the effective development and implementation of the Model Cities Program; however, we believe that, in view of the responsibilities of the Regional Interagency Coordinating Committees (as cited in the December 7, 1967, interagency agreement), certain additional procedures should be developed by the participating Federal agencies to help ensure that the members of the committees are provided with sufficient staff support, are given appropriate authority, and are provided with pertinent financial information to effectively participate in the interagency review process.

DETERMINING FUND SOURCES FOR MODEL CITIES PROJECTS

Model cities projects that legally could be funded under existing Federal grant-in-aid programs were funded with HUD supplemental funds. As previously stated HUD supplemental funds were to be used primarily for assisting new and additional projects and activities not financially assisted under other Federal grant-in-aid programs.

In a four-city study completed by HUD in July 1969, HUD reported that \$6.9 million, or 54 percent, of the costs of first-year projects funded with HUD supplemental funds could have been funded legally under existing categorical grant-in-aid programs. The HUD study further showed that 100, or 76 percent, of the 132 projects financed with supplemental funds could have been supported legally with funds from other Federal sources.

The study stated that CDAs often had used HUD supplemental funds because such funds were more readily available and were frequently easier to obtain than Federal categorical grant-in-aid funds. The study stated also that it was not designed to determine why specific programs using supplemental funds had not been funded with other Federal funds. The study listed the following conditions as possible causes of CDAs' failure to obtain other sources of Federal funds.

1. The CDA did not know of the availability of other sources of funds.
2. The CDA did not submit an application for funds to other Federal agencies.
3. The CDA did not accept certain statutory requirements of the potential Federal funding agency.
4. Funding agencies did not adopt flexible guidelines and requirements on nonstatutory matters, which thereby precluded a potential recipient from qualifying for Federal funds.
5. The Federal agency did not have funds available.
6. The Federal agency did not provide funds to the CDA in time to begin the project.

At two of the four CDAs included in the HUD study, we obtained information relative to the reasons for the frequent use of HUD supplemental funds on 27 of the 60 projects which HUD reported were eligible for funding under other Federal programs. The reasons given by CDAs for using the supplemental funds were:

<u>Reasons</u>	<u>Number of projects</u>
An absence or an inadequacy of any other known funding sources	18
An absence of other funding sources and certain restrictions on the use of other Federal funds	6
A lack of agreement with State or Federal agencies on project details	<u>3</u>
Total	<u><u>27</u></u>

In addition to the aforementioned HUD study, a study was made by a HUD regional office in September 1969 in seven

cities in its region. The study noted that a significant number of the model cities projects were being financed with HUD supplemental funds, even though many of the projects were legally eligible for funds under existing categorical programs. The study showed that the most common reason for using supplemental funds was that the other participating Federal agencies lacked available funds.

HUD guidelines to CDAs state that, before supplemental grants can be used for new projects or activities, the city should indicate what other funds had been sought to cover full project costs and whether funding from any other sources was anticipated in future years. We found, however, that CDA plans submitted to HUD had been approved even though they did not indicate that other sources of financial aid had been solicited or were anticipated in the future.

Officials at two CDAs stated that their efforts to obtain funds had consisted essentially of personal contacts with officials of Federal agencies and that such efforts had not been documented. Also officials at these CDAs said that they had received little assistance from Federal agencies in identifying sources and/or in obtaining Federal funds for model cities projects.

Regional Interagency Coordinating Committee members of HEW, DOL, and OEO told us that the assistance provided by their respective agencies in aiding CDAs in identifying and obtaining funds usually had been limited because sufficient funds were not available for model cities projects. In addition, HEW and DOL committee members informed us that limited assistance had been provided to CDAs because they believed that CDAs were responsible for the identification of sources of funds.

Regional Interagency Coordinating Committee members said that, because of the limitations of the annual budgeting process, their agencies could not give CDAs any assurance that they could provide funds in the future for model cities projects which might have been initiated with HUD supplemental funds.

We noted that HUD's Office of Audit had made a review of the execution of model cities programs in selected cities. With respect to the need for improvements in identifying fund sources for model cities projects, a HUD audit report dated December 1970 pointed out that the CDA had not utilized all available Federal, State, and local resources in carrying out its model cities program and that as a result certain projects which could have been financed through other existing sources had been funded entirely with model cities supplemental funds.

The audit report identified three projects, involving about \$71,000, for which the CDA had made no attempt to obtain financial assistance through Federal, State, and local funding sources. The Office of Audit recommended that HUD require the CDA to utilize all available Federal, State, and local resources in carrying out its model cities program, to ensure that supplemental funds would be used as an addition to, and not as a substitute for, assistance that was available from other sources.

We believe that, under the existing procedures, CDAs are not provided with sufficient information on the availability of Federal funds to determine whether sources of funds, other than model cities supplemental funds, are available for model cities projects. Without such information and without some additional assistance from the Federal agencies in locating fund sources, CDAs will continue, in our opinion, to use supplemental funds for model cities projects in a manner contrary to the purpose for which the funds were intended.

CHAPTER 4

CONCLUSIONS, RECOMMENDATIONS, AND AGENCY COMMENTS

CONCLUSIONS

The ultimate success of the Model Cities Program, or of any similar federally assisted program requiring a high degree of Federal coordination, depends to a great extent on the continuous support of, and the funding and staffing commitment by, each of the participating Federal agencies.

Our review and the interagency studies by major Federal agencies involved in the Model Cities Program showed that the lack of adequate Federal coordination had plagued the program from its inception. We believe that the September 1970 directive of the President, requiring the Domestic Council to develop proposals that would help to improve Federal capacity to respond to the model cities concept, also demonstrated and emphasized the need for improvements in Federal interagency cooperation and coordination.

We believe also that measures should be initiated at the Federal level to increase the effectiveness of Federal agency response to the model cities concept. In this regard it appears that the levels of effort of the Federal agencies in responding to the needs of the cities should be independently and objectively monitored and periodically evaluated by an agency having central authority, such as OMB.

In our opinion the Director of OMB, in this role, could effectively and objectively evaluate the major aspects of participating Federal agencies' efforts, including the relative adequacy of the financial and technical assistance provided to cities participating in the program. These evaluations should include an analysis of the differences in concepts, views, and practices that exist among the Federal agencies in their responses to the participating cities' expressed needs for increased levels of Federal financial, technical, and administrative assistance.

We recognize that recent proposals of the Administration for the reorganization of the executive branch of the

Federal Government are designed to improve the overall management of Federal programs through a consolidation of many of the present functions and activities of the existing Federal agencies. These proposals, as originally submitted to the Congress, called for the replacement of seven of the present executive departments and other agencies with four new departments: the Department of Natural Resources, the Department of Community Development, the Department of Human Resources, and the Department of Economic Affairs.

In our opinion, the proposed reorganization, through reducing the present fragmentation of Federal responsibility and authority by grouping similar functions of the Federal agencies and by reducing significantly the number of Federal departments, undoubtedly would alleviate certain problems which consistently confronted the Model Cities Program. Assuming that the basic objectives of the proposed reorganization are accomplished, we believe that there still would be a need for Federal interdepartmental cooperation and coordination to effectively accomplish the basic objectives of the Model Cities Program or similar federally assisted programs which, to succeed, require the full and continuing support of several Federal agencies or departments.

RECOMMENDATIONS TO THE DIRECTOR OF
THE OFFICE OF MANAGEMENT AND BUDGET

In view of the need for improved Federal agency coordination and participation under the Model Cities Program, we recommend that the Director of OMB

- monitor and periodically evaluate the level of Federal agencies' responses to the model cities concept and
- make such suggestions and recommendations to the participating Federal agencies as appear to be appropriate under the circumstances, to help ensure that the agencies respond to the model cities concept at a level that is consistent with the Administration's expressed support of the program.

AGENCY COMMENTS

We presented our draft report to HEW, HUD, DOL, DOT, OEO, and OMB for their reviews and comments. (See apps. II through VII.)

The Assistant Secretary for Community Development, HUD, although deferring to OMB any comments on whether OMB should monitor and periodically evaluate the Federal agencies' responses to the model cities process, stated that HUD welcomed assistance which might help accomplish its mandate under the Model Cities Act.

Additional comments of HUD and the other agencies follow.

Department of Health, Education, and Welfare

In a letter dated June 7, 1971 (see app. II), the Assistant Secretary, Comptroller, HEW, although not specifically commenting on the recommendations included in the draft report, stated that the report, in the opinion of the HEW staff who were knowledgeable about the Model Cities Program, fairly presented many of the problems that were associated with the management of the program.

Department of Housing and Urban Development

In a letter dated May 28, 1971 (see app. III), the Assistant Secretary for Community Development, HUD, stated that the draft report was a welcome updating and highlighting of earlier staff reports and in its final recommendation went beyond such earlier reports. The Assistant Secretary also provided specific comments on the matters which were discussed in the draft report.

With regard to the need for agreement between HUD and other Federal agencies on the appropriate levels of funding and staffing commitments to be provided to the Model Cities Program, the Assistant Secretary pointed out that considerable effort--with a good amount of success--already had been made in coordinating and redirecting existing Federal

programs. He added, however, that such success still was not enough and that he strongly agreed that more attention should be given to such coordination and redirection of existing Federal programs.

On the subject of defining and clarifying the roles and operating relationships of the Federal agencies participating in the program, the Assistant Secretary stated that he agreed with our views and that Federal interagency coordination should result in cities themselves having the power to coordinate Federal funds according to their own comprehensive plans.

In commenting on the staffing and authority of the Regional Interagency Coordinating Committees, the Assistant Secretary stated also that the staff of the assistant regional administrators for community development, although limited, would be large enough to assist them in their roles as chairmen of the Regional Interagency Coordinating Committees. He stated further that the assistant regional administrators had the appropriate authority to carry out their responsibilities within the Model Cities Program.

The Assistant Secretary said that the report, in its discussion of the desirability of providing cities with pertinent financial information, had accurately emphasized one of the continuing problems of the program. He pointed out that model cities still had great difficulty in learning of the availability of Federal funds. He said also that, although supplemental funds continued to be among the few firm dollar figures with which a CDA could confidently enter a new fiscal year, Federal revenue sharing would assist in overcoming this problem and would be a way of getting cities away from paper planning and into the real world of planning for the use of dollars which would actually arrive.

The Assistant Secretary concluded that he would like to look to the future and mentioned that 12 model cities soon would be selected as experimental sites for planned variations and that these experiments, within the model cities context, would include an expansion from neighborhood to citywide programs. In a few cities such variations would

model cities for the implementation of employment and upgrading programs.

The Assistant Secretary concluded that DOL's Manpower Administration anticipated a significant departure from its current approach to and relationship with States and localities, along with a level of model cities participation consistent with the Administration's expressed support of the program. The Assistant Secretary advised us that, in this session of the Congress, the Manpower Administration would seek to combine revenue sharing and a comprehensive manpower act and that DOL was accelerating its plans to transfer to mayors and governors as much manpower program responsibility as possible under existing legislation.

Department of Transportation

The Assistant Secretary for Administration, DOT, in a letter dated May 12, 1971 (see app. V), stated that DOT agreed with our recommendations to the Director, OMB.

Office of Economic Opportunity

The Deputy Director, OEO, in a letter dated April 7, 1971 (see app. VI), stated that OEO had no comment to make on the recommendations in the draft report that were directed toward the role of OMB in the Model Cities Program.

The Deputy Director stated also, however, that OEO would like to clarify its position on the question of earmarking funds for the Model Cities Program and pointed out that the draft report did not, in certain sections, represent accurately the OEO position on the earmarking of funds for the Model Cities Program.

The Deputy Director said that OEO's rationale for not earmarking any funds beyond the \$4 million provided to fund resident participation had been based on the fact that (1) the large amounts of Federal funds available in the model neighborhoods should be coordinated and utilized better before any new funds are earmarked, (2) OEO funds generally went to Community Action Agencies which, in accordance with the Economic Opportunity Act, had very considerable discretion in determining how their budgets were to be spent in

include a reduction of the Federal and State reviews associated with model cities supplemental grants and other selected categorical grants. The Assistant Secretary further stated that interagency coordination and participation would be critical to the success of these experiments.

On July 29, 1971, the Secretary of HUD announced the selection of 20 cities for participation in the planned variations.

Department of Labor

The Assistant Secretary for Administration, DOL, in commenting by letter dated June 17, 1971 (see app. IV), on the draft report, stated that DOL fully supported our recommendation to the Director of OMB.

DOL's basic reservation was that, without defining and clarifying the interagency roles and relationships through the development of interagency agreements, OMB monitoring and evaluation efforts could be greatly hampered by possible interagency misunderstanding of roles and responsibilities.

The Assistant Secretary stated also that, because DOL's support of the Model Cities Program was grossly understated in the draft report, his further comments would be restricted to an explanation of the DOL support of the program.

In this regard he said that the Concentrated Employment Program continued to be DOL's major programmatic contribution and that funds amounting to \$172 million had been made available for all urban and rural areas. The Assistant Secretary added that the funding of Concentrated Employment Programs in certain cities in the amount of \$150 million coincided with the funding of model neighborhood areas.

The Assistant Secretary stated that, in cities where the Concentrated Employment Program was not available, the manpower programs were planned through the Cooperative Area Manpower Planning System, utilizing manpower development and training funds and other funds as appropriate and giving priority consideration to the needs of the model neighborhood. In addition, he said that, under the Public Service Career program, \$4.4 million had been obligated to

the local community, and (3) OEO's appropriations had not provided any new funds to be earmarked for the Model Cities Program.

Office of Management and Budget

In a letter dated April 19, 1971 (see app. VII), the Deputy Director, OMB, stated that OMB believed that the interagency problems discussed in the report draft were being addressed by the Administration's recent proposals on the reorganization of the executive branch of the Federal Government and on revenue sharing.

Specifically the Deputy Director said that the plan to establish a Department of Community Development, encompassing those programs which were designed to improve our urban environment, would go a long way toward overcoming the fragmentation of agency authority that had hampered the model cities effort.

The Deputy Director said also that the Administration's proposals on revenue sharing would provide cities with a steady flow of flexible funds to meet locally determined needs. This, the Deputy Director added, would be in contrast to current narrow categorical grants and varying agency funding commitments, which the draft report indicated had not been responsive to the needs of our cities.

Our comments on OMB's position and our recommendations to the Director, OMB, are on pages 32 and 33.

HUD SUPPLEMENTAL GRANT ALLOCATIONS

FOR

FIRST YEAR OF OPERATIONS

AS OF MAY 31, 1971 (note a)

<u>State and city or county</u>	<u>Amount (000 omitted)</u>	<u>State and city or county</u>	<u>Amount (000 omitted)</u>
ALABAMA:		ILLINOIS:	
Huntsville	\$ 1,969	Carbondale	\$ 1,075
Tuskegee	1,766	Chicago	38,159
ALASKA:		East St. Louis	2,083
Juneau	938	Rock Island	1,346
ARIZONA:		INDIANA:	
Gila River Indian Community	916	Gary	2,669
Tucson	3,117	Indianapolis	6,243
ARKANSAS:		South Bend	1,455
Little Rock	1,902	IOWA:	
North Little Rock	1,887	Des Moines	2,065
Texarkana	1,899	KANSAS:	
CALIFORNIA:		Kansas City	1,964
Berkeley	1,403	Wichita	3,955
Compton	1,297	KENTUCKY:	
Fresno	2,818	Bowling Green	1,149
City of Los Angeles	26,345	Covington	1,326
County of Los Angeles	8,181	Danville	1,095
Oakland	4,944	Pikeville	750
Pittsburg	1,600	LOUISIANA:	
Richmond	1,820	New Orleans	9,249
San Diego	6,654	MAINE:	
San Francisco	7,351	Lewiston	2,010
San Jose	3,086	Portland	1,826
COLORADO:		MARYLAND:	
Denver	5,766	Baltimore	10,554
Trinidad	1,225	Prince Georges County	2,865
CONNECTICUT:		MASSACHUSETTS:	
Bridgeport	1,409	Boston	7,718
Hartford	2,284	Cambridge	1,523
New Haven	1,838	Fall River	1,953
New London	1,443	Holyoke	1,168
Waterbury	1,894	Lowell	1,750
DELAWARE:		Lynn	1,502
Wilmington	1,706	New Bedford	2,109
DISTRICT OF COLUMBIA:		Springfield	2,091
Washington	9,625	Worcester	2,125
FLORIDA:		MICHIGAN:	
Dade County	9,616	Ann Arbor	1,069
Tampa	4,086	Benton Harbor	1,340
GEORGIA:		Detroit	20,545
Alma-Bacon County	1,237	Genesee County	3,574
Athens	2,601	Grand Rapids	2,223
Atlanta	7,175	Highland Park	1,724
Gainesville	1,330	Lansing	1,873
Savannah	2,603	Saginaw	1,729
HAWAII:		MINNESOTA:	
Honolulu	6,641	Duluth	1,680
IDAHO:		Minneapolis	4,603
Boise	1,281	St. Paul	2,950
		MISSOURI:	
		Kansas City	8,706
		St. Louis	9,485

APPENDIX I

<u>State and city or county</u>	<u>Amount (000 omitted)</u>	<u>State and city or county</u>	<u>Amount (000 omitted)</u>
MONTANA:		PENNSYLVANIA:	
Butte	\$ 1,656	Allegheny County	\$ 6,725
Helena	1,211	Bradford	1,511
NEW HAMPSHIRE:		Erie	1,606
Manchester	1,645	Lancaster	1,662
NEW JERSEY:		Philadelphia	25,289
Atlantic City	1,716	Pittsburgh	6,108
East Orange	1,452	Reading	1,383
Hoboken	2,030	Wilkes Barre	1,603
Jersey City	3,151	PUERTO RICO:	
Newark	5,654	San Juan	7,114
Paterson	2,073	RHODE ISLAND:	
Perth Amboy	1,333	Pawtucket	1,632
Plainfield	1,322	Providence	2,205
Trenton	1,768	SOUTH CAROLINA:	
NEW MEXICO:		Rock Hill	2,106
Albuquerque	2,826	Spartanburg	2,223
Santa Fe	1,466	TENNESSEE:	
NEW YORK:		Chattanooga	2,075
Binghamton	1,280	Cookeville	1,266
Buffalo	5,360	Nashville--Davidson County	5,451
Cohoes	1,845	Smithville--DeKalb County	1,580
Mt. Vernon	1,322	TEXAS:	
New York City	65,000	Austin	3,454
Poughkeepsie	1,685	Eagle Pass	1,776
Rochester	2,985	Edinburg	1,796
Syracuse	2,521	Houston	13,383
NORTH CAROLINA:		Laredo	2,260
Asheville	2,254	San Antonio	9,590
Charlotte	3,168	Texarkana	2,057
High Point	1,770	Waco	2,642
Winston-Salem	1,895	UTAH:	
NORTH DAKOTA:		Salt Lake County	3,082
Fargo	1,112	VERMONT:	
OHIO:		Winooski	788
Akron	3,407	VIRGINIA:	
Cincinnati	7,607	Norfolk	4,524
Cleveland	9,314	Richmond	3,324
Columbus	5,906	WASHINGTON:	
Dayton	2,949	Seattle	5,215
Martins Ferry	1,240	Tacoma	1,849
Toledo	4,410	WISCONSIN:	
Youngstown	1,850	Milwaukee	8,257
OKLAHOMA:		WYOMING:	
Lawton	2,067	Cheyenne	1,296
McAlester	1,831		
Tulsa	3,553		
OREGON:			
Portland	3,745		

^a These amounts are target allocations and do not, in all cases, represent the amounts of funds actually allotted.



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
WASHINGTON, D.C. 20201

OFFICE OF THE SECRETARY

JUN 7 1971

Mr. Philip Charam
Associate Director, Civil Division
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Charam:

The Secretary has asked that I respond to your letter of February 19, 1971, in which you asked for our views and comments on your draft report to the Congress entitled, "Improvements Needed in Federal Agency Coordination and Participation in the Model Cities Program."

HEW staff who are knowledgeable about the Model Cities program have reviewed the report. It is their consensus that the report fairly presents many of the problems associated with the management of this program.

We appreciate having had the opportunity of reviewing this report before it was released in final form to the Congress.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "JBC", is written over the typed name.

James B. Cardwell
Assistant Secretary, Comptroller

APPENDIX III



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D. C. 20410

OFFICE OF THE ASSISTANT SECRETARY
FOR COMMUNITY DEVELOPMENT

IN REPLY REFER TO:

MAY 28 1971

Mr. B. E. Birkle
Assistant Director
General Accounting Office
451 7th Street, S.W. - Room 4170
Washington, D.C. 20410

Dear Mr. Birkle:

This is in response to the General Accounting Office's proposed report regarding "Improvements Needed in Federal Agency Coordination and Participation in the Model Cities Program." Anyone immersed in the Model Cities Program could not, of course, be unaware of the problems which your report correctly summarizes; it is a welcome updating and highlighting of earlier staff reports and it goes beyond them in its final recommendation. I will comment on the recommendations in the order in which they are presented in the report.

1. The first point in your report suggests the need for an agreement between HUD and other Federal agencies regarding appropriate levels of fund and staff commitments to be provided to the Model Cities program.

We certainly agree with this recommendation. However, I do want to comment on the suggestions made by some other agencies, that earmarking of funds is not essential to fulfill the basic objectives of the Model Cities program, and that more attention should be given to coordinating and redirecting existing Federal programs. I strongly agree that more attention should be given to coordinating and redirecting existing Federal programs. Considerable effort has already been made in this direction, with a good amount of success;

but it is still not enough. I believe it is important to state that HUD considered earmarking as only one important approach to assisting Model Cities.

Earmarking was a logical outgrowth of HUD's legislative mandate to "insure, in conjunction with other appropriate Federal departments and agencies and at the direction of the President, maximum coordination of Federal assistance provided in connection with this title, prompt response to local initiative, and maximum flexibility in programming, consistent with the requirements of law and sound administrative practice." While agreeing with the report's conclusion that the earmarking effort was disappointing, there were some genuine accomplishments. During Fiscal Years 1969, 1970 and 1971, for example, more than \$1.2 billion in HUD categorical grants went to Model Neighborhoods; this does not include funding for public housing. As for the other agencies, I should indicate that, although their earmarking results were not comparable to HUD's, the technical assistance which many of them provided cities was worth a great deal in professional man hours.

I would also like to bring to your attention another aspect of interagency coordination. One of the best ways model cities have of measuring "Federal agency coordination and participation in the program" is the degree to which an agency allows for local Chief Executive review and signoff of applications for Federal funds. In his Community Development Revenue Sharing message the President described the problem to be confronted: "...even if one leader, a Mayor, for example, does manage to create a comprehensive development plan for the money he controls, he is often unable to include in his plans that federal assistance which goes

APPENDIX III

directly to an urban renewal agency or a local sanitary district." Two Federal efforts stemming from the Model Cities program attempt to deal with this problem.

One is HEW's "Certificate of Relatedness". As the Chief Executive's representative, a Model Cities Director must sign this Certificate, on a project-by-project basis, before any of HEW's projects will be funded for impact on the Model Neighborhood. The Director has the opportunity to say "Yes" or "No" to the question: Is the project proposal consistent with the Model Cities Comprehensive Demonstration Program? In many cases the Certificate of Relatedness is the first opportunity cities have had to influence program and funding decisions in some HEW categories. The Certificate has strengthened City Demonstration Agency coordination capabilities, and in many instances brought into partnership the CDA and other agencies.

Another example is HUD's own policy in this area. This is summed up in Secretary Romney's statement: "All applications for HUD assistance which are expected to materially affect a Model Neighborhood and its residents should reflect the input and concurrence of the CDA and its citizen participation structure as well as review and approval by the Mayor or governing body of the locality. These local inputs and concurrences shall be obtained at the pre-application conferences or negotiations with the potential beneficiaries of HUD aid."

2. The roles and operating relationships of the Federal agencies expected to participate in the program must be further defined and clarified.

Again I agree. Federal interagency coordination should result in cities themselves having the power to coordinate Federal funds according to their own comprehensive plans. This is, I believe, the intent of the Intergovernmental Cooperation Act which strongly favors local general purpose government as Federal grant recipients, and required that "Insofar as possible, systematic

planning required by individual Federal programs (such as highway construction, urban renewal and open space) shall be coordinated with and, to the extent authorized by law, made part of comprehensive local and areawide development planning."

The emphasis on the City's Chief Executive as the focal point of the Model Cities process is based on the realization that "comprehensive planning" has little chance of success unless there is a concentration of decision-making and accountability close to where the actual problems exist. Both General and Special Revenue Sharing would, of course, go a long way toward institutionalizing this realization. The "power to coordinate" belongs at the local level, since it is there that a city's priorities are best realized, and there that the immediate need for results is most likely to give substance to the word "coordination."

3. The Regional Interagency Coordination Committee should be provided with sufficient staff, given appropriate authority, and provided with pertinent financial information in order to effectively participate in the interagency review process.

Ideally, the most serious discussion of these issues would, of course, take place after implementation of the report's first two recommendations. I believe the staff of Assistant Regional Administrators (ARA's) for Community Development, while limited, will be large enough to assist them in their roles as Chairmen of RICCs. The same ARA's have, in my opinion, the "appropriate authority" to carry out their responsibilities within the Model Cities program.

We realize, of course, that Model City comprehensive plans made extraordinarily heavy demands on the different agencies' limited staff and program funds. Given this situation of heavy demand, and very little new funding available to agencies, it was not surprising to see HUD supplemental funds being

APPENDIX III

used for projects theoretically fundable from other sources. Our own information corroborates the report's statement that a large number of Model Cities projects, currently funded with HUD supplemental dollars, are theoretically fundable through existing categorical grants. A recent intensive study of six Model Cities found that twelve out of fifteen such projects used supplemental funds either because the funding agency stated that no categorical funds were available, or because there was "general information" that such funds were not available. This finding fits into what we believe is a similar experience in all Model Cities.

The same six-city study also looked at sixteen projects funded with Model Cities supplemental funds, and not eligible for categorical grants. Fifteen were so funded either because no categorical program exists for such projects, or the city wanted to carry out the project in a way prohibited by grant restrictions.

Both General and Special Revenue Sharing grew from prolonged discussion of both of these problems: How to best allocate limited funds to cities, and how to allow cities flexibility to program for their own priorities. The President's Revenue Sharing messages emphasize a fair share allocation system according to city need, responding to the first question; and an accompanying flexibility for cities to exercise in spending these funds, responding to the second.

In its discussion of the desirability of providing cities with pertinent financial information, the report accurately emphasizes one of the continuing problems of the program. Model Cities still have great difficulty learning how much is likely to be available for what purpose; the grantsmanship game goes on. HUD supplemental funds continue to be among the few firm dollar figures with which a CDA can confidently enter a new fiscal year. Again,

revenue sharing cuts to the heart of this problem; it is a way of getting cities away from paper planning and into the real world of planning for the use of dollars which will actually arrive.

4. The Director of the Office of Management and Budget should monitor and periodically evaluate the level of Federal agencies' response to the Model Cities process.

HUD welcomes assistance which might help accomplish its mandate under the Demonstration Cities and Metropolitan Development Act. However, we defer to OMB as to whether or not that Office should take on the role recommended in the report.

While discussing the subject of interagency coordination and participation in the Model Cities program, I would like to briefly look to the future and mention that twelve Model Cities will soon be selected as experimental sites for "Planned Variations." These experiments within the Model Cities context will include: expansion from neighborhood to citywide programs; creation of a "Chief Executive Review and Signoff" system which will involve a Mayor or City Manager in a proposal development and approval role for every application submitted to a Federal agency; and, for a few cities, reduction of Federal and State reviews associated with Model Cities supplemental grants and other selected categorical grants. Clearly, interagency coordination and participation will be critical to the success of these experiments.

Thank you for the opportunity to comment on the proposed report.

Sincerely yours,



Floyd H. Hyde
Assistant Secretary

APPENDIX IV

U.S. DEPARTMENT OF LABOR
OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION
WASHINGTON, D.C. 20210



JUN 17 1971

Mr. Henry Eschwege
Associate Director
Civil Division
United States General
Accounting Office
Washington, D.C. 20548

Dear Mr. Eschwege:

We wish to thank you for the opportunity to review and comment on the General Accounting Office draft report on improvements needed in Federal agency coordination and participation in the Model Cities Program.

The recommendations made by GAO in the report are addressed to the Director, Office of Management and Budget (OMB). It is recommended that the Director "monitor and periodically evaluate the level of Federal agencies response to the model cities." In addition, it is recommended that the Director "make suggestions and recommendations to the participating Federal agencies as appears to be appropriate under the circumstances to help ensure that the agencies are responding to the model cities process at a level that is consistent with the Administration's expressed support of the program."

We fully support these recommendations. Our basic reservation is that without defining and clarifying interagency roles and relationships through the development of interagency agreements, OMB monitoring and evaluation efforts could be greatly hampered by possible interagency misunderstanding of roles and responsibilities.

Specific recommendations to the Secretary of Labor were not made by GAO in their draft report. Since, in our opinion, DOL's support of the Model Cities Program is grossly understated, our comments are restricted to this support.

The Concentrated Employment Program (CEP) continues to be the Department's major programmatic contribution with funds amounting to \$172 million made available for all urban and rural areas. In addition, many CEP boundaries were adjusted to coincide with those of the model neighborhoods. The funding of 71 out of a total of 82 CEP's that coincided with model neighborhoods totaled \$150 million. In cities where CEP was not available, manpower programs are planned through the Cooperative Area Manpower Planning System (CAMPS)

utilizing MDTA, EOA, and other funds as appropriate, giving priority consideration to the needs of the model neighborhood.

CEP refunding for FY 1971 is in operation and requires the submission of a refunding plan. The Regional Manpower Administrator (RMA) is required to reassess the manpower program within model cities with a view toward determining how DOL's participation can be made more effective.

Funds totaling \$24 million and 11,500 trainee positions were reprogrammed from FY 1970 JOBS to MDTA institutional projects. Each RMA was authorized to give top priority to the selection of occupations in skill shortage areas with special attention being given to construction trades in model cities.

Public Service Careers (PSC) obligated \$4.4 million to model cities for the implementation of Employment and Upgrading programs. As in all PSC projects, the model cities projects were expected to follow a hire first, train later concept with enrollees becoming bona fide employees of the participating jurisdiction. These funds were to be used to supply project management, enrollee training and supportive services.

Following release of the 1969 recommendations by the Under Secretaries' Working Group for Model Cities, DOL strengthened the RMA's capability to provide technical assistance to model cities by:

1. Issuing \$1.8 million in direct grants to 50 city mayors to fill 83 additional manpower planning positions on a full-time basis.
2. Offering grants of more than \$5.5 million to governors from FY 1971 funds to provide states with manpower planning positions under CAMPS program.
3. DOL regional offices have been expanded from eight to ten with each office having a Regional Model Cities Coordinator who is a staff member on the Intergovernmental and Interagency Relations Staff. He also represents the RMA on the Regional Interagency Coordinating Committee.

Within the past year, the Department has greatly expanded the cooperation and coordination of manpower assistance to model cities at both national and regional levels as follows:

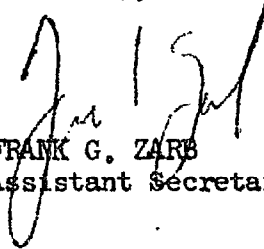
1. Four CEP-Model Cities desk officers have been made available to assist existing program analysts in preparing materials to assist Manpower Administration staff with matters relating to the Planned Variations process.

2. Provided national and regional support to the City Demonstration Agency in attempting to remove obstacles to the employment and training of model cities residents.

3. Authority has been delegated from the Manpower Administrator to the RMA's which includes the authorization of full-time staff person to report directly to the RMA and represent him as a member of the Regional Interagency Coordinating Committee (RICC). The scope and responsibility of the manpower member of the RICC will also be expanded to include final decision making within regional funding capability and consistent with national manpower policy.

The Labor Department's Manpower Administration anticipates both a significant departure from its current approach to and relationship with States and localities along with a level of model cities participation that is consistent with the Administration's expressed support of the program. In this session of Congress, the Manpower Administration seeks the combination of revenue sharing and a comprehensive manpower act. Consequently, the Department is accelerating plans to transfer to mayors and governors as much manpower program responsibility as possible under existing legislation.

Sincerely,



FRANK G. ZARE
Assistant Secretary for Administration



OFFICE OF THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

ASSISTANT SECRETARY
FOR ADMINISTRATION

May 12, 1971

Mr. Richard W. Kelley
Assistant Director
Civil Division
U. S. General Accounting Office
Washington, D. C. 20548

Dear Mr. Kelley:

This is in reply to your request for comments on the GAO draft report to the Congress on Improvements Needed in Federal Agency Coordination and Participation in the Model Cities Program.

We agree with your recommendation that the Director, Office of Management and Budget (1) monitor and evaluate the level of Federal agencies' responses to the model cities process and (2) make such suggestions and recommendations to help ensure that such agencies are responding to the model cities process at a level consistent with the administration's expressed support of the program.

We appreciate the opportunity to comment on the draft report.

Sincerely,

A handwritten signature in cursive script, which appears to read "William S. Heffelfinger".

William S. Heffelfinger
Assistant Secretary for
Administration

OFFICE OF ECONOMIC
OPPORTUNITY

APR 7 1971

BEST DOCUMENT AVAILABLE

Mr. Henry Eschwege
Associate Director
United States General Accounting Office
Washington, D. C. 20548

Dear Mr. Eschwege:

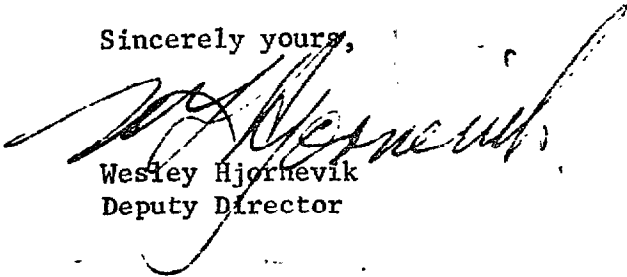
Thank you for giving us an opportunity to review the draft GAO report which discusses coordination among the Federal agencies participating in the Model Cities Program. The major recommendations of the report are directed towards the roles of the Department of Housing and Urban Development and the Office of Management and Budget. OEO has no comment to make on these portions of the report, but we would like to clarify OEO's position on the question of earmarking funds for the Model Cities Program.

Specifically, we do not feel that the last paragraph of page twenty-two of the report represents accurately the OEO position on the earmarking of funds for the Model Cities Program. In substitution for the reasons presented there, we would point to the following as our rationale for not earmarking any funds beyond the \$4 million which was provided to fund resident participation: (1) At present there are large amounts of federal funds now in the Model Neighborhoods. These should be better coordinated and utilized before any new funds are earmarked; (2) OEO funds generally go to Community Action Agencies which, in accordance with the Economic Opportunity Act, have very considerable local discretion in determining how their budgets are to be spent in the local community; and (3) OEO's appropriations have not provided any new funds to be earmarked for the Model Cities Program.

I hope that the foregoing provides you with a clearer picture of the OEO position on the earmarking of funds for the Model Cities Program.

If we can furnish you with further information, please do not hesitate to call upon us.

Sincerely yours,



Wesley Hjørnevik
Deputy Director

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

Honorable A. T. Samuelson
Director
United States General Accounting
Office
Washington, D. C. 20548

APR 19 1971

Dear Mr. Samuelson:

This is in response to your February 19 letter requesting comments from the Office of Management and Budget on GAO Report No. B- Draft titled "Improvements Needed in Federal Agency Coordination and Participation in the Model Cities Program."

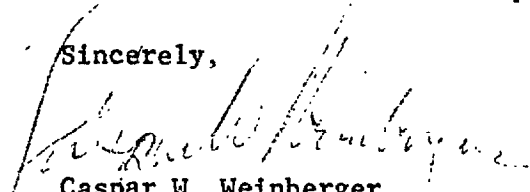
OMB believes the interagency problems discussed in the GAO report are being addressed by the Administration's recent proposals on reorganization and revenue sharing.

Specifically, the plan to establish a Department of Community Development encompassing those programs which are designed to improve our urban environment, will go a long way towards overcoming the fragmentation of agency authority which has hampered the Model Cities effort. This single department will be responsible for the overall guidance, monitoring, and evaluation of urban programs which the GAO investigation found lacking under Model Cities. Similarly, when the Departments of Human Resources and Economic Affairs are established and functioning, they will be able to achieve in their respective areas of responsibility what virtually endless amounts of interdepartmental coordination efforts are not able to achieve under our present system.

At the same time as the Federal machinery is being made more efficient and effective, the Administration proposals on revenue sharing will provide cities with a steady flow of flexible funds to meet locally determined needs. This is in contrast to current narrow categorical grants and varying agency funding commitments which, as the GAO report indicates, have not been responsive to the needs of our cities.

We appreciate receiving your request for OMB comments on this report.

Sincerely,



Caspar W. Weinberger
Deputy Director

PRINCIPAL OFFICIALS
RESPONSIBLE FOR THE ADMINISTRATION OF
ACTIVITIES DISCUSSED IN THIS REPORT

Tenure of office
From To

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

SECRETARY OF HEALTH, EDUCATION, AND
WELFARE:

Elliot L. Richardson	June 1970	Present
Robert H. Finch	Jan. 1969	June 1970
Wilbur J. Cohen	May 1968	Jan. 1969
John W. Gardner	Aug. 1965	May 1968

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SECRETARY OF HOUSING AND URBAN DE-
VELOPMENT (formerly Administrator,
Housing and Home Finance Agency):

George W. Romney	Jan. 1969	Present
Robert C. Wood	Jan. 1969	Jan. 1969
Robert C. Weaver	Feb. 1961	Dec. 1968

ASSISTANT SECRETARY FOR MODEL
CITIES (formerly Assistant
Secretary for Model Cities
and Governmental Relations,
which was formerly Assistant
Secretary for Demonstration
and Intergovernmental Rela-
tions):

Floyd H. Hyde	Feb. 1969	Feb. 1971
H. Ralph Taylor	May 1966	Feb. 1969

ASSISTANT SECRETARY FOR COM-
MUNITY DEVELOPMENT (note a):

Floyd H. Hyde	Mar. 1971	Present
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APPENDIX VIII

Tenure of office
From To

DEPARTMENT OF LABOR

SECRETARY OF LABOR:

James D. Hodgson	July 1970	Present
George P. Shultz	Jan. 1969	June 1970
W. Willard Wirtz	Sept. 1962	Jan. 1969

DEPARTMENT OF TRANSPORTATION

SECRETARY OF TRANSPORTATION:

John A. Volpe	Jan. 1969	Present
Alan S. Boyd	Apr. 1967	Jan. 1969

OFFICE OF MANAGEMENT AND BUDGET

DIRECTOR:

George P. Shultz	July 1970	Present
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BUREAU OF THE BUDGET (note b)

DIRECTOR:

Robert P. Mayo	Jan. 1969	July 1970
Charles J. Zwick	Jan. 1968	Jan. 1969
Charles B. Schultze	June 1965	Jan. 1968

OFFICE OF ECONOMIC OPPORTUNITY

DIRECTOR, OFFICE OF ECONOMIC OPPORTUNITY:

Phillip V. Sanchez (acting)	Sept. 1971	Present
Frank C. Carlucci	Dec. 1970	Sept. 1971
Donald Rumsfield	May 1969	Dec. 1970
Bertrand M. Harding (acting)	Mar. 1968	May 1969
R. Sargent Shriver	Oct. 1964	Mar. 1968

^aEffective March 1, 1971, responsibility for the administration of the Model Cities Program was transferred to the newly established Office of Community Development.

^bOn July 1, 1970, the Bureau of the Budget became part of the Office of Management and Budget.

Copies of this report are available from the U. S. General Accounting Office, Room 6417, 441 G Street, N W., Washington, D.C., 20548.

Copies are provided without charge to Members of Congress, congressional committee staff members, Government officials, members of the press, college libraries, faculty members and students. The price to the general public is \$1.00 a copy. Orders should be accompanied by cash or check.