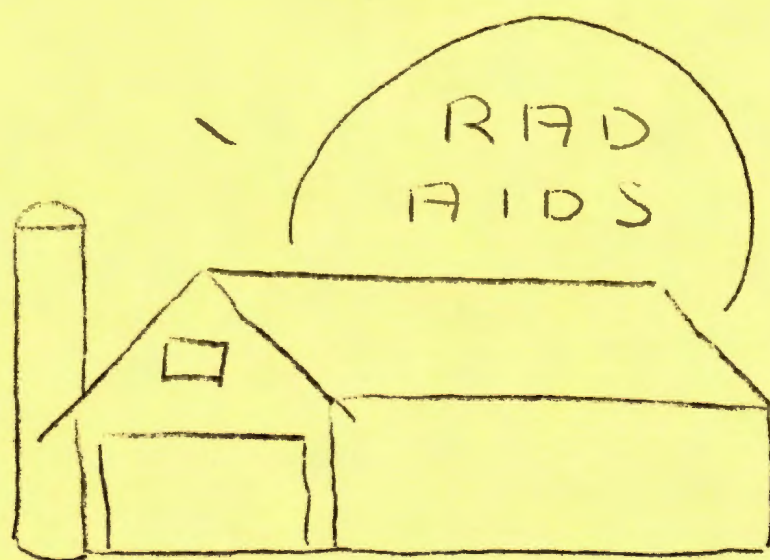


Programs  
to aid in the  
Development of  
Rural American



## LIST OF FACT SHEETS

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## LOANS TO RURAL TOWNS AND GROUPS For Domestic Water Systems

Farmers Home Administration  
U.S. Department of Agriculture

Loans are available to groups of farmers and rural residents to develop or improve water supply and distribution systems for household and livestock use.

These rural water system loans have a direct, immediate impact on a community's overall development. They not only provide a fundamental resource—ample, clean water supplies—to encourage rural businesses and industries, but also help bring a higher level of family living.

The answers to questions usually asked about such loans to associations follow:

### Who May Borrow?

Organizations operating on a nonprofit basis, such as water supply districts, cooperative water users' associations, mutual water companies, municipalities, and political subdivisions are eligible for loans when:

1. They are unable to obtain needed credit elsewhere.
2. They propose improvements primarily for serving rural residents, farmers, ranchers, farm tenants, and farm laborers.
3. They have legal capacity to borrow and repay money, to give security for loans and to operate the facilities or services to be installed with loan funds.
4. They are financially sound and will be effectively organized and managed.

### Who Is a Rural Resident?

He is a permanent resident of a rural area or small rural community or town with population of not more than 2,500.

### How May Loan Funds Be Used?

Loan funds may be used to:

1. Install or improve rural water supply and distribution systems that furnish water for household, livestock, garden irrigation, and schools, churches, small businesses, and limited fire protection.
2. Refinance debts when the creditors are unwilling to give needed terms and the debts have been incurred for the facility or service to be completed or improved with the water development.
3. Pay engineers, attorneys, construction foremen and laborers needed in the planning and installation of facilities.



4. Purchase a water supply or a water right.
5. Pay other costs related to the improvements, including the acquisition of rights of way and easements, relocation of roads and utilities, and construction of service lines.

#### What Are The Dollar Limits and Terms?

The maximum term is 40 years. However, no repayment period may exceed any statutory limitation on the association's borrowing authority nor the useful life of the improvement to be financed. Each borrower must refinance the unpaid balance of the loan when able to obtain credit at reasonable rates and terms from other lenders.

The interest rate on a direct loan is  $4\frac{1}{2}$  percent. The interest rate on insured loans varies but may not exceed 5 percent.

An association's total indebtedness cannot exceed \$500,000 when the loan is made from appropriated funds and \$1,000,000 when made from insured funds.

#### What Security Is Required?

All loans to associations will be secured in a manner which adequately protects the interest of the Government. Mortgages are taken on association facilities when state laws permit. Bonds or notes pledging taxes, assessments or revenues may also be accepted as security if they meet statutory requirements.

#### What Water Rights Are Required?

Applicants must comply with the laws or regulations of the state. The applicant must also furnish evidence that (1) the supply of water will be adequate and (2) the use of the water will not interfere with the rights of other water users and will not likely be contested by other users or owners.

#### Where And How Are Applications Made?

Applications for loans are made at the local county offices of the Farmers Home Administration.

#### Example of a Recent Loan Made

In Henryville, Indiana, lack of an adequate community water supply was putting a danger on the development of the entire area. Families were moving away. Businesses requiring large supplies of clean water could not expand. Churches, schools, and other community institutions all suffered the blight of scarce and polluted water. They lacked water for fire protection. A \$400,000 loan from the Farmers Home Administration changed all that. It financed pumping equipment, water lines, meters, storage tank, fire plugs, and labor necessary to provide central water service for 240 families and others in the community.



## RURAL RENEWAL

Farmers Home Administration  
U. S. Department of Agriculture

**Rural Renewal:** The Food and Agriculture Act of 1962 authorizes a program of technical assistance and loans to stimulate long-range economic redevelopment in rural communities where family incomes are abnormally low. During 1964 the program is being operated on a pilot basis in the following five areas: Little River County, Arkansas; Holmes, Walton, and Washington Counties, Florida; Appanoose and Monroe Counties, Iowa; Dallas and Hickory Counties, Missouri; Hardy and Mineral Counties, West Virginia.

**Rural Renewal Area:** A rural renewal area will be one or several counties where chronic underemployment on farms and unemployment in small towns are a serious problem and where agriculture or forestry makes a substantial contribution to the local economy. The area must also be one in which farm, business, professional and other leaders are willing to plan and carry out an organized development program.

**Request by Local People:** A local public agency in an area may request rural renewal assistance by submitting a letter to the Farmers Home Administration along with (1) an overall economic development plan (OEDP), (2) a description of the public body submitting the request, and (3) a map showing kinds and locations of needed renewal and redevelopment projects.

**Local Public Bodies:** Loans are made only in rural renewal areas to local public agencies named by the legislature or Governor of the State as having the authority to borrow, secure and repay the loans and the power to buy, sell, improve, develop and maintain property for the proposed purposes, and to secure tax or other revenues in order to repay loans and meet other obligations. An existing local public agency in a rural renewal area may be designated if it has the legal authority to receive such loans and carry out specific projects. In some areas it may be necessary to establish an entirely new local public agency. The State of Arkansas in 1963 authorized all counties in the State to create "Rural Development Authorities" with full powers to borrow, expend funds and transact business. The first such authority was set up in Little River County with the purpose of administering the rural renewal program in that area.

**Rural Renewal Plan:** A rural renewal plan will provide the basic information and guidance needed for the complete economic development on renewal of a designated area, including plans for individual projects.

**Technical Assistance:** When a request is approved the Farmers Home Administration will assign a program leader to assist the local public agency and development groups in preparing a rural renewal plan for the area. Grant funds may be available for obtaining services essential to the preparation of the plan or related projects such as surveys, feasibility and engineering studies. Such funds will be used to obtain services not normally available through other Federal and State agencies.

**Rural Renewal Loans:** Such loans may be made only to the designated local public agency in the rural renewal area to finance projects described in the renewal plan that are specifically related to land conservation and land utilization when funds for such projects are not available from other Federal and State agencies or non-government sources. Examples of some of the kinds of projects that a local public agency might finance with rural renewal loan funds are:



Purchase of tracts of land for subdivision or consolidation and resale as family-size farms or nonfarm use.

Development of a reservoir or system of reservoirs for flood control, conservation, recreation and water supplies.

Construction of water and sewer systems and service buildings when required to make possible a broad land-use improvement project.

Purchase and development of land for grazing areas for use by ranchers and farmers.

Rural Renewal Loan Terms: Rural renewal loans are made for periods up to 30 years with repayment of principal and interest deferred up to 5 years if necessary. Interest rate is the average rate paid by the U.S. Treasury on marketable public obligations outstanding at the beginning of the fiscal year in which the loan is made and not due nor callable for 15 years. The present rate (1964) is 3.046 percent. The amount a local public body may borrow will be based on its needs and repayment ability. In determining the latter, all sources of income will be considered such as taxes, fees, assessments, leases, rentals, and the sale of security and property. Loans larger than \$250,000 require approval of the appropriate committees of the U.S. Congress. Loans are secured in a manner that protects the Government's interest. Security is usually notes or bonds repayable from taxes, assessments or revenues pledged for repayment, or liens on property.

State Agency Review: Before a rural renewal loan is made, the rural renewal plan for the area must have been submitted to and not disapproved by the appropriate State agency or the Governor within 45 days.

Rural Areas Development: Services of the local Rural Areas Development committee and Rural Areas Development technical action panel will be utilized in all phases of rural renewal - preparing the overall economic development plan, developing the rural renewal plan, planning individual projects, securing financial aid and otherwise carrying out the program.



## RURAL HOUSING LOANS

Farmers Home Administration  
U. S. Department of Agriculture

The Farmers Home Administration, under provisions of Title V of the Housing Act of 1949, as amended, makes rural housing loans.

The rural housing loan program provides families in rural areas an opportunity to obtain the credit they need to finance a home that is modest in size, design, and cost. If the family is engaged in farming, loans may be made for farm service buildings essential to the success of the family's farming operation.

Rural areas includes farms, open country, small country towns and villages and small rural communities of not more than 2,500 population which are not part of or associated with an urban area.

In addition to major construction, loans are available to modernize homes - add bath - rooms, central heating, modern kitchens, and other home improvements, as well as to enlarge or remodel farm service buildings.

Senior Citizens: Special provisions are available for rural senior citizens--persons who are 62 years of age or over. A senior citizen may obtain a loan to buy a previously occupied house or to buy a site on which to build his own home, as well as to build or repair a home on land he owns. A senior citizen with insufficient income to repay a loan may be able to qualify if another person with adequate repayment ability cosigns his note.

Owners with insufficient income to repay a loan may receive a grant up to \$1,000 for minor repairs and improvements to make their buildings safe and to remove health hazards. These grants are made primarily to elderly and handicapped persons.

Eligibility: To be eligible, an applicant must:

- (1) Own either a farm or nonfarm tract or be a senior citizen who will become the owner of a minimum adequate building site when the loan is closed.
- (2) Be without decent, safe, and sanitary housing or without farm service buildings essential to the success of his farming operations.
- (3) Be unable to finance the needed improvements with his own resources or with credit from other sources.
- (4) Have sufficient income to pay operating and family living expenses, and meet payments on debts, including the proposed rural housing loan.
- (5) Be a citizen of the United States.
- (6) Have the legal capacity to incur the obligations of the loan.



Building Plans: Applicants are expected to furnish complete plans and specifications from a reliable source. Discussion of tentative building plans with the Farmers Home Administration is recommended before obtaining final plans and specifications.

Terms and Interest Rate: The interest rate is 4 percent per year on the unpaid principal. The maximum term is 33 years. Each borrower is expected to refinance the unpaid balance of the loan when able to obtain such refinance the unpaid balance of the loan when able to obtain such refinancing at reasonable rates and terms from other lenders.

Security: Each loan will be adequately secured to protect the interest of the Government. Small building improvement loans of not more than \$2,500 may be made without taking real estate security.

Where to Apply: Interested persons should apply at the county Farmers Home Administration office serving the area in which the property he expects to improve is located. Anyone unable to locate the local office may write the Farmers Home Administration, U. S. Department of Agriculture, Washington, D. C. 20250.

#### Examples

New home: The J. A.'s of Monroe, N. C., received a \$7,500 rural housing loan to construct a 3-bedroom home for their family of six. They gross about \$6,000 yearly from cotton and truck crops, coupled with some off-farm work. Although they obtained their loan only a few years ago, they are already more than \$1,000 per year ahead of schedule on their payments.

Farm service building: A Granville, New York, family received a \$13,850 loan which, combined with \$2,000 of their own funds, financed a new 36' x 100' dairy barn, new concrete stave silo, and new milk house. Previously, dairy herd was housed in 2 barns 1,000 feet apart. The family has been able to make a substantial increase in its gross income as a result of the new improvements.

Grant: A \$900 grant was made to a 64-year-old widow to drill a well, install electric pump, repair porch floor, cover broken windows in attic, replace broken sash, and install inexpensive plastic storm windows. The prolonged illness of her husband, a farmer, had placed a severe strain on her financial resources. To meet some of the bills, she sold all but eight acres of her small hill farm. Now she is making needed home improvements long postponed because of meager income and more urgent expenses.





## LOANS FOR RECREATIONAL PURPOSES

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Farmers Home Administration  
U.S. Department of Agriculture

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The Food and Agriculture Act of 1962 authorized the Farmers Home Administration to make loans for recreational purposes to individual farmers and to groups of farmers and rural residents. The loans to individuals must be for the purpose of increasing their incomes by adding an additional enterprise to their farming activities. Loans to groups of farmers can be made only to organizations formed on a nonprofit basis.

Example -- Illustrative of the type of loans made to individuals is that of a Wisconsin farmer who secured a loan to expand his vacation farm enterprise. Major improvements will include more housekeeping units, developing campsites, and dredging a small lake for better fishing and swimming.

The Bolivar County Conservation League in Mississippi, a nonprofit association, secured a loan from the Farmers Home Administration for the purchase of 672 acres of land and the construction of a lake, campsite and picnic area as a recreation center to serve some 2,000 area residents.

The following are answers to some of the questions most frequently asked about this program:

1. Q. Where can I apply for a Farmers Home Administration loan for recreational purposes?
  - A. To the Farmers Home Administration County Supervisor
2. Q. Do I have to be a farmer?
  - A. Yes, or a person with a farm background and either training or farm experience sufficient to assure reasonable prospects of success in the proposed farming operation, and possess the ability necessary to carry out the proposed recreation enterprise.
3. Q. Why is farming experience necessary if I merely want to carry on a recreation enterprise?
  - A. FHLA is not authorized to make loans for recreation purposes unless the borrower, after the loan is made, will continue to receive some of his income from farming.
4. Q. What are some examples of recreational facilities that might be eligible?
  - A. Vacation farms, hunting areas, shooting preserves, fishing ponds, marinas, golf courses, riding stables, ski courses, campgrounds, travel trailer parks, swimming pools, youth camps, nature trails, and bait farms.

5. Q. What is the most a farmer may borrow?

A. A farmer may borrow for all farming purposes and recreation up to \$60,000 for land purchase and development and \$35,000 for livestock, equipment, and operating expenses.

6. Q. Would this be enough to develop a big recreation enterprise?

A. Enough to give a farm family a good start in any outdoor recreation business. FHA is not authorized to finance any farming and recreation enterprise larger than the farmer and his immediate family can operate with their own management and labor except during seasonal peakload periods.

7. Q. What interest will I pay on a recreation loan?

A. The interest on all loans to individuals for recreational purposes is 5%. Loans to associations bear 5% interest if they are in the insured category; 4½% if made from direct appropriations.

8. Q. What do you mean by loans to associations?

A. FHA makes loans to nonprofit associations or public bodies consisting primarily of farmers and rural residents for shifts in land use to develop recreation facilities in rural areas and in towns of not over 2,500 population.

9. Q. What is the most an association may borrow?

A. \$500,000 if from direct funds; \$1,000,000 if from insured funds.

10. Q. I know the kind of recreation enterprise I would like to develop. Where can I get advice on whether my proposal is economically feasible?

A. The FHA county supervisor has information, or can tell you where to get it, that will assist you in working out a plan to test the feasibility of your proposed development.

11. Q. Do I have to have a certain amount of cash for down payment or a certain amount of equity in my farm or livestock and equipment to get a FHA loan?

A. No.





## RENTAL HOUSING FOR SENIOR CITIZENS

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Farmers Home Administration  
U. S. Department of Agriculture

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The Farmers Home Administration, under Title V of the Housing Act of 1949, makes direct and insured loans to provide rental housing in rural areas for senior citizens, 62 years of age or older. The housing must be located in open country, small country towns and villages and small rural communities of not more than 2,500 population which are not part of or closely associated with an urban area. Services and facilities essential to daily living and health must be reasonably accessible.

Loan funds may be used to construct, purchase, improve or repair rental housing designed to meet the special needs of senior citizens who are capable of caring for themselves. Housing may consist of apartment buildings, duplex units or individual detached houses suitable for independent living by senior citizens. Funds may also be used to provide appropriate recreational and service facilities, to buy and improve the land on which the buildings are to be located and to develop the water, sewage disposal, heat, and light systems needed for the housing. Loans may not be made for nursing, special care or institutional types of homes.

Occupancy of Housing: The occupant must be 62 years of age or over or be a family in which the husband or wife is 62 or over. The housing must be available to citizens of the United States who are rural residents.

Housing financed with a direct loan must be for senior citizens with low or moderate incomes. The maximum income level for occupancy will be established by the Farmers Home Administration. No discrimination will be permitted in the occupancy of the housing because of race, color, creed, or national origin.

Applicants must be legally able to incur the obligations of the loan, give adequate security, and have sufficient income for repayment. They must also have the ability and intention of maintaining and operating the housing for the purposes for which the loan is made. Loans are made only to applicants who are unable to finance the housing either with their own resources or with credit obtained from private or cooperative sources.

Loan Limits: A direct loan may not exceed \$200,000, less any other debts against the security, or the development cost, or the value of the security, whichever is least. An insured loan may not exceed \$100,000, or the development cost, or the value of the security, whichever is least. The Farmers Home Administration will make an appraisal of the security property to determine its value.

Terms and Interest Rate: A borrower obtaining a direct loan pays 3-5/8 percent interest on the unpaid principal. A borrower obtaining an insured loan pays 5-3/4 percent interest on the unpaid principal. Maximum repayment period for a direct loan is 50 years and an insured loan 40 years. Each borrower is expected to refinance the unpaid balance of the loan when able to obtain such refinancing at reasonable rates and terms from other lenders.



Plans and construction standards: The applicant is responsible for obtaining technical assistance necessary to plan and construct the housing to be financed with the loan. Planning guides are available at Farmers Home Administration offices.

The Farmers Home Administration reviews the plans and inspects the work as it progresses in order to help the borrower obtain sound and acceptable construction.

Building and water, sewage disposal, heating and electrical systems financed with these loans must be constructed in accordance with good building practices, and conform with any applicable laws, ordinances, codes, and regulations governing construction, heating, plumbing, electrical installation, fire prevention, and health and sanitation.

Making application: Additional details about the program and the information that will need to be submitted with the application may be obtained from the local county supervisor of the Farmers Home Administration.

#### Examples

An insured senior citizens loan was made to a business in New Jersey in a locality where a high percentage of the rural residents are elderly. A \$100,000 loan together with funds contributed by the borrower financed 20 well-designed one and two-bedroom apartments especially suited for senior citizens.

In Missouri loans have been made to individuals to finance a four-apartment unit in one case and an eight-apartment unit in another.

A rural community in Minnesota working through a nonprofit corporation sold memberships to its local citizenry. With this money in hand as working capital, application was made to the Farmers Home Administration for a loan of \$175,000. Plans call for building 15 duplexes on a 17-acre site. Twenty-two families have already applied to rent these units. Appropriate recreational and service facilities, including a park, are also being provided. The village has agreed to furnish to the project without charge power lines, sewage, and service roads. It will allow the association to provide adequate housing at rents varying from \$40 to \$65 per month.





## HOUSING FOR DOMESTIC FARM LABOR

Farmers Home Administration  
U. S. Department of Agriculture

The Farmers Home Administration, under Title V of the Housing Act of 1949, makes insured loans to finance the construction or improvement of housing for domestic farm labor.

Loan funds may be used to construct, improve, or repair housing designed to meet the needs of domestic farm laborers. Funds may also be used to provide appropriate recreational and service facilities directly associated with housing, to improve the land on which the buildings are to be located and to develop the water, sewage disposal, heat, and light systems needed for the housing. Loan funds may not be used to buy land or refinance debts.

Occupancy of housing: The occupants must be domestic farm laborers who are citizens of the United States and receive the major portion of their income as laborers on farms in the United States. No discrimination will be permitted in the occupancy of the housing because of race, color, creed, or national origin.

Eligibility: Insured loans may be made to individual farmowners, an association of farmers, a state or political subdivision, or a public or private nonprofit organization.

Applicants must be legally able to incur the obligations of the loan, give adequate security, and have sufficient income for repayment. They must also have the ability and intention of maintaining and operating the housing for the purposes for which the loan is made.

Loans are made only to applicants who are unable to finance the housing either with their own resources or with credit obtained from private or cooperative sources.

Terms and Interest Rate: A borrower obtaining an insured loan pays 5 percent interest on the unpaid principal. Each loan is scheduled for repayment over a period not to exceed 33 years from the date of the note or the useful life of the security, whichever is less. Each borrower is required to refinance the unpaid balance of the loan when able to obtain such refinancing at reasonable rates and terms from other lenders.

Plans and construction standards: The applicant is responsible for obtaining technical assistance necessary to plan and construct the housing to be financed with the loan. Planning guides are available at Farmers Home Administration offices. The Farmers Home Administration reviews the plans and inspects the work as it progresses in order to help the borrower obtain sound and acceptable construction.

Buildings and water, sewage disposal, heating, and electrical systems financed with these loans must be constructed in accordance with good building practices, and conform with any applicable laws, ordinances, codes, and regulations governing construction, heating, plumbing, electrical installation, fire prevention, and health and sanitation.

Making Application: Additional details about the program and the information that will need to be submitted with the application may be obtained from the local county supervisor of the Farmers Home Administration.

#### Examples

The first farm labor housing loan was made to a 75-member nonprofit association of farmers in Idaho. With a \$50,000 loan they financed 48 dwelling units for seasonal workers who harvest fruit and vegetables. The new quarters helped insure adequate labor for the areas expanded fruit and vegetable production.

In several states loans have been made to individual farmers to house seasonal workers used on their farms. Homes also have been provided for the year-round hired men on the farm.



## WATERSHED PROJECTS, P. L. 566

Soil Conservation Service  
U. S. Department of Agriculture



The Watershed Protection and Flood Prevention Act (Public Law 566) was passed by Congress in 1954 as a means of enabling local people to cope with destructive floods, siltation, and erosion damaged in upstream watershed areas up to 250,000 acres in size.

The Act, popularly known as the Small Watershed Program, has been repeatedly broadened and now provides for municipal and industrial water storage for present or future needs, agricultural water management, and public recreation and fish and wildlife development in addition to soil conservation and flood prevention.

#### Benefits of Multipurpose Projects

It is a valuable tool in the Department of Agriculture's Rural Areas Development effort. Where projects have been developed for multi-purposes, both urban and rural areas have benefited. Freedom from floods, erosion, and siltation have reduced the risks in farming, lowered maintenance costs on roads and bridges, and freed urban communities from the threat of costly damages.

Water impounded in upstream reservoirs offers exceptional opportunities to develop fishing, boating, hunting, swimming, picnicking, camping, and other recreation facilities. The same reservoirs can supply water for irrigation, and for municipal and industrial water development to meet the growing needs for water to attract new industries and allow for future expansion of existing industries and municipal and residential areas.

#### Projects Eligible for Loans

Projects approved by State and Federal agencies are eligible for technical and cost sharing assistance and for Farmers Home Administration long term loans. Local people initiate and help plan the projects, build them, help pay for them, and operate and maintain them. They own all the structures that may be built.

Projects may be sponsored or co-sponsored by any agency qualified under State law. These include soil and water conservation districts, municipalities, counties, conservancy districts, and other special purpose districts.

Application forms can be obtained from the State agency designated to approve applications for assistance or from the Soil Conservation Service, the agency charged with administering the program.



### Cost-Sharing Arrangements

On approved projects, the Federal government pays the following costs:

For flood prevention, all the engineering and construction costs.

For irrigation and drainage and for public recreation and fish and wildlife development, it pays for all engineering services and up to 50 percent of the construction.

In certain circumstances, it pays up to 50 percent of the cost of land rights and of the minimum basic facilities for public recreation or for public fish and wildlife development.

All other costs -- including all costs for industrial and municipal water supply -- must be paid by the local organization.

In addition to technical help from SCS, other agencies assisting in the watershed program include the Farmers Home Administration, Forest Service, Agricultural Stabilization and Conservation Service, Fish and Wildlife Service, Bureau of Outdoor Recreation, and many State agencies.

### Status of Program

As of February 1, 1964, State agencies had approved and sent to Washington 2,056 applications for assistance in watershed development. Of these 948 have been authorized for planning assistance and 530 for construction. During the past year since the program was broadened to include recreation, 62 proposals have been received from the sponsors of 55 watershed projects to include recreation developments in their projects.

Rural and urban groups, communities and local governments have found a watershed project the ideal vehicle through which they can plan and develop their natural resources to meet immediate and future needs and stimulate economic opportunities in rural areas.

### A Kentucky Example

In Kentucky, flood prevention, recreation, and municipal water supply have been combined in the multipurpose Mud River Watershed project. One of the 26 flood detention reservoirs was enlarged to create a 900-acre lake. The Kentucky Department of Fish and Wildlife Resources helped finance and will manage the lake for recreation purposes. This recreation area is expected to create new businesses and jobs for local people. One floodwater retarding structure, located above Lewisburg, includes 30 million gallons of water for the town's needs. Prior to the project, this rural community had no municipal water system. Already a small industry which manufactures hog feeders has located in Lewisburg. A wood products plant will expand and another wood working industry plans to locate in the community. A new nursing home is in the planning stages. In all, 170 new jobs are expected in the community as the result of an adequate water supply and the desire of local people to move ahead.





## -RESOURCE CONSERVATION AND DEVELOPMENT PROJECTS

Soil Conservation Service  
U. S. Department of Agriculture

Resource Conservation and Development projects are a new tool to assist rural communities in the full development and multiple use of land and water resources. They are in addition to and an intensification of going USDA programs in conservation and resource development.

RC&D projects are local projects with Federal assistance. They are one of the action programs designed to implement the Department's Rural Areas Development Program. They are designed to provide an opportunity for all local interests to work together to use USDA and other assistance to speed up development of land and water resources as a means of creating new jobs and new income.

### Objective of Projects

Major objective is to strengthen family farms, create new income through recreational and industrial enterprises, and help to bring about new community facilities. Most project plans will include as major features the management of woodlands, development of recreation areas, and watershed protection and flood prevention to provide full use of water resources.

RC&D projects were authorized by Section 102, Title I of the Food and Agriculture Act of 1962. The Soil Conservation Service has program leadership.

### Projects Must Be Sponsored

Projects must be locally sponsored and initiated by organizations such as soil and water conservation districts, county governing bodies, municipalities, State agencies, local development corporations, and others that have authority under State laws to plan, administer and operate resource development projects.

### What Projects Can Include

The RC&D projects may include watershed projects, such as PL 566 projects, within their boundaries. In addition, cost sharing under RC&D authorizations is available for community or group type enterprise for natural resource development outside feasible PL 566 watershed project areas. This authorization fills the gap between PL 566 projects and group enterprise projects. RC&D projects will include and make full use of all going programs related to resource conservation and development.

Under these and RC&D authorities the RC&D projects can include technical and financial assistance to individual land owners and operators and groups in planning and designing conservation measures on private lands; priority cost sharing for certain measures; loans; land conversion from surplus crops to recreation, wildlife, water supply, rural industry, and other uses; accelerated planning and application of conservation measures to improve land and water resources; altering or redirecting existing programs to promote economic improvement; providing opportunities for nearby urban groups to work with project sponsors in developing new outdoor recreation facilities as part of the project.

### 10 Projects Selected

Since passage of the Food and Agriculture Act of 1962 the Department of Agriculture has received 21 applications from local organizations in 16 States seeking help through RC&D projects covering 29½ million acres. Secretary Freeman has selected 10 projects for planning assistance. Funds for these projects were included in Department appropriations for fiscal year 1964 and approved by Congress last December. The 10 projects cover over 14 million acres. The Budget Bureau has limited RC&D projects to 10 in fiscal years 1964 and 1965.

### Example of Project

Illustrative of a RC&D project is a five-county area of Pennsylvania covering 2.5 million acres. The area is located on the Allegheny Plateau and is part of the Appalachian Region. Land use is about 38 percent cropland and pasture, 56 percent woodland and 6 percent urban and other uses. Soils on the long hill slopes and narrow steep valleys erode rapidly.

The Board of Directors of five Soil Conservation Districts and the Boards of Commissioners of the counties are sponsors of the project. As project objectives they list: (1) full development of water resources for multiple use (includes three presently active watershed projects under PL 566); (2) land use adjustment, particularly to income-producing recreation enterprises; (3) public and private recreation development; (4) woodland improvement and use of products; (5) pollution control; (6) speedup of land treatment and soil survey; (7) development of historic sites as tourish attractions; and (8) wetland development.

Among benefits the sponsors expect are: (1) increased rural income; (2) full development of recreational potential will attract visitors to the area; (3) recreation development as a part of farm business; (4) better land use planning and development through use of soils information and added technical assistance; and (5) improved woodland management to produce quality hardwood.





## TECHNICAL ASSISTANCE FOR INCOME PRODUCING RECREATION

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Soil Conservation Service  
U. S. Department of Agriculture

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The Food and Agriculture Act of 1962 authorized the U.S. Department of Agriculture to offer assistance to farmers, ranchers, and other landowners in developing recreation resources for profit. The Secretary of Agriculture directed the Soil Conservation Service to assume the responsibility and leadership in the recreation phase of the USDA Rural Areas Development effort in addition to providing technical assistance.

### Assistance Through Districts

The SCS provides technical assistance mainly through existing soil conservation districts which number more than 2,940 and cover 96 percent of the Nation's farm and ranch land.

### Kinds of Technical Assistance

The kinds of technical assistance in recreation that SCS provides varies with the type of enterprise being undertaken by the land owner or operator. In general it includes:

1. Supplying information on soils and their suitability for growing trees, shrubs, and grass; for road and trail construction; for building sites for recreation facilities; for septic tank filter fields; and for dams to impound water.
2. Supplying information on various recreation enterprises for which the land is suited and on the conservation measures needed for each use.
3. Appraising the physical suitability of sites for nature and hiking or riding trails, camping and picnicking, skiing and other winter sports, firebreaks and access lanes, ponds, small lakes, wells, wildlife habitat, parking areas, playgrounds, and shooting preserves.
4. Supplying information on plants or their suitability for protective cover on playgrounds, fields, roadsides, dams, and wildlife food and cover.
5. Assisting in developing, improving, and managing range and pasture for livestock and big game; farm woodlands for wildlife, hiking, and camping; water supplies; and fish and wildlife habitat.
6. Helping cooperators obtain standard construction plans prepared by other agencies for recreation facilities such as cabins, picnic tables, docks, rest rooms, bath houses, diving platforms, and parking lots.

7. Assisting soil conservation districts and other local groups appraise the potential for income-producing recreation in their area and supplying cooperators with information on the usual costs and returns of the different kinds of enterprises adapted to their area.

#### Recreation Need Near Urban Centers

There is presently a great demand for recreation areas, especially near urban centers. Publicly provided recreation facilities cannot keep up with the demand for more outdoor recreation. Much of this demand can be met, however, on privately owned lands—the farms, ranches and woodlands that make up nearly three-fourths of our land area. In addition, such developments in rural areas often bring about desirable economic effects.

The establishment of a recreation enterprise on a farm or ranch may increase the owner's income several hundred to several thousand dollars annually. Most popular enterprises include vacation farms, hunting areas, fishing, swimming, and boating waters, ski slopes, picnic areas, camping grounds, cottage sites, riding stables and the like.

#### Where To Get Information

Those interested in technical assistance in establishing an income-producing recreation enterprise may obtain information from their local soil conservation district or SCS office. The SCS conservationist will help the owner or operator make a conservation plan for the entire land area complete with maps and conservation plan maps and necessary layout for all practices including those for recreation areas.

#### Examples of Recreation Enterprises

1. A dairy farmer near a metropolitan area turned part of his land into a camp where both children and adults can stay a day or a week. He has developed picnic areas and two ponds that are suited for fishing and boating. Ponies and horses are available to campers for riding over the trails on the farm.
2. Another farmer entered the ski slope business as a sideline to his apple orchards. He built his first slopes on idle land and land occupied by low value woods. This venture was so successful that he has taken out some apple trees to make room for additional skiing facilities.
3. An eastern farmer stocks his farm with pheasant and quail and charges a fee for the privilege of hunting on the land.





## SOIL SURVEYS FOR LAND USE DECISIONS

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Soil Conservation Service  
U.S. Department of Agriculture

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There are at least 70,000 different kinds of soil in the United States. Some are suited to cultivated crops and some are not. Some can safely support a housing development or an airport and some cannot. A soil survey classifies and maps the soils so that predictions for specific uses can be made. The hazards and limitations of the soils are considered in making the predictions.

The National Cooperative Soil Survey, which began in 1899, is made cooperatively by Federal and State agencies. The Soil Conservation Service has leadership for the Federal part. The land-grant colleges and universities, primarily State agricultural experiment stations, are the cooperating State agencies.

### Map 60 Million Acres Yearly

The SCS's 1,200 soil scientists are now mapping over 60 million acres each year. These men are backed by about 200 additional scientists. More than 40 percent of the Nation's land for which detailed soil surveys are needed has been surveyed to date.

### Purposes of Soil Survey

The basic purposes of the soil survey are: (1) to determine the important characteristics of soils, (2) to classify the soils and name them according to a nationwide system, (3) to interpret the soils according to their capabilities for use under alternative management systems for crops, grasses, and trees, and according to the properties significant to engineering, (4) to show the distribution of soils on maps of high accuracy at scales appropriate to the landscape, and (5) to publish the results as soil survey reports including maps, the basic soil descriptions and the basic interpretations.

A soil scientist examines the soil to depths of several feet, noting the differences in texture, color, stoniness, thickness of horizons, structure, internal drainage, consistence and other features of the various soil horizons. He examines the landscape--its slope, erosion, and vegetation along with its present use and behavior. He groups the soils into practical classes according to their capabilities.

Soil surveys provide detailed information useful in the management of the land for sustained agricultural production.



A soil scientist's interpretation of his survey includes yield estimates of cultivated crops, grasses, and trees that can be produced under certain systems of management. Interpretations show alternative land uses and conservation treatment needs.

#### Soil Survey Findings Published

The findings of a soil survey are published by county or other similar sized area. The published soil survey consists of a soil map and a printed text that describes each of the soils in the area, summarizes what is known about them, and explains their potential uses.

The notes taken by the soil scientists during the soil survey are used for reference as the soil survey is made. As soon as the work in an area is well underway all notes and information are used in the preparation of handbooks and technical guides that are used in farm conservation planning. Each farmer or rancher cooperator in a soil conservation district is given a copy of the soil map of his farm as a part of his soil and water conservation plan. Soil survey information provides the base for nearly every phase of the Soil Conservation Service program.

During the early years of soil survey activities, chief attention was given to the farmer's uses of the survey. But so much information is gained in making a soil survey that it serves a great many other purposes besides those required by agriculture.

The published survey is used to make soil and land use studies for selecting and developing industrial, business, residential and recreational sites, for locating probable sources of gravel and other construction material, for evaluating soil and ground conditions for highways, airports, and pipelines, and for making preliminary estimates of the soils in planning agricultural drainage systems, farm ponds, irrigation systems, and diversion terraces.

#### Rural Development Soil Survey Examples

- In Danbury, Connecticut, city officials, using soil survey information, prepared a master layout to allocate housing, industry, schools, shopping centers, parks, and roadways for 30,000 additional residents expected in the future. With soils information, they were able to identify and locate areas that were poorly suited for housing and other types of construction.
- Soil survey information is being used by planning commissions and public health officials along the lake frontage in Hillsdale and Branch Counties, Mich., and elsewhere to help prevent further water pollution problems.
- City officials of Stamford, Connecticut, learned through soil survey information that they could turn a 30-acre swamp into a recreation center, instead of a dump as they had planned.
- The SCS made a detailed soil survey and special legend of the City of Wixom, Mich., for use in designing a city sewer system, determining location of installation, and needs for site borings.





## THE CROPLAND CONVERSION PROGRAM

Agricultural Stabilization and Conservation Service  
U. S. Department of Agriculture

As a part of the Food and Agriculture Act of 1962, the Congress authorized the Department of Agriculture to commit up to \$10 million to assist farmers in the conversion of cropland to conservation and other income-producing uses.

Since this amount was not sufficient to conduct such a program on a national basis, a total of 41 counties in 13 States were selected as test areas. In these areas, primary emphasis was given the conversion of cropland to grass and trees.

In addition, one or more test projects aimed at the conversion of cropland to an approved type of recreation use are being developed in each State.

Program Responsibility: The Agricultural Stabilization and Conservation Service, including State and county ASC committees, have responsibility for the program. In addition, farmers who plan to participate in the program must develop a farm conservation plan in cooperation with their local soil conservation district, with technical assistance from the Soil Conservation Service. Farmers who participate in either phase of the program may receive adjustment payments, cost-sharing payments, technical assistance, and in some States, forestry incentive payments.

Adjustment Payments Are Not Income Payments, but are designed to assist farmers in shifting cropland to alternate income-producing uses. The amount of assistance is based upon such factors as land productivity, type of conversion being made, use to which the land is being converted, changes in operating costs, and increase in value under the new use.

Conservation cost-share payments provide a means for the public to share with farmers part of the cost of conserving and improving valuable soil, water, forest, wildlife, and recreation resources.

Farmer-Agency Agreements: In the cropland conversion program, needed conservation practices must be agreed upon by the farmer and the Soil Conservation Service technician. The county ASC committee will then determine which of these practices is eligible for cost-share payments.

In most cases, conservation practices and rates of cost-share payment under the cropland conversion program are similar to those already established under the Agricultural Conservation Program in each State and county. Practices and payment rates under the ACP may vary from one State or county to another. However, the following are types of practices most commonly approved for cost-share payment: tree planting; establishing and improving cover crops; contour strip cropping; replacing minerals; constructing dams; developing sod water ways; farm ponds; water management; stream bank protection; and wildlife conservation practices.

New Practices: Where new practices, not normally available under the ACP, are needed to meet the requirements of the cropland conversion program, county ASC committees may authorize payment for such practices. Following are categories of special practices which may be approved under the recreation phase of the program: Establishment of areas for picnic and sports, camping and nature recreation, hunting and shooting, fishing, summer water sports, and winter sports.

Test Findings: During the test period in 1963, 2,800 farmers in 128 counties signed agreements to convert 129,000 acres of cropland to other income-producing uses. Conversions included 114,000 acres to grass, 8,300 acres to development of recreational facilities, 5,900 acres to trees, and 256 acres to wildlife habitat. Recreational developments included facilities for fishing, hunting, boating swimming, hiking, camping, skiing, and similar outdoor activities.

Time Limits: Agreements with farmers are for periods of either 5 or 10 years, depending upon the type of land being converted and type of use after conversion.



RAD  
AIDS



## HHFA PROGRAMS FOR SENIOR CITIZEN HOUSING

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Housing and Home Finance Agency  
Community Facilities Administration

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### A COORDINATED PROGRAM

The Congress has enacted--in Housing Acts of 1956, 1959, 1961 and 1962-- legislation which authorizes a wide range of Federal aids in housing for the elderly. These Acts provide for:

- direct Federal loans to private, nonprofit corporations, consumer cooperatives, and certain public agencies to provide rental or cooperative housing for elderly families and elderly persons;
- Federal assistance to local housing authorities for the construction of specially designed low-rent public housing units for occupancy by older persons (As a result of the Housing Act of 1937, low-rent public housing has been available for occupancy by low-income families of all ages.);
- mortgage insurance for both profit and nonprofit rental projects specially designed for the elderly;
- liberalized mortgage insurance to assist older people to finance the purchase of their own homes; and
- mortgage insurance for privately-owned nursing homes.'

Administration of these programs is a responsibility of the Housing and Home Finance Agency.... The programs, however, are administered by three HHFA constituent agencies: The Community Facilities Administration, the Public Housing Administration, and the Federal Housing Administration.

### COMMUNITY FACILITIES ADMINISTRATION

CFA makes low-interest long-term loans to private, nonprofit corporations, consumer cooperatives, and public agencies (except local housing authorities receiving Federal funds exclusively under the Housing Act of 1937) for new rental housing for lower middle-income persons, 62 years of age or older. Housing sponsors must show they are unable to obtain necessary funds from other resources upon terms and conditions as favorable as those under CFA's program.

The CFA direct loan program is intended to create housing for those older persons whose incomes make them ineligible for public housing, but who cannot afford the rents charged in the private market.

Loans for 100% of the development cost may be obtained by eligible sponsors for a maximum of 50 years at a below market interest rate - currently 3-5/8 percent.

#### PUBLIC HOUSING ADMINISTRATION

PHA administers the Federal program for low-rent public housing and furnishes financial, technical, and management assistance to local housing authorities for new or remodeled dwelling units specially designed for use by elderly persons. These units may be in public housing developments for younger families, or in separate developments ~~for the elderly~~...the cost of such units may exceed--by as much as \$1,000 per room (\$1,500 in Alaska)--the limits established for regular units. The annual Federal contribution to the local housing authorities may be increased by as much as \$120 for each unit occupied by the elderly if necessary to permit low rentals and still operate on a solvent basis.

#### FEDERAL HOUSING ADMINISTRATION

##### RENTAL PROJECTS

FHA insures mortgages for financing the construction and rehabilitation of rental accommodations for the elderly. A rental housing project may be eligible for FHA mortgage insurance if it contains eight or more units of new or rehabilitated housing specifically designed for occupancy by persons 62 years of age or older.

The mortgage loan can be repaid over the number of years approved by FHA (usually 40 years) and can bear interest at not more than the rate prescribed by FHA, currently 5<sup>1</sup>/<sub>2</sub>%....Projects may include multifamily structures, row houses, semi-detached or separate dwelling units (provided they are grouped in a contiguous project) for both families and single persons. Dining facilities, community rooms, infirmary rooms for short-term illness can be included in the projects.

##### SINGLE-FAMILY HOME PURCHASES

FHA is authorized to insure a lender against loss on a mortgage for a house purchased by a person 62 years of age or over. The down payment may be paid by friends, relatives, or a corporation--if approved by FHA. Thus, if an elderly person should be unable to qualify as an acceptable mortgage risk, FHA may still insure the loan--provided a qualified third party becomes a cosigner of the mortgage.

The Housing Act of 1961 permits insurance of a loan up to \$25,000 for purchase of a single family home....the loan to be repaid over a period as long as 35 years in the case of a new house (30 years for an existing house).

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##### FOR FURTHER INFORMATION ...

Write or visit the Office of Housing for Senior Citizens, Housing and Home Finance Agency, Washington, D. C. 20410





AGRICULTURAL PRODUCTS AND PROCESSES FOR RURAL INDUSTRIES  
FROM UTILIZATION RESEARCH AND DEVELOPMENT

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Agricultural Research Service  
U. S. Department of Agriculture

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Purpose: To provide technical and related information for optimum development of rural industrial activities based on products and processes for farm commodities related to the Department's program of Utilization Research and Development (UR&D).

Eligibility: RAD Committees, Technical Action Panels, and other groups concerned with formulating proposals in the Rural Areas Development program.

Types of Assistance:

1. Background discussions of the wide range of UR&D products and processes that have been successfully commercialized as a basis for stimulating consideration of local potentials.
2. Pre-project evaluation of promising local situations relating to types of processing in the broad fields (see below) in which UR&D results may play a role.
3. Assistance with project proposals in development and review stages.
4. Technical advice in start-up of UR&D products and processes.

UR&D Fields of Work and Examples of Successful UR&D Products and Processes:

Cereals and Forages

1. Processed feeds
2. Wheat and rice "convenience" foods
3. Frozen bakery products
4. Improved rice drying
5. Useful products from corncocks

Cotton and Wool

1. Flame retardant cotton outer garments and household cotton products
2. Weather resistant (outdoor use) cotton products
3. Stretch and bulky cotton products
4. Wash-wear cotton products
5. Cotton opener-cleaner (equipment)
6. Cotton opener-blender (equipment)
7. Loom device for weaving water- and weather-resistant cotton fabrics (equipment)
8. Easy-care woolen products
9. Permanent creases for wool products

Fruits, Vegetables, and Tree Nuts

1. Pre-peeled potatoes
2. Stabilized shelled tree nuts
3. Sweetpotato flakes
4. Dehydro-frozen fruits and vegetables
5. Belt-through drier (equipment)
6. Cucumber pickle products
7. Peach products
8. Full-flavor fruit juice concentrate (includes 7-fold apple juice and others)
9. Country cider
10. Dehydrated fruit and vegetable powders
11. Dry bean "instant" products
12. High-moisture dried fruits
13. Dehydrated fruit and vegetable products (piece)
14. Industrial uses for nutshells and fruit pits

### Oilseeds

1. Vegetable oilseed "foots" for processed feeds
2. Improved color of cottonseed oil
3. Tung oil products
4. Fermented soybean food products
5. Soybean flour for food uses
6. Foamed plastics for insulation and building uses

### New and Special Plants

1. Maple syrup and products
2. Naval stores products (paper, size, etc.)
3. Products of sugarcane bagasse
4. Feed meal from mustard seed

### Poultry, Dairy & Animal Products

1. Dehydrated egg products
2. Improved frozen poultry products
3. Leather products (glutaraldehyde tannage)
4. Animal fats in feed products
6. Yeast from cheese whey
7. Dried cottage cheese whey

### Miscellaneous

1. Frozen pre-cooked food products
2. Emergency foods for civilian defense use (Bulgar wheat wafers, etc.)

### Questions Most Frequently Asked UR&D RAD Representatives:

1. What kinds of manufactured products can be made from the agricultural commodities presently grown in this particular area? What are their market possibilities?
2. What processing facilities (equipment, buildings, grounds, storage and handling, etc.) are needed to make a specified manufactured product? What are the costs for such facilities?
3. How many different kinds of products can be made in a given plant, with only minor modifications in space and facilities? What provision should be made for increasing plant output in the future?
4. What are the requirements for water, waste disposal, fuel, electricity, and other utilities?
5. What kinds of labor and skills are needed to establish and operate a particular processing plant?
6. How much capital -- both fixed capital and operating capital -- is needed for a specified processing plant?
7. What assistance can UR&D give in formulating plans for a specific processing plant? Where can other needed assistance be obtained?

### Who to Contact for More Information and for Assistance:

Agricultural Research Service  
U.S. Department of Agriculture  
Washington, D. C. 20250





## THE MANPOWER DEVELOPMENT AND TRAINING ACT

Office of Manpower, Automation, and Training  
U.S. Department of Labor

More than 120,000 Americans have been approved for Government financed free training programs since MDTA was launched in August of 1962. Of the first 17,000 who finished this training (through September 30, 1963), 70% have found jobs - 75% of the men and 63% of the women.

Recent amendments to this 1962 Act make it an even more flexible tool in preparing workers from farms and small towns for new job opportunities, both in their own localities and elsewhere.

Q. Who administers the program?

- A. The Department of Labor, through State Employment Services, is responsible for testing, counseling, selection for training and subsequent placement. The Department of Health, Education, and Welfare is responsible for the training, through State vocational education and other appropriate public and private agencies.

Q. What free services are available?

- A. Testing, counseling, referral to training, training, in many cases a money allowance during training, in some cases additional subsistence payments of commuting costs, remedial basic education courses, placement help in finding jobs, and financing costs of moving to new jobs.

Q. Who is eligible?

- A. For training, anyone is eligible who is unemployed or under-employed and who cannot reasonably be expected to secure appropriate full time employment without training. Workers belonging to farm families with less than \$1,200 annual net family income are considered unemployed for purposes of this act.

Q. What are the money allowances during training?

- A. Cash payments are authorized up to \$10 a week more than the average weekly unemployment compensation in the State where the training is done. These allowances can be paid for 52 weeks, except in cases where basic education courses (for example, literacy and arithmetic training) are required. In these cases a further 20 weeks of money allowances is authorized. Special provisions cover payments to youth.

Q. Who is eligible for these payments?

- A. Unemployed persons who have had at least two years of gainful employment, and who are either heads of families or heads of households, or who are members of a household in which the head of the family or household is unemployed.

Q. What about youth?

- A. The general rule is that only one person in any one household may be receiving training allowances at a given time. But youth selected for occupational training and further schooling--because they can't get jobs without such special help--may nevertheless be paid allowances of up to \$20 a week. If these youths (17 or older) did not graduate from high school, they must have been out of school for at least one year.

Q. What about additional subsistence or commuting payments?

- In appropriate cases (where training is held in facilities not within commuting distance) payments for subsistence of up to \$35 a week (rate of \$5 a day) or transportation (up to 10 cents per mile) can be made.

Q. Who decides who will be trained and in what occupations?

- The Department of Labor through the local office of the State Employment Service. This office is required to make an official estimate that there is "a reasonable expectation" of jobs in the field for which training is offered. Training has been conducted for dozens of different types of jobs.

Q. Is all training in public schools?

- A. Not necessarily. Institutional-type training is done in many settings, and in addition there are specific provisions for on-the-job training, in cooperation with public and private agencies, employers, trade unions and other industrial and community groups. Such paid on-the-job training may be supplemented by classroom-type instruction.

Q. Can persons selected for training earn money on the side?

- A. Yes, up to 20 hours work a week.

Q. What about costs of moving to places where jobs are?

- A. This is a new experimental feature of the Act, and costs from now until June 30, 1965, are limited to 2% of the total spent under the Act. Grants of up to half of all costs in moving families and household effects and loans of up to the total cost may be made if there is a bona-fide offer of a permanent job at the new location. Only "involuntarily unemployed" persons who can't find work in their own communities and who are competent to perform the job elsewhere can be so aided.

Q. Who are the best persons to contact for more information?

- A. The nearest office of the State Employment Service and the State vocational educational authorities.





## VOCATIONAL EDUCATION ACT OF 1963 -- PL 88-210

Office of Education  
U.S. Department of Health, Education, and Welfare

Purpose: This historic new Act authorizes Federal grants to States for improving existing vocational education programs, to develop new programs, and to provide part-time employment for youths who need income to continue their vocational training on a full-time basis. The Act also authorizes training and retraining for persons of all ages, including those with special educational handicaps, suited to their needs, interests, job opportunities, and abilities.

Funds: The following amounts are authorized to be appropriated for grants to States: Fiscal year 1964 -- \$60 million; 1965 -- \$118 $\frac{1}{2}$  million; 1966 -- \$177 $\frac{1}{2}$  million; 1967 and each fiscal year thereafter -- \$225 million. Availability of funds depends upon annual appropriations. After 1964 they will be on a matching basis.

State Eligibility: In order to receive its share of the funds under Section 3 (a) of the Act, a State must submit through its vocational education board a State plan for administering the funds which meet certain criteria prescribed in the Act.

Uses of Funds: A State's allotment under Section 3 (a) may be used for:

1. Vocational education for persons attending high school.
2. Vocational education for persons who have completed or left high school (drop-outs) and who are available for full-time study in preparation for jobs.
3. Vocational education for persons (other than those receiving training allowances under the Manpower Development and Training Act, ARRA, and the Trade Expansion Act) who have entered the labor market but need training or retraining to achieve job stability or advancement.
4. Vocational education for persons who have academic, socio-economic, or other handicaps which prevent them from succeeding in regular vocational education programs.
5. Construction of area vocational education school facilities, including the department or division of junior colleges, community colleges, and universities providing vocational education in no less than five fields not leading to baccalaureate degrees.
6. Teacher training and supervision, program evaluation, special demonstrations and experimental programs, development of instructional materials, State administration and leadership.

In addition, 10 percent of grants under Section 2 shall be made to colleges, universities, State boards and other agencies for research and training programs, and experimental or pilot projects to meet special vocational education needs of youth--particularly those in depressed communities who have handicaps preventing them from succeeding in other vocational education programs.

#### Amendments to Smith-Hughes and George-Barden Vocational Education Acts

The following applies to the vocational education program under the Smith-Hughes Act of 1917, the George-Barden Act of 1946 as amended, and supplementary vocational education acts notwithstanding anything in those Acts to the contrary:

1. Any portion of any allotment under the Smith-Hughes Act, the George-Barden Act amended, or supplementary vocational education acts may be transferred to or combined with (a) other allotments under the above-mentioned Acts or (b) the allotment under Section 3 of the Vocational Education Act of 1963.

2. Funds for agricultural education may be used for vocational education in any occupation involving knowledge and skills in agricultural subjects, whether or not such occupation involves work of the farm or of the farm home, and such education may be provided without directed or supervised practice on a farm.

3. Funds for home economics education may be used for vocational education to fit individuals for gainful employment in any occupation involving knowledge and skills in home economics subjects; and at least 10 percent of home economics allotments for fiscal year 1966 and thereafter must be used only for vocational education to fit persons for gainful employment in occupations involving knowledge and skills in home economics, or transferred to another allotment under Section 10 (a), or both.

4. Funds for distributive education may be used to prepare for gainful employment any person over 14 years of age who has entered upon or is preparing to enter upon such occupations. Such education need not be provided in part-time or evening schools. This now permits pre-employment training. Heretofore, distributive education Federal funds for use at the high school level have been available only for cooperative programs. At the adult level, they have been available only for extension courses.

5. Funds for trade and industrial education may be used for pre-employment schools and classes organized to fit for gainful employment persons over 14 years of age who are in school. Such schools and classes may be operated for less than 9 months per year and less than 30 hours per week, and without the requirement that a minimum of 50 percent of the time be given to practical work on a useful or productive basis if the pre-employment training is for single-skilled or semi-skilled occupations which do not require training or work of such duration or nature. Moreover, it is no longer necessary that one-third of any amounts allotted for trade and industrial education be applied to part-time schools or classes for workers who have entered upon employment.

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See the following fact sheet for information on Residential Schools and the Work-Study Program provided by the new Act.



RESIDENTIAL SCHOOLS AND THE WORK-STUDY  
PROGRAM AUTHORIZED BY THE NEW VOCATIONAL  
EDUCATION ACT OF 1963 -- PL 88-210

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Office of Education  
U.S. Department of Health, Education, and Welfare

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(This fact sheet is a supplement to fact sheet No. 15 entitled The Vocational Education Act of 1963. It provides detailed information on two significant aspects of the new act. )

Work-Study Programs

Purpose: The Vocational Education Act of 1963 authorizes special funds for four years, beginning on July 1, 1965, to conduct experimental work-study programs for students. The purpose is to provide part-time employment to full-time students in vocational education programs who would be unable to continue their full-time schooling without a source of income. Funds appropriated for work-study programs are to be used to pay salaries of vocational education students employed in public agencies.

Use of Work-Study Funds: The Act prescribes that authorized work-study programs shall:

1. Be administered by the local educational agency and made reasonably available (to the extent of available funds) to all youth in the area served by the agency who can meet the requirements of the next paragraph.
2. Provide that employment under such work-study programs shall be furnished only to a student who (a) is or has been accepted for enrollment as a full-time student in a vocational education program which meets standards prescribed by the State board and the local educational agency for vocational education programs, (b) is in need of the earnings from such employment to commence or continue his vocational education program, and (c) is at least 15 years and less than 21 years of age at the beginning of his employment under the work-study program.
3. Provide that no student shall (a) be employed under such work-study programs for more than 15 hours in any week in which his classes are in session, (b) or for compensation exceeding \$45 per month in any month or \$350 in any academic year or its equivalent unless: The student is attending a school which is not within reasonable commuting distance from his home, in which case his compensation may not exceed \$60 in any month or \$500 for any academic year or its equivalent.
4. Provide that employment under such work-study programs shall be for the local educational agency or some other public agency or institution.



5. Provide that, in each fiscal year during which such programs remain in effect, such agency shall expend (from sources other than Federal funds under this section) for the employment of its students (whether or not in employment eligible for assistance under this section) an amount that is not less than its average annual expenditure for work-study programs of a similar character during the three fiscal years preceding the fiscal year in which its work-study program under this section is approved.

#### Residential Vocational Schools

Purpose: Funds are authorized for four years beginning July 1, 1965, to make grants for the construction and operation of residential vocational schools which would provide room, board, vocational training, and paid employment to state the feasibility and desirability of residential vocational education schools for certain youth of high school age.

Grants may be made to State boards for vocational education, to colleges and universities, or, with the approval of State boards, to local public schools or school agencies. In making such grants, the United States Commissioner of Education shall give special consideration to the needs of large urban areas having substantial numbers of youths who have dropped out of school or are unemployed.

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State Eligibility: In order to qualify for funds, a State must submit through its vocational education board a State plan for administering the funds which meet certain criteria prescribed in the Act.

Funds Authorized: The following amounts have been authorized, but not yet appropriated, for work-study programs and residential schools for four fiscal years beginning July 1, 1965:

Fiscal year 1965 --	\$30,000,000
Fiscal year 1966 --	\$50,000,000
Fiscal year 1967 --	\$35,000,000
Fiscal year 1968 --	\$35,000,000

For More Information -- contact your local school authorities, State board of education or State board of vocational education, or the Vocational Education Division, Office of Education, U.S. Department of Health, Education, and Welfare, Washington, D. C.