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SUPPLEMENTAL APPROPRIATIONS TO COMBAT MENTAL RETARDATION

GOVERNMENT

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HEARINGS

BEFORE THE

COMMITTEE ON APPROPRIATIONS

UNITED STATES SENATE

EIGHTY-EIGHTH CONGRESS

FIRST SESSION

ON

H.J. Res. 875

AN ACT MAKING SUPPLEMENTAL APPROPRIATIONS FOR THE
FISCAL YEAR ENDING JUNE 30, 1964, FOR CERTAIN ACTIVITIES
OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WEL-
FARE RELATED TO MENTAL RETARDATION, AND FOR OTHER
PURPOSES

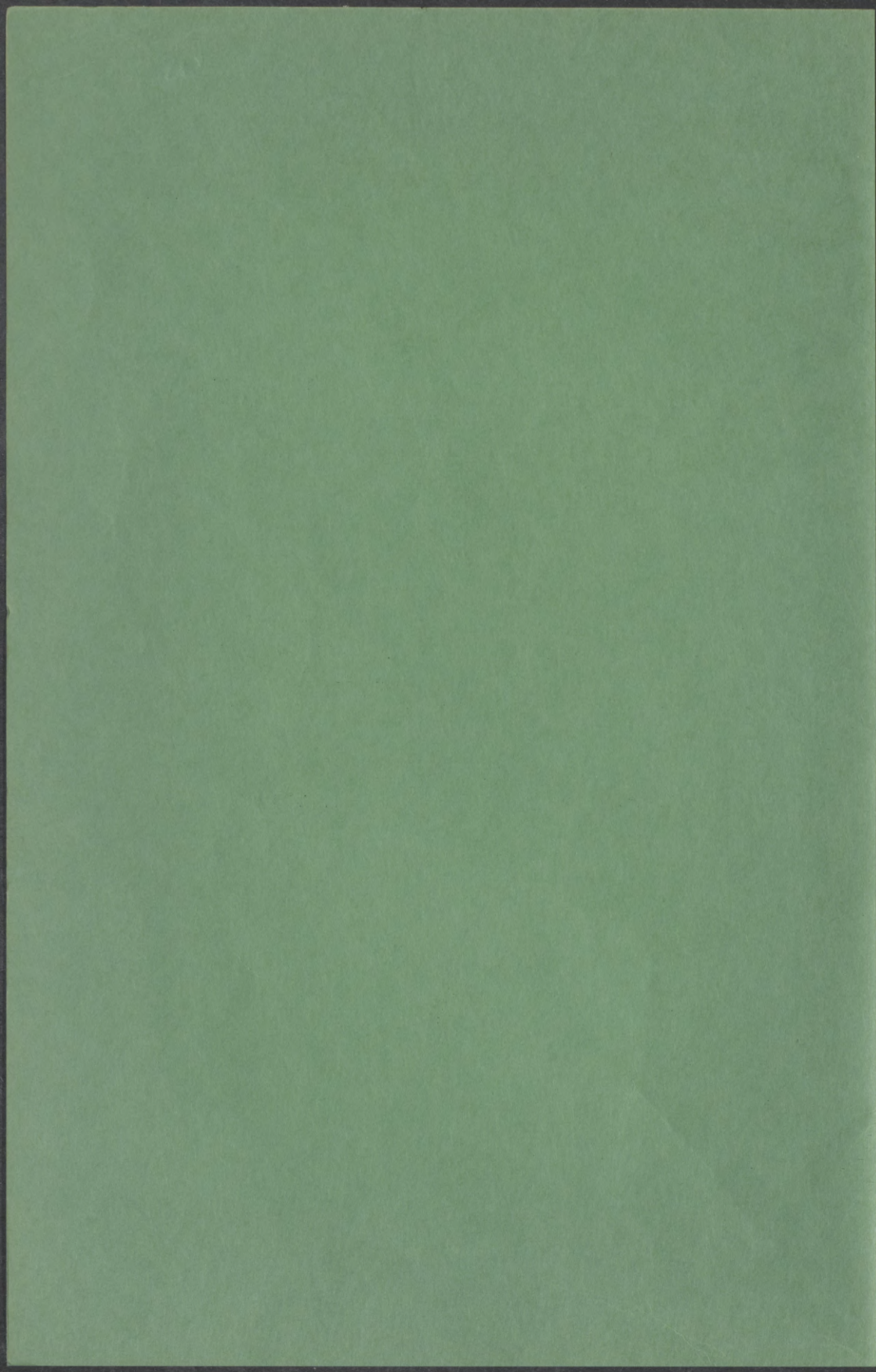
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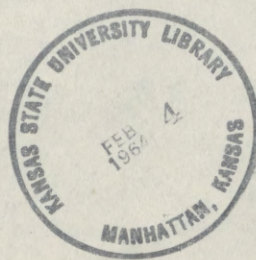
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SUPPLEMENTAL APPROPRIATIONS TO
COMBAT MENTAL RETARDATION

HEARINGS

BEFORE THE

COMMITTEE ON APPROPRIATIONS

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**SUPPLEMENTAL APPROPRIATIONS TO COMBAT
MENTAL RETARDATION**

WEDNESDAY, DECEMBER 18, 1963

**U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
Washington, D.C.**

The committee met at 10 a.m., pursuant to call, in room 112, New Senate Office Building, Hon. John O. Pastore presiding.

Present: Senators Pastore, Robertson, Holland, Monroney, Saltonstall, and Young.

**DEPARTMENT OF HEALTH, EDUCATION, AND
WELFARE**

MATERNAL AND CHILD HEALTH AND MENTAL RETARDATION

STATEMENT OF WILBUR J. COHEN, ASSISTANT SECRETARY FOR LEGISLATION; ACCOMPANIED BY FRANCIS KEPPEL, COMMISSIONER OF EDUCATION; DR. JAMES M. HUNDLEY, ASSISTANT SURGEON GENERAL FOR OPERATIONS; DR. JAMES A. SHANNON, DIRECTOR, NATIONAL INSTITUTES OF HEALTH; DR. WILFRED D. DAVID, ACTING CHIEF, DIVISION OF CHRONIC DISEASES; DR. HARALD M. GRANING, CHIEF, DIVISION OF HOSPITAL AND MEDICAL FACILITIES; DR. FREDERICK L. STONE, CHIEF, DIVISION OF RESEARCH FACILITIES AND RESOURCES; DR. ELLEN WINSTON, COMMISSIONER, WELFARE ADMINISTRATION; MRS. KATHERINE B. OETTINGER, CHIEF, CHILDREN'S BUREAU; AND JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

SUPPLEMENTAL ESTIMATES FOR 1964

Senator PASTORE. The committee will be in order. Mr. Cohen, you may proceed.

Mr. COHEN. I am here to discuss the appropriations request under Public Law 156, the Maternal and Child Health and Mental Retardation Planning Amendments of 1963 and Public Law 164, the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963.

PREPARED STATEMENT

I would like to ask that my full statement be put in the record. Senator PASTORE. Without objection it is so ordered.

(The statement referred to follows:)

Mr. Chairman and members of the committee, it is an honor and a pleasure for me to represent Secretary Celebrezze before this committee today in support of our requests for appropriations to carry out the new and significant legislation to help combat mental retardation. Due to the interest and foresight of this committee we have made significant progress in recent years in building the services and personnel needed to make an all-out attack on mental retardation. The legislation enacted this year and the appropriation requests before you today build on the foundation you have created.

Representatives of the Office of Education, the Public Health Service, and the Welfare Administration have statements to file for the record and will be available to answer questions. Since, however, you have been so concerned with the broad attack on mental retardation which has been developed through the efforts of the President's Panel on Mental Retardation, the staff of the Department of Health, Education, and Welfare, and the Congress, and which reflects the special interest of the late President and the members of his family, I would like to take a few minutes to place these estimates in larger perspective.

The appropriation requests which are before you today are the direct result of the recent enactment by the Congress of two pieces of legislation: Public Law 156, the Maternal and Child Health and Mental Retardation Planning Amendments of 1963, and Public Law 164, the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963. These laws are designed to use the resources of the Federal Government to set in motion the forces which are needed to deal with one of our most important national health problems: mental retardation. Most of the provisions of these laws were recommended in the special message which President Kennedy sent to Congress on February 5. With your permission, I would like to quote a portion of that message.

"The care and treatment of mental retardation, and research into its causes and cure, have—as in the case of mental illness—been too long neglected. Mental retardation ranks as a major national health, social, and economic problem. It strikes our most precious asset—our children. It disables 10 times as many people as diabetes, 20 times as many as tuberculosis, 25 times as many as muscular dystrophy, and 600 times as many as infantile paralysis. About 400,000 children are so retarded they require constant care or supervision; more than 200,000 of these are in residential institutions. There are between 5 and 6 million mentally retarded children and adults—an estimated 3 percent of the population. Yet, despite these grim statistics, and despite an admirable effort by private voluntary associations, until a decade ago not a single State health department offered any special community services for the mentally retarded or their families."

The President went on to outline a program for Federal action which falls into the three major categories of (1) prevention, (2) community services, and (3) research. The passage of Public Laws 156 and 164 will make it possible for us to proceed along all three of these routes. I would like to summarize briefly for you how we propose to do this.

THE FIRST ROUTE IS PREVENTION

Although the specific causes of mental retardation are still obscure, it is clear that it bears a relationship to the adequacy of prenatal care for expectant mothers and of postnatal health care for infants and small children. For this reason Public Law 156 provides for doubling the present authorizations for maternal and child health services and crippled children's services by 1970. The increased funds will be used by the States to improve and expand health services for mothers and children generally with a view to utilizing at least one-half of the funds especially for the mentally retarded. Some of the things which these additional funds will make possible are the development of new diagnostic and treatment clinics, the reduction of waiting lists for services that existing mental retardation clinics are providing on a limited basis, and the

application of known methods of screening newborn infants for metabolic disorders. For the current fiscal year, the authorization for each grant program is increased by \$5 million, and these are the amounts which we are requesting. We are requesting an earmarking of part of the funds for special projects for services for the mentally retarded along the general lines of the earmarking which you authorized in section 502(b) of the act in prior years.

The amendments also provide a new project grant program for health care for expectant mothers who otherwise could not afford maternity or infant care. This program is aimed at low income families and at mothers who have conditions which increase the risk that their babies may have physical or mental defects. The funds will be used primarily to see that these mothers receive good pre- and post-natal medical care and counseling. Our supplemental request includes the full authorization of \$5 million for this important new program.

Our second line of attack is the provision of community facilities and services for the mentally retarded. As President Kennedy said:

"We must move from the outmoded use of distant custodial institutions to the concept of community centered agencies that will provide a coordinated range of timely diagnostic, health, educational, training, rehabilitation, employment, welfare, and legal protection services."

Obviously the expanded grants for maternal and child health and crippled children's services which I have just mentioned will help to serve these purposes.

The new legislative authorities have given us additional tools, as well. First, Public Law 156 authorizes a one-time grant of \$2,200,000 to the States to assist them in planning comprehensive State and community action to combat mental retardation. These grants will make it possible for every State to begin to develop a comprehensive program of facilities and services to meet the needs of the retarded. It is imperative that this kind of planning be instituted as soon as possible.

Second, the clinical and teaching facilities which will be needed for these efforts to provide community services are envisaged in Public Law 164, which authorizes a program of grants for the construction of facilities for the mentally retarded which are associated with a college or university. These are to be "clinical facilities, providing, as nearly as practicable, a full range of inpatient and outpatient services for the mentally retarded, and facilities which will aid in demonstrating provision of specialized services for the diagnosis and treatment, education, training, care of the mentally retarded, or in the clinical training of physicians or other specialized personnel needed for research, diagnosis, and treatment education, training, or care of the mentally retarded."

Our request to you today includes funds for the first year of this program.

Public Law 164 also authorizes a major new program of grants to States for the construction of community facilities for the care and treatment of the mentally retarded. This authorization begins in fiscal year 1965, and therefore no appropriation will be requested for the current fiscal year.

A final element in the complex of community services which we are seeking to put together under the new law is the training of teachers of all kinds of handicapped children. This provision was included as title III of Public Law 164. Because of a lack of qualified teachers, only about one-fourth of our 1.5 million schoolage mentally retarded children are offered the special education they require. The President's Panel estimated that about 75,000 teachers are needed for mentally retarded children, and that we only have about 20,000 of these teachers at the present time, many of them not fully qualified. The successful experience under Public Law 85-926 has indicated the desirability of broadening and expanding the program for preparing teachers of the mentally retarded. Under our proposal existing funds for the training of teachers of the mentally retarded will be increased from \$1 million to about \$5.25 million.

The third route down which we are traveling, and although this one is the longest, it will, in the end be perhaps the one which brings us closest to the goal, is the encouragement of research into the causes and cure of mental retardation. This is not a new endeavor for us thanks in no small measure to the support which has been given by this committee. There has been for a number of years a special emphasis on mental retardation in the research supported by the various agencies of the Department of Health, Education, and

Welfare. This has been the case in programs sponsored by the Public Health Service, the Vocational Rehabilitation Administration, the Welfare Administration, and the Office of Education. During the past year, we have been engaged in organizing the activities of the new National Institute of Child Health and Human Development, which was authorized by the last Congress, and which will devote a large part of its effort to research directed at unlocking the secrets of how mental retardation begins.

The new legislative authorities will make it possible to enlist a greater proportion of the Nation's potential researchers into this endeavor and to give them the facilities they need to produce results. Under Public Law 164, there is authorized a 4-year program of grants specifically for the construction of facilities for research to find the causes and the means of prevention and amelioration of the effects of mental retardation. We are requesting \$6 million for this purpose in 1964.

We also propose an additional \$1 million under the authorization contained in title III of that law for the support of research and demonstration projects to discover and test better methods for the teaching of handicapped children.

Finally, we are requesting an additional \$1.5 million for applied research projects relating to maternal and child welfare services or crippled children's services, as authorized by section 532 of the Social Security Act in Public Law 156.

In summary, Mr. Chairman and members of the committee, we are moving down the three roads of prevention, community service, and research with the conviction that all three are necessary if we are to make a serious attack on mental retardation. We feel that this attack cannot help but achieve a measure of success if the Congress and the executive branch follow through by supporting with additional funds the new instruments which have been placed in our hands by the recently enacted legislation.

Members of the staff have been working hard throughout the year to be ready to implement this legislation if and when Congress acted. Policies and procedures have been developed and the States have evidenced a strong indication to go ahead to implement the various programs. This enthusiasm and momentum are important to the successful initiation and development of a good program.

I will be glad to respond to any questions which members of the committee may have. My colleagues are also available for further explanation of the details of the appropriation requests which are before you.

AMOUNTS REQUESTED

Senator SALTONSTALL. May I ask, Dr. Cohen, it is my understanding that you are asking for \$11,685,000 for educational improvement for the handicapped. You are asking for \$2,277,000 for chronic diseases and health of the aged; \$5,049,000 for hospital construction activities; \$6 million for the grants for construction of health research facilities, and \$16,500,000 for grants for maternal and child welfare; and \$375,000 for salaries and expenses of the Children's Bureau for a total of \$41,886,000.

Mr. COHEN. That is right.

STATE WILLING TO SHARE

Senator SALTONSTALL. You state further that in your opinion the States are ready to go forward with their share of this program if the Federal Government appropriates these funds which you are now requesting.

Mr. COHEN. That is right, Senator.

Senator SALTONSTALL. Thank you, Mr. Chairman. Might I add one more thing that Senator Holland and Senator Monroney have discussed, the question of impacted areas and schools. So far as one member of this side of the aisle is concerned, I would vote affirmatively for the \$216,204,000 for operations and maintenance with the hope that we would leave out construction facilities until we can know more about them.

Thank you, Mr. Chairman.

Senator PASTORE. So that I may repeat on the record what I already said before we had a reporter, I understand that the Department has scrutinized exhaustively the estimate for new positions and that this figure of 97 that you have given us is a "bone" figure.

"BONE" ESTIMATE GIVEN

Mr. COHEN. That is right, Senator. We have gone over the estimates very carefully in line with our present responsibilities under existing law and these new provisions, and I believe I can state to you very categorically that they represent the "bone" estimate of what is needed to effectively implement this law.

Senator PASTORE. Now it is also admitted that while this money is being appropriated it is an understanding and it is generally conceded that it would all not be spent; that is, the \$41,886,000, before the completion of this fiscal year. But this appropriation is absolutely necessary if we are to meet our commitments to the various States, with reference to matching money, and also it would be absolutely necessary to have the money funded in order to be obligated; is that right?

Mr. COHEN. That is right.

Senator PASTORE. And this is the minimum figure?

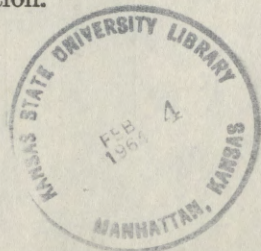
Mr. COHEN. Absolutely, Senator.

Senator PASTORE. You had another chart that you talked about that you suggested ought to be placed in the record. Will you identify it for the purposes of insertion?

MENTAL RETARDATION CHART

Mr. COHEN. I would like to insert in the record, Senator, this chart: "Mental retardation activities, supplemental request fiscal year 1964, and authorizing legislation." It summarizes each of the specific appropriations items in the agencies along with the appropriations previously enacted, the supplemental estimate, and the positions and the authorizing language in the new legislation.

(The information referred to follows:)



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Mental retardation activities—Supplemental request, fiscal year 1964, and authorizing legislation

Agency and appropriation	Appropriations enacted		Supplemental estimate		Appropriations authorized	Citation 1	Authorizing legislation
	Posi- tions	Amount	Posi- tions	Amount			
OFFICE OF EDUCATION Educational improvement for the handi- capped: Grants for training teachers. (Expansion of teaching in education of the mentally retarded.)	-----	\$2,500,000	-----	\$10,500,000	\$13,000,000	Public Law 88-164, title III, sec. 301(a) (4).	Sec. 7 of such act is amended to read as follows: "Sec. 7. There are authorized to be appropriated for carrying out this Act \$11,500,000 for the fiscal year ending June 30, 1964; \$14,500,000 for the fiscal year ending June 30, 1965; and \$19,500,000 for the fiscal year ending June 30, 1966." (The act referred to above is Public Law 85-926, education of mentally retarded children.) The 1st sentence of subsec. (a) of sec. 6 of the act of Sept. 22, 1961 (Public Law 87-276, 20 U.S.C. 676) is amended by inserting immediately before the period at the end thereof the following: ", and \$1,500,000 for the fiscal year ending June 30, 1964." (The amended language of Public Law 87-276 (training teachers of the deaf) reads as follows: "For the purpose of carrying out the provisions of this Act there are authorized to be appropriated \$1,500,000 for the fiscal year ending June 30, 1962, and \$1,500,000 for the fiscal year ending June 30, 1963, and \$1,500,000 for the fiscal year ending June 30, 1964.") There is authorized to be appropriated for the fiscal year ending June 30, 1964, and each of the next two fiscal years, the sum of \$2,000,000 to enable the Commissioner of Education to make grants to States, State or local educational agencies, public and non-profit private institutions of higher learning, and other public or nonprofit private educational or research agencies and organizations for research or demonstration projects relating to education for mentally retarded, hard of hearing, deaf, speech impaired, visually handicapped, seriously emotion- ally disturbed, crippled, or other health impaired children who by reason thereof require special education (hereinafter in this section referred to as "handi- capped children"). Such grants shall be made in
	-----	(1,000,000)	-----	-----	-----	Public Law 88-164, title III, sec. 301 (c)(1).	
Research and demonstration.....	-----	-----	-----	1,000,000	2,000,000	Public Law 88-164, title III, sec. 302(a).	

installments, in advance or by way of reimbursement, and on such conditions as the Commissioner of Education may determine.

Sec. 5. The Social Security Act is amended by adding at the end thereof the following new title:

“TITLE XVII—GRANTS FOR PLANNING COMPREHENSIVE ACTION TO COMBAT MENTAL RETARDATION

“AUTHORIZATION OF APPROPRIATIONS

“Sec. 1701. For the purpose of assisting the States (including the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa) to plan for and take other steps leading to comprehensive State and community action to combat mental retardation, there is authorized to be appropriated the sum of \$2,200,000.

“GRANTS TO STATES

“Sec. 1702. The sums appropriated pursuant to section 1701 shall be available for grants to States by the Secretary during the fiscal year ending June 30, 1964, and the succeeding fiscal year. * * *

For the purpose of assisting in the construction of clinical facilities providing as nearly as practicable a full range of inpatient and outpatient services for the mentally retarded and facilities which will aid in demonstrating provisions of specialized services for the diagnosis and treatment, education, training, or care of the mentally retarded or in the clinical training of physicians and other specialized personnel needed for research, diagnosis and treatment, education, training, or care of the mentally retarded, there are authorized to be appropriated \$5,000,000 for the fiscal year ending June 30, 1964, \$7,500,000 for the fiscal year ending June 30, 1965, and \$10,000,000 each for the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967. The sums so appropriated shall be used for project grants for construction of public and other nonprofit facilities for the mentally retarded which are associated with a college or university.

Administration.....	20	185,000				
Total, Office of Education.....	20	11,085,000				
PUBLIC HEALTH SERVICE						
Chronic diseases and health of the aged: Grants.....		2,200,000			2,200,000	
Administration.....	6	77,000				
Total, chronic diseases and health of the aged.....	6	2,277,000				
HOSPITAL CONSTRUCTION ACTIVITIES						
Hospital construction activities: Grants.....		5,000,000			5,000,000	
Administration.....	11	49,000				
Total, hospital construction activities.....	11	5,049,000				

Public Law 88-156, sec. 5.

Public Law 88-164, title I, pt. B, sec. 121.

See footnote at end of table, p. 11.

SUPPLEMENTAL APPROPRIATIONS—MENTAL RETARDATION

Mental retardation activities—Supplemental request, fiscal year 1964, and authorizing legislation—Continued

Agency and appropriation	Appropriations enacted		Supplemental estimate		Appropriations authorized	Citation 1	Authorizing legislation Language
	Posi- tions	Amount	Posi- tions	Amount			
PUBLIC HEALTH SERVICE—continued Grants for construction of health research facilities.	-----	50,000,000	-----	6,000,000	6,000,000	Public Law 88-164, title I, pt. A, sec. 101.	Title VII of the Public Health Service Act is amended by adding at the end thereof the following new part: "PART D—CENTERS FOR RESEARCH ON MENTAL RETARDATION AND RELATED ASPECTS OF HUMAN DEVELOPMENT "AUTHORIZATION OF APPROPRIATIONS "SEC. 761. There are authorized to be appropriated \$6,000,000 for the fiscal year ending June 30, 1964, \$8,000,000 for the fiscal year ending June 30, 1965, and \$9,000,000 each for the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967, for project grants to assist in meeting the costs of construction of facilities for research, or research and related purposes, relating to human development, which are biological, medical, social, or behavioral, which may assist in finding the causes, and means of prevention of mental retardation, or in finding means of ameliorating the effects of mental retardation. Funds so appropriated shall remain available until expended for payments with respect to projects for which applications have been filed under this part before July 1, 1967, and approved by the Surgeon General thereunder before July 1, 1968.
	1,119	329,597,000	17	13,326,000			
Total, Public Health Service.....	-----	25,000,000	-----	5,000,000	30,000,000	Public Law 88-156, sec. 2(a).	The first sentence of section 501 of the Social Security Act is amended by striking out "there is hereby authorized to be appropriated for each fiscal year beginning after June 30, 1960, the sum of \$25,000,000" and inserting in lieu thereof "the following sums are hereby authorized to be appropriated: \$25,000,000 for the fiscal year ending June 30, 1963, \$30,000,000 for the fiscal year ending June 30, 1964, \$35,000,000 for the fiscal year ending June 30, 1965, \$40,000,000 each for the fiscal year ending June 30, 1966, and the succeed-
WELFARE ADMINISTRATION Grants for maternal and child welfare: Maternal and child health services.....	-----	25,000,000	-----	5,000,000	30,000,000	Public Law 88-156, sec. 2(a).	

ing fiscal year, \$45,000,000 each for the fiscal year ending June 30, 1968, and the succeeding fiscal year, and \$50,000,000 each for the fiscal year ending June 30, 1970, and succeeding fiscal years."

(Sec. 501 of the Social Security Act, as amended, now reads:

"For the purpose of enabling each State to extend and improve, as far as practicable under the conditions in such State, services for promoting the health of mothers and children, especially in rural areas and in areas suffering from severe economic distress, the following sums are hereby authorized to be appropriated: \$25,000,000 for the fiscal year ending June 30, 1963, \$30,000,000 for the fiscal year ending June 30, 1964, \$35,000,000 for the fiscal year ending June 30, 1965, \$40,000,000 each for the fiscal year ending June 30, 1966, and the succeeding fiscal year, \$45,000,000 each for the fiscal year ending June 30, 1968, and the succeeding fiscal year, and \$50,000,000 each for the fiscal year ending June 30, 1970, and succeeding fiscal years.")

The first sentence of section 511 of the Social Security Act is amended by striking out "there is hereby authorized to be appropriated for each fiscal year beginning after June 30, 1960, the sum of \$25,000,000" and inserting in lieu thereof "the following sums are hereby authorized to be appropriated: \$25,000,000 for the fiscal year ending June 30, 1963, \$30,000,000 for the fiscal year ending June 30, 1964, \$35,000,000 for the fiscal year ending June 30, 1965, \$40,000,000 each for the fiscal year ending June 30, 1966, and the succeeding fiscal year, \$45,000,000 each for the fiscal year ending June 30, 1968, and the succeeding fiscal year, and \$50,000,000 each for the fiscal year ending June 30, 1970, and succeeding fiscal years."

(Sec. 511 of the Social Security Act, as amended, now reads:

"For the purpose of enabling each State to extend and improve (especially in rural areas and in areas suffering from severe economic distress), as far as practicable under the conditions in such State, services for locating crippled children, and for providing medical, surgical, corrective, and other services and care, and facilities for diagnosis, hospitalization, and aftercare, for children who are crippled or who are suffering from conditions which lead to crippling, the following sums are hereby authorized to be appropriated: \$25,000,000 for the fiscal year ending June 30, 1963, \$30,000,000 for the fiscal year ending June 30, 1964, \$35,000,000 for the fiscal year ending June 30, 1965, \$40,000,000 each for the fiscal year ending June 30, 1966, and the succeeding fiscal year, \$45,000,000 each for the fiscal year ending June 30, 1968, and the succeeding fiscal year, and \$50,000,000 each for the fiscal year ending June 30, 1970, and succeeding fiscal years.")

Public Law 88-156,
sec. 3(a).

30,000,000

5,000,000

25,000,000

Crippled children's services.....

Mental retardation activities—Supplemental request, fiscal year 1964, and authorizing legislation—Continued

Agency and appropriation	Appropriations enacted		Supplemental estimate		Appropriations authorized	Citation 1	Authorizing legislation
	Positions	Amount	Positions	Amount			
WELFARE ADMINISTRATION—continued Grants for maternal and child welfare—Con- Special project grants for maternity and infant care.				5,000,000	5,000,000	Public Law 88-156, sec. 4.	Part 4 of title V of the Social Security Act is amended to read as follows: "PART 4—GRANTS FOR SPECIAL MATERNITY AND INFANT CARE PROJECTS AND RESEARCH PROJECTS "SPECIAL PROJECT GRANTS FOR MATERNITY AND INFANT CARE "SEC. 531. (a) In order to help reduce the incidence of mental retardation caused by complications associated with childbearing, there are authorized to be appropriated \$5,000,000 for the fiscal year ending June 30, 1964, \$15,000,000 for the fiscal year ending June 30, 1965, and \$30,000,000 for each of the next three fiscal years, for grants to assist in meeting the cost of projects as provided in this section." (The following also amends part 4 of title V of the Social Security Act.) "SEC. 532. (b) There are authorized to be appropriated for each fiscal year, beginning with the fiscal year ending June 30, 1964, such sums, not exceeding \$8,000,000 for any fiscal year, as the Congress may determine to enable the Secretary to make grants to or jointly financed cooperative arrangements with public or other nonprofit institutions of higher learning, and public or other nonprofit agencies and organizations engaged in research in maternal and child health or crippled children's programs, and contracts with public or nonprofit private agencies and organizations engaged in research in such programs, for research projects relating to maternal and child health services or crippled children's services which show promise of substantial contribution to the advancement thereof."
Research projects.....				1,500,000	8,000,000	Public Law 88-156, sec. 4.	
All other maternal and child welfare.....		32,943,000					
Total, maternal and child welfare.....		82,943,000		16,500,000			

Salaries and expenses, Children's Bureau.
 Total, Welfare Administration.-----
 Grand total, Department of Health,
 Education, and Welfare.

300	3,392,640	60	375,000	
300	86,335,640	60	16,875,000	
1,419	418,432,640	97	41,886,000	101,200,000

1 Titles of the acts are as follows:
 Public Law 88-164 (approved Oct. 31, 1963), "Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963."
 Public Law 88-166 (approved Oct. 24, 1963), "Maternal and Child Health and Mental Retardation Planning Amendments of 1963."

Description	1963 available		1964 available	
	Funds	Percent	Funds	Percent
Total obligations	41,886,000	100	41,886,000	100
Construction	375,000	0.9	375,000	0.9
Salaries and expenses	41,511,000	99.1	41,511,000	99.1

Obligations by activity

Description	1963 available		1964 available	
	Funds	Percent	Funds	Percent
Construction	375,000	0.9	375,000	0.9
Salaries and expenses	41,511,000	99.1	41,511,000	99.1

Funds available for obligation

Description	1963 available		1964 available	
	Funds	Percent	Funds	Percent
Construction	375,000	0.9	375,000	0.9
Salaries and expenses	41,511,000	99.1	41,511,000	99.1

EDUCATION FOR HANDICAPPED

Senator PASTORE. Is there anyone to testify on these items?

Mr. COHEN. Our suggestion would be, if it meets with your approval, we include prepared statements for each item. The first one that comes up is educational improvement for the handicapped. If you want to I would suggest that Commissioner Keppel's statement be put in the record at this point as the first item.

Senator PASTORE. The clerk is directed to include the appropriate tables, estimates, and other applicable material for each of the six appropriation items included in House Joint Resolution 875 at this point.

(The material referred to follows:)

APPROPRIATION ESTIMATE

"EDUCATIONAL IMPROVEMENT FOR THE HANDICAPPED

"For grants for training and research and demonstrations with respect to handicapped children pursuant to the Act of September 6, 1958, as amended (20 U.S.C. 611-617), and section 302 of the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (Public Law 88-164), and for salaries and expenses in connection therewith, \$11,685,000 of which not to exceed \$185,000 shall be for such salaries and expenses, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): Provided, That the unexpended balances of the funds appropriated for "Expansion of teaching in education of the mentally retarded" and "Expansion of teaching in education of the deaf," in the Department of Health, Education, and Welfare Appropriation Act, 1964, shall be merged with this appropriation."

Amounts available for obligation

Description	1964 presently available	Comparative transfer	1964 increase	1964 revised estimate
Expansion of teaching in education of the mentally retarded	\$1,000,000	-\$1,000,000	-----	-----
Expansion of teaching in education of the deaf	1,500,000	-1,500,000	-----	-----
Educational improvement for the handicapped	-----	+2,500,000	\$11,685,000	\$14,185,000
Total obligations	2,500,000	-----	11,685,000	14,185,000

Obligations by activity

Description	1964 presently available		1964 revised estimate		Increase	
	Positions	Amount	Positions	Amount	Positions	Amount
1. Grants for training teachers	-----	\$2,500,000	-----	\$13,000,000	-----	+\$10,500,000
2. Research and demonstrations	-----	-----	-----	1,000,000	-----	+1,000,000
3. Administration	-----	-----	20	185,000	+20	+185,000
Total obligations	-----	2,500,000	20	14,185,000	+20	+11,685,000

Obligations by object

Object classification	1964 presently available	1964 revised estimate	Increase
Total number of permanent positions.....		20	+20
Average number of all employees.....		8	+8
Number of employees at end of year.....		20	+20
11 Personnel compensation.....		\$101,440	+\$101,440
12 Personnel benefits.....		6,200	+6,200
21 Travel and transportation of persons.....		51,000	+51,000
23 Rents, communications and utilities.....		6,100	+6,100
24 Printing and reproduction.....		2,400	+2,400
25 Other services.....		6,080	+6,080
26 Supplies and materials.....		2,000	+2,000
31 Equipment.....		9,780	+9,780
41 Grants, subsidies, and contributions.....	2,500,000	14,000,000	+11,500,000
Total obligations.....	2,500,000	14,185,000	+11,685,000

Summary of changes

Presently available, 1964.....	\$2,500,000
Revised estimate, 1964.....	14,185,000
Total change.....	11,685,000

Increases	Positions	Amount
Program increases:		
To financially assist in the training of teachers of all handicapped children:		
(a) Grants for training teachers.....		\$10,500,000
(b) Research and demonstrations.....		1,000,000
(c) Administration.....	20	185,000
Total.....	20	11,685,000

LIST OF NEW POSITIONS

A total of 20 positions are requested to supplement the present staff in the Division of Handicapped Children and Youth. All areas of the handicapped identified in the law will be represented.

Division office staff

1 Director, Division of Handicapped Children and Youth.....	GS-15.
1 executive officer.....	GS-14.
1 fiscal assistant.....	GS-9.

Mentally retarded and emotionally disturbed branch

1 Director, Education of Mentally Retarded and Emotionally Disturbed Branch.....	GS-15.
1 secretary-stenographer.....	GS-6.

Emotionally disturbed

1 specialist.....	GS-14.
1 research assistant.....	GS-7.
1 secretary-stenographer.....	GS-5.

Crippled

1 research assistant.....	GS-7.
1 secretary.....	GS-5.

14 SUPPLEMENTAL APPROPRIATIONS—MENTAL RETARDATION

Speech impaired and hard of hearing

1 research assistant----- GS-7.

Research and demonstrations

1 Director----- GS-15.
 2 research coordinators----- GS-14.
 2 research assistants----- GS-9.
 1 administrative aid----- GS-9.
 1 secretary----- GS-6.
 2 secretaries----- GS-5.

STATEMENT BY COMMISSIONER OF EDUCATION ON EDUCATIONAL IMPROVEMENT FOR THE HANDICAPPED

Mr. Chairman and members of the committee, the problem of providing educational opportunity for handicapped children is one that this committee has consistently recognized and is an area in which the leadership of the chairman of this committee is well established.

It is estimated that there are more than 5 million school-age handicapped children in the Nation who need special education, but that only about one-fourth of these children are currently enrolled in special education programs in local school systems and in residential schools. At the present rate of program development, it is estimated that 5 years from now the States and local communities would be making suitable educational provisions for only about one-third of the handicapped children. The greatest obstacles to the advancement of special education programs are the extreme shortage of qualified personnel and the lack of scientifically tested knowledge.

There is an urgent need for more and better qualified educators to instruct all types of handicapped children. Only 2,000 degrees were granted to special education teachers in 1959-60 though it is estimated that an additional 50,000 teachers are needed in the field of mental retardation alone. There has been an increase in the number of colleges offering professional preparation for teachers of handicapped children, but the colleges' efforts to expand and improve their programs are hampered by lack of funds and by a shortage of qualified teachers.

PROGRAMS FOR MENTALLY RETARDED AND DEAF CHILDREN

The Office of Education is currently administering programs for the professional preparation of educational personnel in two areas of the handicapped: the mentally retarded and the deaf.

Since the initiation of the program on mental retardation in fiscal year 1960, about 525 fellowships have been awarded to some 380 persons in 49 of the 50 States. Of those who have completed training, we find that 9 out of 10 are engaged in work involving handicapped children, of which 7 are working in the area of mental retardation. Most trainees are employed in leadership positions, such as directing State or local school programs, or conducting teacher preparation programs in colleges and universities.

Since the enactment of the program for training teachers of the deaf in fiscal year 1962, 866 scholarships have been awarded through 47 colleges and universities in 29 States and the District of Columbia.

BROADENING EFFECTS OF AMENDMENTS

The amendments to the program for preparing teachers of handicapped children: (1) Expand teacher preparation and professional development into categories of handicapped children who are hard of hearing, speech impaired, visually handicapped, seriously emotionally disturbed, crippled, or other children who by reason of impairment require special education; (2) extend the 2-year program for training teachers of the deaf for another year, after which time that program is to be included in the provisions of the new act; and (3) provide a program for research and demonstrations on problems related to the education of all handicapped children.

Additional amounts authorized for fiscal year 1964 include \$10,500,000 for training purposes and \$2 million for research and demonstrations. An amount of \$1 million is already available for training teachers of the mentally retarded, and \$1,500,000 is available for training teachers of the deaf.

NEEDS FOR TRAINING PROGRAMS

It is estimated that about 200,000 special educators of handicapped children are now needed nationally to instruct and supervise children, direct special education and research programs, and teach in colleges and universities that are training teachers of the handicapped. To begin meeting the needs of the Nation, the maximum additional amount authorized (\$10.5 million) is requested for fiscal year 1964 which will provide 1,540 fellowships and traineeships, 2,000 short-term traineeships, and 40 stimulation grants to institutions to strengthen and expand their programs.

An estimated allocation of these funds by handicapped area, subject to the advice of the Advisory Council on Handicapped Children, might be as follows: 50 percent for the mentally retarded; 10 percent for the seriously emotionally disturbed; 15 percent for speech impaired and hard of hearing; 7 percent for the crippled; 6 percent for the visually handicapped; and 12 percent for other health impaired children who by reason thereof require special education.

RESEARCH AND DEMONSTRATIONS

Second only to the need for qualified personnel is the need for a research and demonstration program to improve the educational opportunities of handicapped children, particularly in the development of curriculums and new teaching techniques. Such a program is particularly necessary in an area as diversified and complex as that of special education of handicapped children. In the area of mental retardation, for example, instructional materials present a perennial problem to the classroom teacher. At the present time, little is known about the effectiveness and value of audiovisual aids. Systematic research is needed to determine the place and role of audiovisual materials in the teaching of mentally retarded children. As results become known, the efficiency of the findings would then be demonstrated and new instructional tools would be made available.

Because of the complexities of developing research proposals on relatively short notice and the readiness of the field to undertake research, only one-half of the \$2 million authorized for research and demonstration projects is requested for fiscal year 1964.

OFFICE ADMINISTRATION

Title III of Public Law 88-164 has stimulated national recognition of the educational needs of handicapped children. To administer this new and expanded program a Division of Handicapped Children and Youth has been established in the Office of Education. We are happy to report the appointment of Dr. Samuel Kirk of the University of Illinois who has secured a leave of absence from his university to head the new program during the initial phases of its administration.

The broadening of assistance to all areas of the handicapped will require the sum of \$185,000 to engage the services of 20 additional personnel, which will provide a total office staff of 39 for work in the areas of the handicapped.

I will be happy to respond to any questions you may wish to raise.

APPROPRIATION ESTIMATE

"CHRONIC DISEASES AND HEALTH OF THE AGED"

"For an additional amount for 'Chronic diseases and health of the aged,' \$2,277,000, of which \$2,200,000 shall be available for grants under title XVII of the Social Security Act for planning comprehensive action to combat mental retardation."

16 SUPPLEMENTAL APPROPRIATIONS—MENTAL RETARDATION

Obligations by activities

Description	1964 presently available		1964 revised estimate		Increase (+) or decrease (-)	
	Positions	Amount	Positions	Amount	Positions	Amount
Grants.....		\$40,320,000		\$42,520,000		+\$2,200,000
(a) Research.....		2,020,000		2,020,000		0
(b) Formula grants to States:						
(1) Cancer.....		3,500,000		3,500,000		0
(2) Heart.....		7,000,000		7,000,000		0
(3) Other chronically ill and aged.....		13,000,000		13,000,000		0
(c) Project:						
(1) Cancer.....		4,850,000		4,850,000		0
(2) Neurological and sensory.....		2,950,000		2,950,000		0
(3) Other chronically ill and aged.....		7,000,000		7,000,000		0
(d) Mental retardation planning.....				2,200,000		+2,200,000
Research, training, and technical services.....	874	13,057,000	880	13,134,000	+6	+77,000
(a) Cancer control.....	189	2,121,000	189	2,121,000		0
(b) Diabetes and arthritis.....	75	1,123,400	75	1,123,400		0
(c) Heart disease control.....	399	5,391,200	399	5,391,200		0
(d) Neurological and sensory disease control.....	87	1,612,500	93	1,689,500	+6	+77,000
(e) Gerontology.....	30	906,000	30	906,000		0
(f) Nursing home services.....	30	506,800	30	506,800		0
(g) Care and preventive services.....	64	1,396,100	64	1,396,100		0
Total obligations.....	874	53,377,000	880	55,654,000	+6	+2,277,000

Obligations by object

	1964 presently available	1964 revised estimate	Increase (+) or decrease (-)
Total number of permanent positions.....	874	880	+6
Full-time equivalent of other positions.....	54	54	
Average number of all employees.....	829	831	+2
Employees in permanent positions, end of year.....	849	855	+6
Employees in other positions, end of year.....	135	135	
11 Personnel compensation.....	\$6,294,000	\$6,319,700	+\$25,700
12 Personnel benefits.....	928,000	930,300	+2,300
21 Travel and transportation of persons.....	1,020,000	1,058,000	+38,000
22 Transportation of things.....	108,000	108,000	0
23 Rent, communications, and utilities.....	187,000	188,000	+1,000
24 Printing and reproduction.....	47,000	48,000	+1,000
25 Other services.....	1,378,000	1,380,000	+2,000
Services of other agencies.....	7,000	7,000	0
Research contracts.....	2,040,000	2,040,000	0
Payment to:			
Bureau of State Services management fund.....	607,000	609,000	+2,000
National Institutes of Health management fund.....	30,000	30,000	0
26 Supplies and materials.....	200,000	201,000	+1,000
31 Equipment.....	271,000	275,000	+4,000
41 Grants, subsidies, and contributions.....	40,260,000	42,460,000	+2,200,000
Total obligations.....	53,377,000	55,654,000	+2,277,000

Summary of changes

	Positions	Amount
Appropriation, 1964.....	874	\$53,377,000
Revised estimate, 1964.....	880	55,654,000
Change.....	+6	+2,277,000
Increases:		
1. Grants for mental retardation planning.....		2,200,000
2. Research, training, and technical services.....	6	77,000
Net increase.....	6	2,277,000

New positions requested, fiscal year 1964

Research, training, and technical services	Grade	Annual salary
Public health program specialist (4).....	GS-12.....	\$39,936
Clerical assistant (1).....	GS-5.....	4,701
Commissioned officers: Director grade (1).....		14,760
Total new positions (6).....		59,397
Deduct lapses.....		35,697
Net cost.....		23,700

STATEMENT BY ACTING CHIEF, DIVISION OF CHRONIC DISEASES, PUBLIC HEALTH SERVICE, ON SUPPLEMENTAL ESTIMATE FOR CHRONIC DISEASES AND HEALTH OF THE AGED, PUBLIC HEALTH SERVICE

Mr. Chairman and members of the committee, the President, in his special message to the Congress on mental retardation, February 5, 1963, included this statement: "To stimulate public awareness and the development of comprehensive plans, I recommend legislation to establish a program of special project grants to the States for financing State reviews of needs and programs in the field of mental retardation."

This message reflected the findings of the President's Panel on Mental Retardation, published in October 1962, which reported that mental retardation is a major national health, social, and economic problem affecting some 5.4 million children and family members in this country.

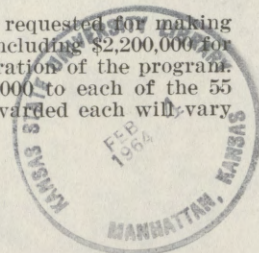
The Panel was deeply concerned that services for the mentally retarded provided by State and local agencies be coordinated in their administration and comprehensive in their scope. The Panel also devoted an entire section of the report to a discussion of the need for an expanded program of information and education to stimulate public awareness of the problem of mental retardation.

As a result of these findings and recommendations the Congress included a provision for mental retardation planning grants in Public Law 88-156, approved October 24, 1963, titled "Maternal and Child Health and Mental Retardation Planning Amendments of 1963."

The basic purpose of these grants will be to assist States in developing plans for comprehensive State and community action to combat mental retardation. They will enable the States to give consideration to vital issues that are crucial to the development of a total action program against mental retardation. Such issues include those in the fields of education, employment, rehabilitation, welfare, health, mental hygiene, and law.

The administration of these planning grants has been assigned to the Division of Chronic Diseases because of its present broad responsibilities and efforts in stimulating and supporting community health service and training programs for applying medical knowledge to the problems of chronic diseases, including mental retardation.

A supplemental appropriation for 1964 of \$2,277,000 is requested for making planning grants to States for fiscal years 1964 and 1965, including \$2,200,000 for grants as authorized in the law and \$77,000 for administration of the program. While the appropriation will provide an average of \$40,000 to each of the 55 jurisdictions eligible for a planning grant, the amount awarded each will vary



depending on need. Every State will be given an opportunity to obtain an equitable share. Allocation will be made to the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa in addition to each of the 50 States. Preparation of detailed material describing terms and conditions for the use of these grant funds is already underway.

One of the major problems in this field is the lack of coordination of the many resources for the mentally retarded which exist throughout the country; another is the complete absence of services in other areas. In order to insure adequate services for the mentally retarded and their families, comprehensive planning at the State level is essential.

A great many obstacles will need to be overcome if all, or almost all, of the States are to take advantage of the mental retardation planning grants as a means of eventually establishing or improving local programs to deal with this major problem. The emotional impact and the wide range of health and social problems created by mental retardation have undoubtedly impeded comprehensive planning of State and community programs.

It is clear that there will be a great need to provide leadership and guidance in initiating this program and in encouraging each State to submit an application for these funds. This will require varying degrees of consultation and discussion between State officials and program representatives, and it is anticipated that a majority of the 55 eligible applicants will request considerable assistance from the Public Health Service.

Mr. Chairman, I shall be glad to answer any question you may have about this program and the budget request.

APPROPRIATION ESTIMATE

“HOSPITAL CONSTRUCTION ACTIVITIES

“For an additional amount for ‘Hospital construction activities’, \$5,049,000, of which \$5,000,000 shall be available until expended for grants under part B of the Mental Retardation Facilities Construction Act (Public Law 88-164).”

Obligations by activity

Description	1964 presently available		1964 revised estimate		Increase (+) or decrease (-)	
	Position	Amount	Position	Amount	Position	Amount
Grants:						
(a) Construction of hospitals, etc., under pt. C of the Public Health Service Act.....		\$146,971,604		\$146,971,604		0
(b) Construction of medical facilities under pt. G of the act:						
(1) Chronic disease hospitals.....		18,194,347		18,194,347		0
(2) Diagnostic or treatment centers.....		19,332,858		19,332,858		0
(3) Rehabilitation facilities.....		9,356,807		9,356,807		0
(4) Nursing homes.....		26,809,942		26,809,942		0
(c) Construction of university-affiliated facilities for the mentally retarded.....		0		5,000,000		+\$5,000,000
Total construction grants.....		220,665,558		225,665,558		+5,000,000
Hospitals and medical facilities research.....	49	4,200,000	49	4,200,000	0	0
Operations and technical services.....	196	2,020,000	207	2,069,000	+11	+49,000
Total obligations.....	245	226,885,558	256	231,934,558	+11	+5,049,000

Obligations by object

	1964 presently available	1964 revised estimate	Increase (+) or decrease (-)
Total number of permanent positions.....	245	256	+11
Full-time equivalent of other positions.....	1	1	-----
Average number of all employees.....	219	223	+4
Employees in permanent positions, end of year.....	225	236	+11
Employees in other positions, end of year.....	1	1	-----
11 Personnel compensation.....	\$2,064,000	\$2,094,000	+\$30,000
12 Personnel benefits.....	184,000	187,000	+3,000
21 Travel and transportation of persons.....	165,000	168,000	+3,000
22 Transportation of things.....	9,000	9,000	+0
23 Rent, communications, and utilities.....	25,000	26,000	+1,000
24 Printing and reproduction.....	36,000	38,000	+2,000
25 Other services.....	73,000	73,000	+0
Services of other agencies.....	1,000	1,000	+0
Research contracts.....	115,000	115,000	+0
Payment to Bureau of State Services management fund.....	46,000	47,000	+1,000
26 Supplies and materials.....	15,000	17,000	+2,000
31 Equipment.....	10,000	17,000	+7,000
41 Grants, subsidies, and contributions.....	224,142,558	229,142,558	+5,000,000
Total obligations.....	226,885,558	231,934,558	+5,049,000

New positions requested, fiscal year 1964

Operations and technical services	Grade	Annual salary
1 architect.....	GS-13	\$11,731
1 attorney.....	GS-13	11,731
1 engineer.....	GS-13	11,731
1 hospital program specialist.....	GS-13	11,731
1 hospital program specialist.....	GS-12	9,984
1 attorney.....	GS-12	8,424
1 clerical assistant.....	GS-5	4,701
4 clerical assistants.....	GS-4	16,888
Total new positions (11).....		\$6,921
Deduct lapses.....		57,621
Net permanent.....		29,300

STATEMENT BY CHIEF, DIVISION OF HOSPITAL AND MEDICAL FACILITIES, PUBLIC HEALTH SERVICE, ON SUPPLEMENTAL ESTIMATE FOR HOSPITAL CONSTRUCTION ACTIVITIES, PUBLIC HEALTH SERVICE

Mr. Chairman and members of the committee, it is my privilege to appear before you today in support of part B of Public Law 88-164 approved by the late President on October 31, 1963. Part B of the law authorizes the appropriation of \$32,500,000 over the 4-year period fiscal years 1964 through 1967 for a program of construction grants in which the maximum Federal share would be 75 percent. Such funds would be for the purpose of constructing university-affiliated facilities for the mentally retarded. Such facilities would have as their primary focus the training of physicians and other specialized personnel in the knowledge and skills needed for the optimum management of mentally retarded patients.

It is anticipated that the construction made available through such funds would, to the extent practicable, offer a full range of inpatient and outpatient services for the mentally retarded. These would include those deemed essential to their proper diagnosis, treatment, education, training, or care.

The training and demonstration aspects of these facilities are paramount with high-quality care provided to patients to the extent that training responsibilities permit.

Universities and colleges with their study resources and staff provide the ideal environment for the establishment of programs which will both train physicians and other specialized personnel in the techniques of comprehensive care for the mentally retarded and concurrently offer services of high quality which may be

used as demonstration areas. They should prove to be excellent examples to other communities of the advantages of specialized mental retardation services.

The request for fiscal year 1964 in the amount of \$5 million will, if appropriated, permit Federal assistance in a program area that must move forward if we are to see any substantial improvement in the quality of manpower as it relates to caring for the mentally retarded. Such personnel are and will be needed to staff community facilities for the care of the mentally retarded.

We believe that to effectively administer the program a supplemental request of \$49,000 for salaries and expenses is justified. This would provide for a staff of 11 professional, technical, and clerical employees to (1) arrange and participate in site visits of universities seeking aid under the program for the purpose of recommending the approval or disapproval of applications to an ad hoc council; (2) provide technical consultation and assistance to sponsors regarding the program and design of proposed facilities and the establishment of their training programs; (3) review and approve architectural drawings; and (4) necessary legal services.

Mr. Chairman, to the extent that I am able to do so, I shall be glad to answer any question you may have concerning this program or the budget request.

APPROPRIATION ESTIMATE

"GRANTS FOR CONSTRUCTION OF HEALTH RESEARCH FACILITIES

"For an additional amount for 'Grants for construction of health research facilities', \$6,000,000, to be available only for grants under part D of title VII of the Public Health Service Act."

Amounts available for obligation

	1964 presently available	1964 revised estimate	Increase (+) or decrease (-)
Appropriation.....	\$50,000,000	\$56,000,000	+\$6,000,000
Unobligated balance brought forward.....	2,630	2,630	0
Total obligations.....	50,002,630	56,002,630	+6,000,000

Obligations by activity

Description	1964 presently available	1964 revised estimate	Increase (+) or decrease (-)
Grants for construction and equipment:			
(a) Health research facilities.....	\$50,002,630	\$50,002,630	0
(b) Centers for research on mental retardation.....	0	6,000,000	+\$6,000,000
Total obligations (object class 41).....	50,002,630	56,002,630	+6,000,000

JUSTIFICATION

Public Law 88-164 amends title VII of the Public Health Service Act by adding authorization of appropriations of \$6 million in fiscal year ending June 30, 1964, \$8 million for the year ending June 30, 1965, and \$6 million each for the years 1966 and 1967, for project grants to assist in meeting the costs of construction of facilities for research, or research and related purposes, relating to human development, whether biological, medical, social, or behavioral, which may assist in finding the causes and means of prevention, of mental retardation, or in finding means of ameliorating the effects of mental retardation. Sums so appropriated shall remain available until expended for payments with respect to projects on which applications have been filed under this part before July 1, 1967, and approved by the Surgeon General thereunder before July 1, 1968.

Currently, three applications have been received for consideration under this public law which will contribute up to 75 percent of the cost of such facilities for research in mental retardation. It is estimated that 9 applications may be

scientifically approved during fiscal year 1964 ranging in sizes of Government contributions from \$500,000 to \$5 million from a total of 14 applications to be reviewed. Prediction in terms of size or number of such mental retardation centers cannot be accurate because of the broader authority under this public law. Facilities to be funded may range from the need for basic metabolic and chemical laboratories to the provision of psychological and psychiatric testing resources over the entire spectrum of basic medical and behavioral research.

STATEMENT BY DR. FREDERICK L. STONE, CHIEF, DIVISION OF RESEARCH FACILITIES AND RESOURCES, NATIONAL INSTITUTES OF HEALTH, PUBLIC HEALTH SERVICE, ON SUPPLEMENTAL ESTIMATES FOR GRANTS FOR CONSTRUCTION OF HEALTH RESEARCH FACILITIES (PART D—CENTERS FOR RESEARCH ON MENTAL RETARDATION)

Mr. Chairman and members of the committee, I welcome this opportunity to speak to you today in behalf of the supplemental appropriation for fiscal year 1964, for construction of centers for research on mental retardation and related aspects of human development.

As background for this request, I should like to explain that in the past Public Health Service construction funds for health research facilities have been authorized by title VII A of the Public Health Service Act. In 1956, the Congress authorized this program after surveys and the testimony of scientists provided convincing evidence that the actual health research facilities available in many institutions were, for the most part, far below standards required for modern scientific investigation. During the past 8 years, the health research facilities program has made a major impact on raising the level of research environments by providing matching funds up to 50 percent for the construction, renovation, and equipment of research buildings at institutions throughout the Nation. So far, 1,105 awards have been made to public and nonprofit institutions in 49 States and in the District of Columbia and Puerto Rico, a total of \$254,173,000.

This year, title VII was further amended by Public Law 88-164 and signed by President Kennedy authorizing an appropriation of \$6 million in fiscal year 1964 to initiate an urgently needed program to provide "project grants to assist in meeting the costs of construction of facilities for research, or research and related purposes, relating to human development, whether biological, medical, social, or behavioral, which may assist in finding the causes, and means of prevention, of mental retardation, or in finding means of ameliorating the effects of mental retardation."

In title I, part A of Public Law 88-164, an authorization of \$26 million over a 4-year period, beginning in fiscal year 1964, is specifically earmarked for construction of centers for research on mental retardation and related aspects of human development, with the provision of Federal matching funds up to 75 percent of the cost of construction.

Administration of the program to provide grants for construction of these new research centers will be the responsibility of the Division of Research Facilities and Resources of the National Institutes of Health, working in close collaboration with the National Institute of Child Health and Human Development, established early this year. The staffs of that Division and of that Institute have already collaborated in drafting guidelines, policies, and procedures which will be necessary for the prudent administration of these construction grants.

The responsibility for this program will be handled as follows: Both the Division and the Institute will make a scientific review of the proposed research to be conducted in the centers, a review that will include combined visits to the institution for discussions with the administration and the program scientists. After the Surgeon General has made an award, the architectural and engineering review of the plans for the centers and the administration of the construction funds will be under the direction of the Division of Research Facilities and Resources in accordance with its well-established, operating procedures. The Institute of Child Health and Human Development will be responsible for program consultation and will use present research and research training grant authorities for support of the research projects to be conducted in the centers.

Though mental retardation has been immeasurably costly in terms of human misery and care, there has not been a concerted research attack upon the problem. The key to its solution lies in research. There have been some recent advances in the knowledge of the causes of some types of mental retardation, but this new information merely emphasizes the enormous gaps in our knowledge and the basic questions yet to be answered. We must still admit partial

or complete ignorance of the causes of mental retardation in 75 to 85 percent of the cases.

It is of some significance that the health research facilities program has not received an application in the past 8 years for matching funds for a mental retardation center of the type here envisioned. The reason is not hard to explain. Such centers are extremely costly and highly specialized. Institutions having broad responsibilities in health research need more of an incentive than 50 percent matching funds to devote an entire building to a concerted attack on the problem of mental retardation. They have been understandably reluctant to initiate the vigorous program that is required now to master this terrible disability. In order to launch a concerted attack, to stimulate the interest of top-flight scientists in this problem, the Congress has recognized, by authorizing 75 percent of matching funds, that the Federal Government must provide a greater inducement to institutions to establish these centers.

President Kennedy's Panel on Mental Retardation recommended that special priority be given to developing a limited number of the highly specialized research centers and that these centers be established in strategically located academic settings and in selected existing institutions for the mentally retarded. Though a considerable portion of the needed research will be conducted in basic research laboratories and facilities throughout the country, if we are to achieve the accelerated research program demanded by the problem of mental retardation, key centers are necessary.

It is expected that these centers will, in effect, provide comprehensive, multi-disciplinary research programs primarily aimed at discovering means of diagnosing, preventing, and ameliorating mental retardation. Because of the long neglect of this national health, social, and economic problem, we believe that these centers warrant somewhat more liberal construction assistance than has hitherto been provided for other types of health research facilities. These centers necessarily will need modern laboratories, adequate space, and equipment for the many-faceted approach aimed at solving the complex puzzle of mental retardation.

Under the provision of the new law for mental retardation research centers, it is estimated that from five to eight such centers will be constructed during the 4-year period covered in Public Law 88-164. Considering the time required for scientific review, for negotiation of the construction award, and for actual construction of the centers themselves, even with prompt implementation of this recently authorized program, the first of these centers could not be operational before fiscal year 1967. There is, therefore, a sense of urgency about getting these centers underway, for we are dealing with a long-neglected problem and must make up for centuries of lost time.

At present the Public Health Service has on hand two comprehensive applications for mental retardation research center construction which are scheduled for consideration at the March meetings of the appropriate National Advisory Councils, provided, of course, that funds are appropriated by this Congress. The institutions applying for these construction funds are highly regarded by the scientific community for their work in medical research. They have vigorous research programs already in operation which are contributing new knowledge to the fight against mental retardation and other health problems. A serious obstacle to their making far more significant advances is their lack of buildings and equipment. They need adequate space for investigators and their corps of technicians, they need proper facilities for the animals they will use in their research, and they need the type of modern equipment essential to more sophisticated studies.

The implementation of the new law will enable them to continue their present research and to initiate additional, more comprehensive studies. The National Institute of Child Health and Human Development has also been contacted by several other institutions in widely scattered areas of the country which have expressed their interest in building mental retardation research centers. It is anticipated that these institutions will soon submit applications.

We believe the construction of these centers will launch a major effort to discover the causes, methods of prevention, and, hopefully, the eventual control of mental retardation. At present, there are approximately 5½ million mentally retarded in this country. It is estimated that, by 1970, that figure will have been increased by 1 million unless the problem is vigorously attacked. This Nation can ill afford such an appalling burden in human misery and the hardships inflicted on the children and the families afflicted by this problem.

As President Kennedy noted in his special message to Congress on mental health and mental retardation last February: "The situation has been tolerated far too long. * * * The time has come for a bold new approach."

The construction of these centers for research on mental retardation and related aspects of human development is one of these bold new approaches. It is an approach that will go a long way toward hastening the day when the darkness and mystery surrounding mental retardation will be dispelled, when prevention and control of mental retardation will no longer be a hope, but a reality.

APPROPRIATION ESTIMATE

"GRANTS FOR MATERNAL AND CHILD WELFARE

"For an additional amount for 'Grants for maternal and child welfare', \$16,500,000, of which \$5,000,000 shall be available for maternal and child health services, \$5,000,000 for services for crippled children, \$5,000,000 for special project grants for maternity and infant care pursuant to section 531 of the Social Security Act, and \$1,500,000 for research projects relating to maternal and child health and crippled children's services: Provided, That \$1,250,000 of the additional amount appropriated herein for maternal and child health services which is available under section 502(b) of the Social Security Act shall be used only for special projects for mentally retarded children and \$1,250,000 of the additional amount appropriated herein for services for crippled children which is available under section 512(b) of such Act shall be used only for special projects for services for crippled children who are mentally retarded."

EXPLANATION OF LANGUAGE

Language is proposed to earmark \$1,250,000 of the amount requested for maternal and child health services, and \$1,250,000 of the amount requested for services for crippled children to be used only for special projects for mentally retarded children.

Section 531(a) of the Social Security Act as amended by the Maternal and Child Health and Mental Retardation Planning Amendments of 1963 authorized special project grants for maternity and infant care. (The full amount of the authorization of \$5 million for this purpose is being requested.)

Section 532(a) of the Social Security Act as amended by the Maternal and Child Health and Mental Retardation Planning Amendments of 1963 authorizes research projects relating to maternal and child health services and crippled children's services. Eight million dollars is authorized for this purpose for each fiscal year beginning in 1964. The appropriation sought for 1964 is \$1,500,000.

Obligations by activities

Activity	1964 presently available	1964 revised estimate	Increase
1. Maternal and child health services.....	\$25,000,000	\$30,000,000	+\$5,000,000
2. Crippled children's services.....	25,000,000	30,000,000	+5,000,000
3. Child welfare services.....	29,000,000	29,000,000	-----
4. Research, training, or demonstration projects in child welfare.....	3,943,000	3,943,000	-----
5. Special project grants for maternity care.....	-----	5,000,000	+5,000,000
6. Research projects relating to maternal and child health serv- ices and crippled children's services.....	-----	1,500,000	+1,500,000
Total obligations.....	\$2,943,000	\$9,443,000	+16,500,000

Obligations by object

	1964 presently available	1964 revised estimate	Increase
41 Grants, subsidies, and contributions.....	\$82,943,000	\$99,443,000	+\$16,500,000

24 SUPPLEMENTAL APPROPRIATIONS—MENTAL RETARDATION

Summary of changes

1964 Presently available-----	\$82,943,000
1964 Revised estimate-----	99,443,000
Total change-----	16,500,000
Increases:	
Maternal and child health services-----	5,000,000
Crippled children's services-----	5,000,000
Special project grants for maternity care-----	5,000,000
Research projects relating to maternal and child health services and crippled children's services-----	1,500,000
Total change-----	16,500,000

EXPLANATION OF CHANGES

Maternal and child health services.—The additional amount is requested to give effect to the Maternal and Child Health and Mental Retardation Planning Amendments to the Social Security Act (Public Law 88-156) which increased the authorization from \$25 to \$30 million for the fiscal year 1964. Appropriation language is proposed to earmark \$1,250,000 of the amount requested to be used only for special projects for services for mentally retarded children.

Services for crippled children.—The additional amount is requested to give effect to the Maternal and Child Health and Mental Retardation Planning Amendments to the Social Security Act (Public Law 88-156) which increased the authorization from \$25 to \$30 million for the fiscal year 1964. Appropriation language is proposed to earmark \$1,250,000 of the amount requested to be used only for special projects for mentally retarded children with physical handicaps.

Special project grants for maternity and infant care.—The additional amount requested is to give effect to a section of the 1963 amendments to the Social Security Act which authorizes special project grants for maternity and infant care in order to help reduce the incidence of mental retardation caused by complications associated with childbearing.

Research projects relating to maternal and child health services and crippled children's services.—The additional amount requested is to give effect to a provision of the 1963 amendments to the Social Security Act which authorizes grants or jointly financed cooperative arrangements with public or other nonprofit institutions of higher learning, and public or other nonprofit agencies and organizations engaged in research or in maternal and child health or crippled children's programs, and contracts with public or nonprofit private agencies and organizations engaged in research or in such programs, for research projects relating to maternal and child health services or crippled children's services which show promise of substantial contribution to the advancement thereof.

STATEMENT BY CHIEF OF CHILDREN'S BUREAU, WELFARE ADMINISTRATION, ON GRANTS FOR MATERNAL AND CHILD WELFARE, CHILDREN'S BUREAU, 1964 SUPPLEMENTAL ESTIMATE

INCREASE REQUESTED

On October 24, the President signed Public Law 88-156 which amended the basic Social Security Act. The objective of the new law is to assist States and communities in preventing and combating mental retardation. This specific request for a supplemental appropriation for 1964 is designed to implement those changes made in title V of the Social Security Act which provide for expansion and improvement of the maternal and child health and crippled children's programs with emphasis on expanded services for mentally retarded children, provide for special project grants for maternity and infant care to help reduce the incidence of mental retardation caused by complications of pregnancy, and provide for research project grants relating to maternal and child health and crippled children's services. A summary of the 1963 amendments to title V of the Social Security Act is attached to this statement.

The supplemental appropriation for the fiscal year 1964 of \$16,500,000 now before you for consideration is to permit the implementation of the new legislation and would provide:

- (1) \$5 million additional for maternal and child health services. Of this amount, \$1,250,000 would be earmarked for special project grants for mentally retarded children.

(2) \$5 million additional for services to crippled children, of which \$1,250,000 would be used only for special project grants for services for crippled children who are mentally retarded.

(3) \$5 million to initiate a newly authorized program of special project grants to help reduce the incidence of mental retardation caused by complications associated with childbearing.

(4) \$1,500,000 for the initiation of a newly authorized research project program relating to maternal and child health services and crippled children's services.

The regular appropriation which has been made for the fiscal year 1964 for grants under title V of the Social Security Act (including child welfare services) is \$82,943,000. This supplemental appropriation request would increase the total to \$99,443,000, or by \$16,500,000.

PURPOSE AND NEED FOR INCREASED FUNDS

Maternal and child health services

Grants are provided to enable States to expand and improve services for promoting the health of mothers and children. The States must provide matching funds for one-half of the amount appropriated. The balance is not matched. However, in most States, expenditures by the States and localities substantially exceed the amount of the total Federal grants. States use these funds, together with State and local funds, for such purposes as (1) prenatal clinics where mothers receive medical examinations and advice regarding care during pregnancy; (2) home visits by public health nurses before and after childbirth; (3) well-child clinics where mothers bring their children for health supervision, and for information on the prevention of disease and on the care of babies; (4) immunization against communicable diseases; (5) school health services; (6) dental services for children; and (7) for improving the quality of services to mothers and children by providing special training opportunities for physicians, nurses, nutritionists, medical social workers, and other professional personnel working with children. The increased authorizations provided in Public Law 88-156 are designed to help the States meet the increased demand for these services resulting from the rising child population. The legislation also makes possible the expansion of clinic services to meet the needs of more mentally retarded children.

The expansion of maternal and child health services should contribute to the reduction of infant and maternal mortality. States vary widely in rates of infant mortality—ranging from 19.6 to 41.6 per 1,000 live births—and in rates of maternal mortality—from less than 2 to over 8 per 10,000 live births. These rates could and should be reduced through preventive health services for mothers and babies. For the United States as a whole, infant mortality declined more than 13 percent between 1950 and 1962. Since 1955 the rate of decline has slowed up considerably. In 1962, 10 other countries had lower infant mortality rates than the United States.

There is a critical need for more services for mentally retarded children and for more comprehensive services. Of the 4.2 million children born each year, about 3 percent at birth or later will be classified as mentally retarded. In 1962, 25,000 children were seen in clinics for mentally retarded children supported by maternal and child health funds. Existing clinics are able to serve only 1 out of 50 preschool children who need the diagnostic services of these clinics. Waiting lists for these services have increased about 65 percent between 1958 and 1962. During the past year 24 States have requested increased funds to strengthen existing clinic programs. These requests could not be met. Because the appropriation for maternal and child health services has been at the authorized ceiling for the past 2 fiscal years there has been a growing waiting list for the services provided by these clinics. With increased funds States will expand existing clinics and establish new ones. State health departments and teaching hospitals are ready to move immediately to provide more comprehensive services such as the development of chromosome analysis and genetic counseling to serve younger mothers who have given birth to a mongoloid child; to extend diagnostic and health services to day care training centers for young retarded children; to develop screening programs for the detection of phenylketonuria and other types of metabolic disorders associated with mental retardation; to demonstrate the use of small residential facilities, "pediatric annexes," associated with hospitals in order to learn how intensive care of

severely damaged children can help develop skills in walking, self-feeding, and self-care.

Expansion of opportunities is urgently needed for both graduate and inservice training for further program development and will be started immediately as the development of training centers is strengthened by this program.

Crippled children's services

Grants are made to the States to extend and improve services for locating crippled children, and for providing medical, surgical, corrective, and other care and services for children who are crippled or who are suffering from conditions which lead to crippling. The States are required to match one-half of the amount appropriated. The balance is allotted on the basis of need and is not matched.

All States want to make their services increasingly available to children with all kinds of handicapping conditions but just to keep up with the expected increase in the child population, State crippled children's agencies will have to provide services for 625,000 children by 1970. Of the 375,000 children cared for under this program in 1961, about 45 percent had orthopedic handicaps. The rest had conditions such as cerebral palsy, epilepsy, loss of hearing, cystic fibrosis, congenital heart disease, and many other conditions.

The cost of these programs is influenced greatly by the cost of medical care. Almost 40 percent of the expenditures are for hospital care. The average daily cost of hospital care per patient continues to increase at the rate of about 7 percent a year. In 1951, it was \$16.77—in 1961, \$34.98, a doubling of costs over the 10-year period. The techniques of modern medicine, far more complex and effective than those of a generation ago are also more expensive.

The increased appropriation will enable States to take care of more children in need of services and to broaden their definition of crippling and long term illness. The extension of services to handicapped retarded children is urgently needed. The development of comprehensive treatment centers for children with multiple handicaps—where coordinated services are related to their physical handicaps as well as to their mental retardation—is a high priority in a number of States. In the existing special clinics for mentally retarded children approximately 75 percent of the children under 6 have associated physical handicaps. A number of medical schools will use such centers' programs for teaching purposes and thus help to increase the trained personnel necessary to work with such children in a number of disciplines. More than 200,000 patients, many of them children with multiple handicaps, are in State institutions for the mentally retarded—these children go untreated because of lack of funds, lack of the necessary staff specialists or distance from a medical center.

Special project grants for maternity and infant care

The report of the President's Panel on Mental Retardation points out that the risk of having a mentally retarded child is much greater among women in the lower income groups who receive poor maternity care. Studies are cited which show that women who have had no prenatal care are two or three times as likely to have premature babies as those who have had adequate prenatal care. And brain damage with resultant mental retardation is reported in over one-fourth of the premature babies weighing less than 3½ pounds.

Efforts to prevent mental retardation must, therefore, include programs to provide good maternity care for women who have various complications of pregnancy which increase the hazards of childbirth for themselves and their babies. Such complications are more prevalent in low-income families than among the rest of the population. For such expectant mothers, good maternity care provided during the prenatal period, labor and delivery, and the postpartum period is of critical importance.

Increasing numbers of women, especially in the larger cities, are receiving inadequate maternity care. Under this new program States or local health departments will be able to provide comprehensive maternity care to selected high-risk patients, and to improve greatly the quality of care. They will be able to bring the clinics close to the population to be served; establish special clinics for patients with obstetric complications; pay for hospital care for high-risk patients in voluntary nonprofit community hospitals providing care of good quality, thus relieving the overcrowded conditions in city and county hospitals; provide for medical consultations essential for many high-risk patients; and provide hospital care for premature infants in special units or other vulnerable infants who give evidence of the need for special care.

Through the development of these programs, all of the available resources in a community could be mobilized to provide the kind of care that is needed for high-risk mothers and their babies, thereby helping to reduce the incidence of mental retardation caused by complications associated with childbearing and to decrease the number of premature births. Notably larger numbers of children born prematurely have handicapping conditions, including mental retardation.

RESEARCH PROJECTS RELATING TO MATERNAL AND CHILD HEALTH AND CRIPPLED CHILDREN'S SERVICES

The funds requested will permit the Bureau to stimulate and develop research investigations essential to program planning. It is particularly important that the Bureau use such research funds to conduct an overall investigation of the present status of the health of mothers and children in all parts of the country and of the services available to them. Such information is needed to provide the framework for the further development and improvement of programs and services relating to maternal and child health. The broad national study will identify the methods of great promise for advancing and improving these programs.

The proposed research program would consist of several phases:

1. Nationwide demographic studies to identify the geographic areas and social and cultural settings which constitute specially "high-risk communities" with reference to various health measurements (perinatal, infant and maternal mortality, low birth weight, physical handicaps, mental retardation). Through the use of research units in the schools of public health, additional studies in depth would be conducted to ascertain for which specific groups of people the risks appear to be greatest and what program of services is most effective with such mothers and children. These studies in depth would fill in the gaps in our present knowledge concerning the factors contributing to the problems of maternal and child health. Such studies would be conducted in a way which would have immediate meaning for the local, State, and National health officials so as to provide a factual base for appropriate health planning and development.

2. Information would be gathered on a current and continuing basis on a large sample of pregnant women to secure necessary information on hospital care for maternity patients and newborn infants. Such a large-scale study would also provide a national control for the occurrence of "rare" birth anomalies due to unsuspected and identified causes.

3. Through research grants to universities, health departments, community health organizations, and hospitals, support would be provided for the development of new health programs with built-in evaluative design. Furthermore, evaluative studies would be carried out of the existing programs aimed at answering questions about the effectiveness and efficiency of present operations. The integration of health services with other services necessary for effective work with the mentally retarded and crippled child will be studied with the goal toward new program development.

In summary, the research fund requested would be used to obtain basic data on the provision, use, and need for health services; a large scale perinatal study; and support for individual proposals aimed at improving or developing new health programs to meet the needs of the pregnant women and their children whose needs are not being met primarily in the large urban areas and the outlying rural communities.

SUMMARY OF 1963 AMENDMENTS TO TITLE V OF THE SOCIAL SECURITY ACT

The Maternal and Child Health and Mental Retardation Planning Amendments of 1963 (Public Law 88-156) make the following changes in title V of the Social Security Act:

1. Increase in authorization of appropriations

(a) Under the previous law (title V, pt. 1 of the act) \$25 million per year was authorized to be appropriated for grants to the States for maternal and child health services. The new law increases the authorization to \$30 million for fiscal year 1964, \$35 million for fiscal year 1965, \$40 million each for fiscal

years 1966 and 1967, \$45 million each for fiscal years 1968 and 1969, and \$50 million for 1970 and subsequent years.

(b) Under the previous law (title V, pt. 2, of the act) the authorization for appropriation for grants to the States for services for crippled children was \$25 million. The new law increases the authorization to \$30 million for fiscal year 1964 and provides increases in the authorization for subsequent years identical with those for maternal and child health services.

2. Project grants

The new law amends part 4 of title V of the Social Security Act to provide for special project grants for maternity and infant care and research projects relating to maternal and child health services and crippled children's services.

(a) Section 531, a new section, authorizes a 5-year program of grants to State or local health agencies for special project grants for maternity and infant care to help reduce the incidence of mental retardation caused by complications associated with child-bearing. The new law authorizes \$5 million for fiscal year 1964, \$15 million for fiscal year 1965, and \$30 million for each of the next 3 fiscal years for grants to assist in meeting the cost of projects as provided in this section, and provides that the Federal grant cannot exceed 75 percent of the cost of a project.

(b) Section 532, a new section, authorizes an appropriation not to exceed \$8 million for any fiscal year for grants, contracts, or jointly financed cooperative arrangements for research projects relating to maternal and child health services or crippled children's services that show promise of substantial contribution to the advancement of these programs.

APPROPRIATION ESTIMATE

"SALARIES AND EXPENSES, CHILDREN'S BUREAU

"For additional amount for 'Salaries and expenses', \$375,000."

Obligations by activities

Activity	1964 presently available		1964 revised estimate		Increase	
	Positions	Amount	Positions	Amount	Positions	Amount
1. State and local health services for children.....	88	\$1,041,067	88	\$1,041,067	-----	-----
2. State and local social services for children.....	69	741,845	69	741,845	-----	-----
3. Technical assistance to States and communities for juvenile delinquency programs.....	27	323,437	27	323,437	-----	-----
4. Research in child life and services for children.....	54	502,256	54	502,256	-----	-----
5. Information for parents and others working with children.....	23	434,082	23	434,082	-----	-----
6. Mental retardation services for children.....	-----	-----	60	375,000	+60	+\$375,000
7. Administration.....	39	349,773	39	349,773	-----	-----
Total obligations.....	300	3,392,460	360	3,767,460	+60	+375,000

Obligations by object

	1964 presently available	1964 revised estimate	Increase
11 Personnel compensation:			
Permanent positions.....	\$2,554,758	\$2,782,158	+\$227,400
Positions other than permanent.....	31,300	40,300	+9,000
Other personnel compensation.....	23,942	23,942	-----
Total personnel compensation.....	2,610,000	2,846,400	+236,400
12 Personnel benefits.....	178,000	195,249	+17,249
21 Travel and transportation of persons.....	234,000	266,210	+32,210
22 Transportation of things.....	7,000	7,000	-----
23 Rents, communications, and utilities.....	49,960	58,536	+8,576
24 Printing and reproduction.....	230,000	280,000	+50,000
25 Other services.....	44,000	49,780	+5,780
26 Supplies and materials.....	24,500	26,066	+1,566
31 Equipment.....	15,000	38,219	+23,219
Total obligations by object.....	3,392,460	3,767,460	+375,000

Personnel summary

	1964 presently available	1964 revised estimate	Increase (+) or decrease (-)
Total number of permanent positions.....	300	360	+60
Full-time equivalent of all other positions.....	3	4	+1
Average number of all employees.....	273	298	+25
Number of employees at end of year.....	281	341	+60
Average GS grade.....	9.8	9.9	+ .1
Average GS salary.....	\$9,794	\$9,741	-\$53

Summary of changes

	Amount
1964 appropriation.....	\$3,401,000
Transferred to "Operating expenses, Public Buildings Service" General Services Administration.....	-8,540
1964 presently available.....	3,392,460
1964 revised estimate.....	3,767,460
Total change.....	375,000

Increase:

Program increase:

Mental retardation services for children:

(a) To provide for development and coordination of mental retardation activities and supporting services for this activity:

Personnel compensation (6 positions).....	22,317
Other related costs.....	7,096
Total.....	29,413

29,413

(b) To provide for development of program policy, standards, guides, and procedures:

Personnel compensation (10 positions).....	50,405
Other related costs.....	16,656

 Total..... 67,061

(c) To provide for administration of research grants:

Personnel compensation (7 positions).....	31,123
Other related costs.....	15,565

 Total..... 46,688

Summary of changes—Continued

Increase—Continued

Program increase—Continued

Mental retardation services for children—Continued

(d) To provide for technical assistance to States and communities:

	<i>Amount</i>
Personnel compensation (30 positions)-----	\$123, 152
Other related costs-----	28, 523
Total-----	<u>151, 675</u>

(e) To provide for program interpretation:

Personnel compensation (7 positions)-----	26, 652
Other related costs-----	3, 511
Printing-----	50, 000
Total-----	<u>80, 163</u>

Total change requested (60 positions)-----	<u>375, 000</u>
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EXPLANATION OF CHANGES

To provide for development and coordination of mental retardation activities and supporting services for these activities.—An increase of \$29,413 and six positions is requested for overall program direction and coordination, legal services, servicing of advisory groups, and other administrative services.

To provide for development of program policy, standards, guides, and procedures.—An increase of \$67,061 and 10 positions is requested for the development of program policies, standards, guides, and procedures for the new and expanded program for maternal and child health services, services for crippled children, special projects for maternity and infant care, specialized mental retardation consultation, and the establishment of the necessary fiscal and other administrative controls.

To provide for administration of research grants.—An increase of \$46,688 and seven positions is requested to administer the new program of grants for research projects relating to maternal and child health services and crippled children's services.

To provide for technical assistance to States and communities.—An increase of \$151,675 and 30 positions is requested to assist the States and local communities in establishing new programs for mentally retarded children and in expanding present activities related to such children, consultation on clinical programs for such children, maternity and infant care projects, and the development of comprehensive and continuing services for mentally retarded children. Twenty-two of these positions are for the regional offices.

To provide for program interpretation.—An increase of \$80,163 and seven positions is requested to provide program interpretation for a wide range of audiences including professional workers, community leaders, and parents, and for the preparation of popular and technical publications. This item also includes some \$50,000 for printing related to the mental retardation program.

SUPPLEMENTAL APPROPRIATIONS—MENTAL RETARDATION 31

New positions requested, fiscal year 1964 (supplemental request)—Mental retardation services for children

	Grade	Annual salary
(a) Program direction and services:		
Deputy Chief of Children's Bureau.....	GS-17.....	(1)
Assistant to Deputy Chief for mental retardation.....	GS-15.....	\$15,683
Administrative assistant.....	GS-12.....	9,984
Attorney.....	GS-12.....	9,984
Accounting clerk.....	GS-7.....	5,803
Secretary.....	GS-7.....	5,803
Clerk-stenographer.....	GS-5.....	4,701
Subtotal, program direction and services (6).....		51,958
(b) Development of program policy, standards, guides, and procedures:		
Medical officer (maternal and child health).....	GS-15.....	17,222
Do.....	GS-14.....	15,434
Fiscal analyst.....	GS-13.....	11,731
2 mental retardation specialists.....	GS-13.....	23,462
Program analyst.....	GS-13.....	11,731
Specialist on medical care administration.....	GS-13.....	11,731
Grants assistant.....	GS-7.....	5,803
2 secretaries.....	GS-5.....	9,402
Subtotal, development of program policy, standards, guides, and procedures (10).....		106,516
(c) Administration of research grant program:		
Director of health research grants.....	GS-15.....	17,222
Health research specialist.....	GS-14.....	13,624
Do.....	GS-13.....	11,731
Grants assistant.....	GS-7.....	5,803
Statistical clerk.....	GS-5.....	4,701
2 clerk-stenographers.....	GS-4.....	8,444
Subtotal, administration of research grant program (7).....		61,525
(d) Technical assistance to States and communities:		
Departmental:		
Clinical dietary consultant.....	GS-13.....	11,731
Home economist.....	GS-13.....	11,731
Maternity nurse.....	GS-13.....	11,731
Medical social work consultant.....	GS-13.....	11,731
4 secretaries.....	GS-5.....	18,804
Subtotal, departmental (8).....		65,728
Regional:		
9 regional mental retardation consultants.....	GS-14.....	122,616
4 regional nutrition consultants.....	GS-13.....	46,924
8 regional fiscal analysts.....	GS-7.....	46,424
Regional clerk-stenographer.....	GS-5.....	4,701
Subtotal, regional (22).....		220,665
Subtotal, technical assistance to States and communities (30).....		286,393
(e) Program interpretation:		
Editor-writer.....	GS-13.....	11,731
Film consultant.....	GS-13.....	11,731
Information specialist.....	GS-13.....	11,731
Visual information specialist.....	GS-13.....	11,731
Editorial assistant.....	GS-7.....	5,803
2 secretaries.....	GS-5.....	9,402
Subtotal, program interpretation (7).....		62,129
Total new positions requested (60).....		568,521

¹ Will continue to be paid from regular Children's Bureau appropriation fund but will direct mental retardation program within the Bureau.

STATEMENT BY CHIEF OF CHILDREN'S BUREAU, WELFARE ADMINISTRATION ON SALARIES AND EXPENSES, CHILDREN'S BUREAU, 1964 ESTIMATE

INCREASE REQUESTED

A supplemental appropriation for 1964 of \$375,000 is requested for "Salaries and expenses, Children's Bureau" to enable the Children's Bureau to meet the greatly increased workload incident to the implementation of the amendments to title V of the Social Security Act authorized in Public Law 88-156 which was enacted October 24, 1963. This estimate provides for personnel compensation and related costs for 60 positions.

The Maternal and Child Health and Mental Retardation Planning Amendments of 1963 (Public Law 88-156), the first objective of which is to assist States and communities in preventing and combating mental retardation, increase the authorizations for maternal and child health services and services for crippled children from \$25 million each to \$30 million each for the fiscal year 1964; authorize a new program of special project grants for maternity and infant care; and a new program of research projects relating to maternal and child health and crippled children's services.

The increase in maternal and child health funds will strengthen and expand basic services for mothers and children, and make possible more effective case finding of retarded children. Most important it will permit expansion of special clinics and the development of new clinics for mentally retarded children. The increase authorized for services for crippled children will permit States to accept more handicapped children who are also mentally retarded for treatment of their physical handicaps. States will also be able to give services to such children in State institutions for the retarded.

The special project grants will enable State and local health agencies to provide comprehensive maternity care to selected high risk patients and to improve greatly the quality and adequacy of care for these mothers and their babies. This program should help to reduce the incidence of mental retardation caused by complications associated with childbearing and the number of premature births among which there are a notably larger number of damaged and retarded infants.

The research grants will be directed toward evaluation of programs and improving the development, management and effectiveness of the maternal and child health and crippled children's services.

PURPOSE AND NEED FOR SUPPLEMENTAL FUNDS

The new program for projects for maternity and infant care and for research projects relating to maternal and child health services and services for crippled children, together with the emphasis which will be given to extension of present services to mentally retarded children and the development of new services for such children, will substantially increase the workload of the Bureau. This increase will occur in all areas—direction, program development, research, public interpretation, fiscal and clerical. The new staff requested would be drawn from a number of professions to: (1) Develop program policies, standards and guides; (2) provide technical assistance to the States and communities as they step up their programs to expand services to mentally retarded children, provide new services for such children, and develop special maternity and infant care projects to help reduce the incidence of mental retardation caused by complications associated with childbearing; (3) administer research grants; and (4) reach with interpretive materials the many different audiences who need to be informed about mental retardation and programs for combating it.

Program direction and services

To assure program coordination and planning on a bureauwide basis, to service the two technical advisory committees which will assist in formulating overall policy and to provide legal, accounting, management, and clerical services necessary to support the new activities, six positions are requested.

Development of program policy, standards, guides and procedures

Ten positions are proposed for the development of program policy, standards, guides, and procedures for the grant programs. Two of these are for medical officers experienced in maternal and child health, two are mental retardation specialists, and one is a specialist in medical care administration. This staff will interpret the requirements of the amendments, insure maximum services

to mentally retarded children, and provide the needed specialized consultation to regional office staff and maternity and infant care projects. The fiscal and program analyst and grants assistant and the supporting clerical staff are essential for maintaining the necessary fiscal and administrative controls.

Administration of research grants

Three of the requested seven positions for administration of research grants will provide leadership in stimulating research projects to enhance program objectives, consultation to applicants for grants, and evaluation of proposals submitted. This proposed staff will also service the research advisory group composed of outstanding professional people who will review project applications and make recommendations for approval. The remaining four positions will provide the necessary clerical and stenographic support. The authorization for contracts and jointly financed cooperative arrangements increases the administrative complexity of the program.

Technical assistance to States and communities

States have indicated their readiness to establish and develop activities authorized as rapidly as possible. In order to provide technical assistance to the States and communities, 30 positions are requested, 8 departmental and 22 regional. Specialized departmental consultation to the regional staff and to the States will be necessary in home economics, maternity nursing, clinical dietetics, and medical social work. Four professional positions and four secretarial positions are requested for this purpose.

A regional staff is requested to furnish advice and consultation to States and communities where services for retarded children are to be expanded and new services are to be developed. Nine mental retardation consultants are requested to assist the States in developing new clinics for mentally retarded children, in initiating maternity and infant care projects, in extending services to children in institutions, and in providing the comprehensive services essential for the care and treatment of mentally retarded children including those from culturally and economically deprived families. Four additional nutrition consultants are proposed to make available nutrition consultation in each region. They will assist the States in developing services to improve the nutrition of mothers and children, and especially the nutrition of pregnant women and their children in low-income families.

The expansion of the maternal and child health and crippled children programs, and the establishment of the new maternity and infant care grants will substantially increase the grants fiscal workload in the regional offices. Eight fiscal analysts and a clerk-stenographer are requested to meet this increased workload.

Program interpretation

To carry out a broad-gage program of interpretation and publication, four professional and three clerical positions are requested. This program will be designed to reach a great variety of audiences, ranging from those with highly technical interests in mental retardation to parents confronted with the care of the mentally retarded child. Special efforts will be made to reach community leaders and agencies concerned with community services for these children.

To this end, the Bureau will issue guidelines for technical workers in mental retardation programs, special reports on services, leaflets, and posters to be used in clinics and by State and local health departments. Exhibits designed to enlist the help of community leaders in establishing services and to help State and local agencies to gain their support will be made available to a variety of groups. Magazine writers, television and radio script producers will be furnished information and appealing stories of successful programs for mentally retarded children. State programs will be assisted in developing film and documentaries about mental retardation and ways of combating its tragic effects for families and children.

FAVORABLY REPORTED BY HOUSE

Senator PASTORE. Are there any questions of Mr. Cohen?

Senator HOLLAND. I would like to ask a question or two, Mr. Chairman. First, are the items which you support in this written statement which we have not had the chance to analyze, the same as those included in Public Law 875?

Mr. COHEN. That is right, sir.

Senator HOLLAND. Has the House yet taken action?

Mr. COHEN. It is to come up on the floor on tomorrow, Thursday, sir.

Senator HOLLAND. It has been reported favorably?

Mr. KELLY. It has been reported favorably by the House Appropriations Committee.

Senator HOLLAND. Are there any items in your statement in addition to the items included in Public Law 875?

Mr. COHEN. No. Not on this particular item.

Mr. KELLY. Not in Mr. Cohen's presentation. We do have witnesses from the Department here prepared to testify on such items as the committee wishes to take up. But Mr. Cohen's statement covers only those items which are included in the proposed joint resolution.

Senator HOLLAND. Is the resolution as to the beginning of the mental retardation program in accord with the recommendations of the Department of Health, Education, and Welfare?

REQUEST IN ACCORD WITH HEW RECOMMENDATION

Mr. COHEN. Yes, sir. Everything in the House joint resolution is consistent with the President's recommendations that he sent up on the supplemental and what I am testifying on this morning.

Senator HOLLAND. Does this House bill cover in its entirety all the several items in the President's supplemental recommendations?

Mr. COHEN. Yes, sir, as far as they relate to mental retardation.

Senator HOLLAND. Does it cover other items in his recommendation?

Mr. COHEN. No. The so-called budget request did have other supplementals, such as the medical school construction bill and one dealing with pesticides, which are not included in the joint resolution.

Senator HOLLAND. Who will be prepared to testify at the committee's request with reference to the operation of schools under the impacted school bill?

Mr. COHEN. The Commissioner of Education, Mr. Francis Keppel, is here, and he will be available to testify on that if you wish.

RECOMMENDATION OF BUDGET BUREAU

Senator HOLLAND. It is my understanding, Mr. Chairman, after talking with both the White House and the Budget is that the Budget has completed its work. The recommendation of the Budget is on the President's desk. The authorizing bill is also on the President's desk.

Senator PASTORE. That is right.

Senator HOLLAND. Will the Commissioner be able to testify as to the fact of the exact item that is in the Budget recommendation on the matter of operating schools under Public Law 875?

Mr. COHEN. Yes, sir.

Senator HOLLAND. The authorizing legislation would continue Public Law 875 for 2 years?

Mr. COHEN. 874.

Senator HOLLAND. 875 is the one having to do with facilities construction, is that right?

Mr. COHEN. 815.

FEDERAL CONTRIBUTIONS FOR IMPACTED SCHOOLS

Senator HOLLAND. Then you will be prepared to testify with reference to Public Law 874 as to the Federal contributions for the impacted schools in exact figures giving the Budget recommendation as now lying on the President's desk?

Mr. COHEN. He was signing it this morning when I came here, Senator. I just came from there.

Senator HOLLAND. Was he signing the bill or the Budget recommendation?

Mr. COHEN. He was signing the bill.

Senator HOLLAND. The signature of the bill completes the authorization?

Mr. COHEN. That is right, sir.

Senator HOLLAND. May I ask the Commissioner one more question? You understand that the districts throughout the Nation in the various States covered by Public Law 874 have in most instances been operating their schools since September and that the Federal contributions as now authorized by the act, which Mr. Cohen has said was being signed when he left the White House, is a contribution to the operation of schools in this school year.

Mr. KEPPEL. That is right, sir.

Senator HOLLAND. A contribution which normally would have been effective with the beginning of school terms in September of this year.

Mr. KEPPEL. Yes, sir.

Senator HOLLAND. 1963; is that right?

Mr. KEPPEL. That is right, sir.

TEACHER SALARIES ADVANCED

Senator MONRONEY. In other words, we are putting up 30 or 35 percent of the cost of education, and the schools have already advanced that for teacher salaries and we owe them that from September to December plus what we will owe from December on to the end of the fiscal year.

Mr. KEPPEL. That is right.

Senator HOLLAND. That amount is \$216,204,000?

Mr. KEPPEL. That is right, sir.

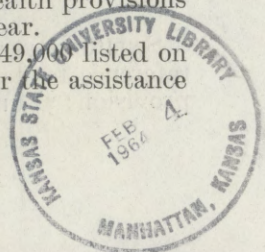
Senator PASTORE. Just for orderly procedure here, we were on mental retardation. Are we off mental retardation? We are going to get into this impacted area as the next item. Are there any other questions on this request of \$41,886,000? Let us complete that first.

SCOPE OF MENTAL RETARDATION ACTIVITY

Senator MONRONEY. I would like to ask, Mr. Chairman, if this hospital construction activity will be limited strictly to the mental retardation in children, or will it be general mental institutional construction activities?

Mr. COHEN. What we are speaking of here is the mental retardation aspect, Senator, not the mental health aspects that were also in the legislation. There is no request here for the mental health provisions because that will come up in the regular budget next year.

Senator MONRONEY. So that all of these funds, \$5,049,000 listed on page 3 of the bill would be limited to construction for the assistance primarily of children in mental retardation.



Mr. COHEN. Not necessarily children, but mentally retarded.

Senator PASTORE. Even adults.

Senator MONRONEY. You have \$2,277,000 for chronic diseases of the aged.

GRANTS TO STATES

Mr. COHEN. May I explain that? The \$2,277,000 is made up of \$2,200,000 in grants to the States to undertake planning comprehensive action to combat mental retardation. It happens to be under the appropriations heading, "Chronic diseases and health of the aged" because that is where it will be administered. But it is for comprehensive planning grants to the States. We will make, for instance, approximately \$40,000 available to the State of Oklahoma to undertake and complete their planning in this field. The \$77,000 is for administration.

Senator MONRONEY. Thank you.

Senator PASTORE. Are there any further questions on this subject?

Senator HOLLAND. I would like to ask one more question. As I read this subhead beginning with \$11,685,000 recommendation for educational improvement for the handicapped, they don't necessarily relate to the mental retardation field entirely?

GRANTS FOR DEVELOPING TEACHERS

Mr. COHEN. That particular item, Senator, which was passed as title 3 of another bill provides for the grants for developing teachers in the field of mentally retarded and other handicapped persons. So you are quite correct in this case, these grants include the mentally retarded but the Congress broadened the existing authority to cover other areas of handicapped children as well.

Senator HOLLAND. What about the item of \$16,500,000 for grants for maternal and child welfare? Is that confined to the field of mental retardation?

Mr. COHEN. It is not solely confined; no, Senator. The grants there for maternal and child health and for crippled children's services are used to deal with the problems of all types of children. Roughly I would say a minimum of 50 percent of the money we are asking for here would be earmarked for mental retardation.

AMOUNT FOR MENTAL RETARDATION PROGRAM

Senator HOLLAND. Taking your entire figure, \$41,886,000, what percentage of that, if you can say, is to deal with the mental retardation program?

Mr. COHEN. All but \$11 million.

Senator HOLLAND. All of this represents late authorizations passed by this session of the 88th Congress?

Mr. COHEN. Every one of these; yes, Senator.

Senator HOLLAND. Thank you, Mr. Chairman.

GENERAL PROVISION

Senator PASTORE. Now, Mr. Kelly, I understand you want to make reference to page 4 of the resolution with reference to the general provision: "Funds for salaries and expenses included in the foregoing

portion may be transferred between the appropriations contained herein"; is that right?

Mr. KELLY. That is right.

Senator PASTORE. We will hear you on that.

ALLOCATION OF FUNDS

Mr. KELLY. Mr. Chairman, the Department has endeavored to administer all of the funds that are appropriated to them to carry out the expressed intent of the Congress and using the funds only for the purposes for which they were made available. We have many appropriations in the Department and we have no authority to make interchanges between these appropriations. We must stay within each appropriation to carry out the purpose for which it is made available. Within each appropriation, however, from time to time, circumstances do develop which occasion meeting a different problem than had been envisioned when we originally made up the estimate. It is our practice whenever there is a change in our plans and when the amounts involved are significant to submit to the Appropriations Committees of the House and Senate these changes in plan so that they may react to them and we may know if for any reason the committees do not believe we are carrying out the intent before we take the action.

REPROGRAMING

The House report would appear to indicate that they are opposed to taking this kind of reprogramming action. We would just say to you that we think it is extremely difficult to administer programs exactly as they are set forth in the budget. You do have to meet changing conditions from time to time and we do utilize this reprogramming concept, submission to the Congress of significant changes in plans. You earlier discussed the necessity for trying to see if any of the work could be done with resources already available and that is what is involved here. We have identified that certain of the activities can be carried on with ongoing staff and have only asked for the net increase that we felt was needed to launch these new programs.

Senator PASTORE. What does this general provision do to you that impedes that?

Mr. KELLY. It doesn't really.

Senator PASTORE. The provision is all right?

Mr. KELLY. The provision could be helpful.

Senator PASTORE. You want clarification of the language?

Mr. KELLY. That is right.

REALLOCATION OF FUNDS

Senator PASTORE. What is your suggestion? It says here:

The committee has included a general provision in the resolution which will not change the total amount of funds or number of positions for administration but will allow the Department to reallocate them among the agencies involved. It will be expected that they will be reallocated solely on the basis of what is needed to discharge the program responsibilities involved and in such a way that it will not be necessary to reprogram funds Congress previously appropriated for other purposes.

What in this language is objectionable?

NATIONAL INSTITUTES OF HEALTH

Mr. KELLY. The appropriation language, itself, sir, authorizes us to make shifts between these six appropriations and we have no objection to having this authority. It may prove to be useful as we are administering the program. There are three accounts at the National Institutes of Health which are also engaged in helping get this program launched and carried out for which there is no request before the committee. Therefore, this language would not permit the transfer of any of these 97 positions to those 3 accounts.

We are not really asking that we be given authority to transfer any of these positions to those three accounts, but we are asking that it be clarified that in those three accounts we can make such reprogramming, which is very minor in nature, that will permit the National Institutes of Health to contribute toward the objective of furthering these programs. The language in the House bill would indicate that out of some 11,000 positions at the National Institutes of Health, the 11 to 15 positions that we need, for them to make a contribution to this program, should not be used for that purpose unless the Congress has specifically authorized it. We feel that this is a minor adjustment in a very large program and appropriate adjustments will be brought to the committee's attention in a reprogramming letter.

Senator PASTORE. Are you familiar with the language in the report?

Mr. KELLY. I am indeed, sir.

Senator PASTORE. Take a look at it.

It will be expected that they will be reallocated solely on the basis of what is needed to discharge the program responsibilities involved—

I think you have objection to the remaining words.

Mr. KELLY. Yes, sir.

Senator PASTORE. How would you correct it?

AUTHORITY REQUESTED FOR REPROGRAMMING

Mr. KELLY. I would suggest that since the appropriation language is not objectionable that the committee may wish to include in its report its belief that it is appropriate for the Department to determine to the maximum extent possible how it can best utilize its resources to accomplish the objectives without asking for additional funds, but that it is appropriate that these changes in plans when significant be brought to the committees' attention before being put into effect.

Senator PASTORE. It would not get into reprogramming that would be far and wide from this area?

Mr. KELLY. No, sir.

Senator PASTORE. What the Congress is sensitive about, and we meet this every time, you come in here and you ask for money for one program and you get the money. Then you get into a program that is entirely different. That happens in many, many categories. I am not saying this about HEW. Don't misunderstand me. Congress is very sensitive about that because you come here and make one presentation and it ends up that the money is used for an entirely different program.

In other words, what we want to do is get away from reprogramming anything that would be alien to what the objective herein is specified. If you would sit down with our staff and get some appropriate language that will carry out the intent of the Congress and at the same time won't handcuff you, we will go along with you.

Mr. KELLY. Thank you very much, sir.

Senator HOLLAND. May I ask this question? Do you have any such authority with reference to your appropriations covered by your annual appropriations bill for your department?

NO AUTHORITY FOR TRANSFERS

Mr. KELLY. We have no authority in the Department of Health, Education, and Welfare to make any transfers between the appropriations; no, sir.

Senator HOLLAND. You certainly don't expect to get general language in this supplemental bill that would affect that change?

Mr. KELLY. No, sir; we are not seeking such authority at all, sir.

Senator HOLLAND. This provision put in by the House committee was not sought by you in your appearance before the committee?

Mr. KELLY. It was not; no, sir.

Senator HOLLAND. Thank you, Mr. Chairman.

Senator PASTORE. Does this meet with your approval, Dr. Shannon?

Dr. SHANNON. Yes, sir.

Senator PASTORE. Do you want to say anything further on this, Dr. Shannon?

Dr. SHANNON. No, sir. I would just point out in a very dynamic program, particularly one in which one is adding new functions, we would be remiss if we did not examine current resources in order to see the extent to which they could be used to administer the new program in addition to that which we are doing. In such situations it does involve within individual appropriations certain shifts of funds. This is what we are discussing today. It does not involve the ability to shift money from one appropriation to the other. In our own case where we are dealing with a substantial number of appropriations, dealing with individual activities, it does become necessary to shift funds and to shift people within the appropriations, retaining within the aggregate our commitment to our Secretary not to exceed a given personnel ceiling.

Senator PASTORE. I think there is understanding here, Doctor. Let us be careful that we use language that will be acceptable to the House and you won't get yourself into difficulties when it gets over there because I understand they are leaving either Friday or Saturday.

Now I think we ought to come to this impacted area. I was going to schedule another thing but inasmuch as there has been testimony here on that we will take it up now.

APPROPRIATION ESTIMATE

"PAYMENTS TO SCHOOL DISTRICTS

"For an additional amount for 'Payments to School District', \$216,204,000."

Obligations by activity

	1964 presently available	1964 revised estimate	Increase
1. Payments to local educational agencies.....	\$88,466,000	\$303,170,000	+\$216,204,000
2. Payments to other Federal agencies.....	16,000,000	17,500,000	+1,500,000
Total obligations.....	104,466,000	320,670,000	+216,204,000

Obligations by object

	1964 presently available	1964 revised estimate	Increase
41 Grants, subsidies, and contributions.....	\$104,466,000	\$320,670,000	+\$216,204,000

Summary of changes

Presently available, 1964.....	\$104,466,000
Revised estimate, 1964.....	320,670,000
Total change.....	<u>216,204,000</u>
Increases—Program increases:	
Increased payments to fund 100-percent entitlement to local educational agencies.....	214,704,000
Increased payments to other Federal agencies.....	1,500,000
Total.....	<u>216,204,000</u>

JUSTIFICATION

Purpose and scope of activity

H.R. 4955 extends until June 30, 1965, those provisions of Public Law 874, as amended, which expired on June 30, 1963. Thus, the fiscal year 1964 program of assistance for maintenance and operation of schools authorizes payments:

1. Under the permanent provisions of Public Law 874, to local educational agencies which provide free public education for children who live on Federal property with a parent employed on Federal property, and for arrangements to be made at full Federal expense for providing free public education for children who live on Federal property, in the absence of State or local provision for their education.

2. Under the temporary provisions of Public Law 874, to local educational agencies:

(a) From which tax sources have been removed because of the acquisition of real property by the United States; or

(b) Which provide free public education for children who either live on Federal property with a parent employed off Federal property, or live off Federal property with a parent employed on Federal property; or

(c) Which experience a sudden and substantial increase in school attendance as a result of Federal activities carried on directly or through a contractor.

Estimated requirements—Fiscal year 1964

The total estimated supplemental requirement for Public Law 874 for fiscal year 1964 is \$216,204,000. This amount, in addition to the \$104,466,000 appropriated under the permanent provisions of the law, will provide 100 percent of entitlements for about 4,200 eligible school districts on account of the attendance of approximately 2 million federally connected pupils in 1964.

Section 2: Assistance to local school districts from which tax revenue sources have been removed because of the acquisition of real property by the United States

An amount of \$1,800,000 is estimated as required for this purpose in 1964.

Section 3(b): Assistance on behalf of children who either live on Federal property or live with a parent employed on Federal property

An increase over 1963 is projected for 1964 in the number of children in average daily attendance, and in the average rate of payment per child, based upon trend information developed from operating experience. Total requirements under section 3(b) are estimated at \$213,104,337, and increase of about \$28 million over 1963 requirements.

Section 4(a): Assistance to local school districts which experience a sudden and substantial increase in school attendance because of Federal activities carried on directly or through a contractor

An amount of \$1,600,000 is estimated as required in 1964 for this purpose. This is approximately the amount required in 1963.

Sections 6 and 8(a): Arrangements with other Federal agencies for educating certain children residing on Federal property, and transfer of funds to other Federal agencies for services provided to local educational agencies

An amount of \$16 million for section 6 was included in the appropriation of \$104,466,000. Later information developed from actual 1964 applications under this section indicates that an additional \$1,500,000 will be required.

SUMMARY

A supplemental amount of \$216,204,000 in addition to the \$104,466,000 already appropriated is required to provide 100 percent of entitlements to local educational agencies under Public Law 874 as extended and amended for fiscal year 1964. The total of \$320,670,000 represents an increase of \$38,348,000 over the 1963 appropriation. This increase is attributable primarily to estimated increases in the number of eligible children and in the rates of payment per child.

Table I indicates by section of Public Law 874 the estimated requirements for payment in 1964 of amounts presently available, and under the revised estimate. Table II summarizes these estimated entitlements by State.

42 SUPPLEMENTAL APPROPRIATIONS—MENTAL RETARDATION

Estimated requirements for payments to school districts, Public Law 874, as amended, fiscal year 1964—Amounts presently available and revised estimate

Section	Basis of eligibility	Presently available, fiscal year 1964	Revised estimate, fiscal year 1964	Increase
Sec. 2-----	School districts having partial loss of tax base by removal of real property from tax rolls through Federal acquisition.	0	\$1,800,000	\$1,800,000
Sec. 3(a):	Children of parents who work on and reside on Federal property.	317,079	317,079	0
Average daily attendance.				
Rate-----				
Entitlement.	\$280.58	\$280.58	0	
Sec. 3(b):	Children of parents who either work on or reside on Federal property.	0	1,626,130	-----
Average daily attendance.				
Rate-----				
Entitlement.	0	\$131.05	-----	
Sec. 3(f)-----	School districts eligible to receive amount to which they would have been entitled before reduction of federally connected children by cessation or decrease of Federal activity.	\$70,000	\$70,000	0
Sec. 3(c)(4)-----	Provides special deficit rate of payment when 50 percent or more of children reside on Federal property.	\$930,000	\$930,000	0
Deductions— Sec. 3(e).	Payments made with respect to Federal property pursuant to any law of United States other than Public Law 874.	-\$1,500,000	-\$3,300,000	-\$1,800,000
Net sec. 3 entitlement.		\$88,466,026	\$299,770,363	\$211,304,337
Sec. 4:	Sudden and substantial increase of children resulting from Federal activity carried on directly or through a contractor.	0	\$1,500,000	\$1,500,000
1st year-----				
2d year-----		0	\$100,000	\$100,000
Sec. 6-----	Arrangements with Federal agencies for educating certain children residing on Federal property.	\$16,000,000	\$17,500,000	\$1,500,000
Sec. 8-----	Transfer of funds to Federal agencies for service provided to local educational agencies.			
Total estimated requirements (rounded).		\$104,466,000	\$320,670,000	\$216,204,000
Amount appropriated.		\$104,406,000	\$104,466,000	-----
Amount requested.		0	\$216,204,000	\$216,204,000

IMPACTED AREAS

Senator PASTORE. All right, Doctor.

Mr. KEPPEL. Mr. Chairman, under Public Law 874, there is authorized payments to school districts for the maintenance and the operations of the schools in certain situations where the United States places financial burdens on them. The current appropriations of \$104,466,000 for 1964 under the permanent provisions of the law provides assistance to school districts mainly for children whose parents reside and work on Federal property. The temporary provisions of the law which I understand are extended into 1965 would require, sir, an additional \$216,204,000 for fiscal year 1964 in order to assist the local educational agencies on behalf of children whose parents work on Federal property but who do not reside on such property.

The total of the regular appropriations of \$104,466,000 and the requested supplemental of \$216,204,000, if approved by you, would provide for payment in full to 4,200 eligible school districts and Fed-

eral agencies educating approximately 2 million federally connected children. Mr. Chairman, I have a more detailed statement here.

Senator PASTORE. You have a breakdown here. It is entitled "Table 2."

Mr. KEPPEL. Yes, sir.

BREAKDOWN ON IMPACTED SCHOOLS

Senator PASTORE. Don't you think it would be a good idea to put that in the record?

Mr. KEPPEL. Yes, sir.

Senator PASTORE. Without objection it will be placed in the record. (The document referred to follows:)

Summary of entitlements, by State, Public Law 874, as amended, fiscal year 1964, amounts presently available and revised estimate (estimated)

State or possession	Presently available, fiscal year 1964	Revised estimate, fiscal year 1964	Increase
Total.....	\$104,466,000	\$320,670,000	\$216,204,000
Alabama.....	1,042,400	7,026,200	5,983,800
Alaska.....	6,979,400	8,839,800	1,860,400
Arizona.....	3,980,000	6,745,700	2,765,700
Arkansas.....	576,700	1,853,900	1,277,200
California.....	13,340,000	54,096,100	40,756,100
Colorado.....	2,152,300	9,303,400	7,151,100
Connecticut.....	288,200	3,193,700	2,905,500
Delaware.....	744,200	1,028,300	284,100
Florida.....	2,416,000	9,254,000	6,838,000
Georgia.....	2,374,000	8,700,900	6,326,900
Hawaii.....	3,296,000	6,416,000	3,120,000
Idaho.....	911,300	2,491,300	1,580,000
Illinois.....	2,755,100	5,717,500	2,962,400
Indiana.....	616,600	1,668,300	1,051,700
Iowa.....	182,400	1,081,400	899,000
Kansas.....	2,273,500	7,583,100	5,309,600
Kentucky.....	4,142,600	5,609,800	1,467,200
Louisiana.....	370,500	1,252,100	881,600
Maine.....	1,423,900	2,684,800	1,260,900
Maryland.....	1,554,200	12,302,300	10,748,100
Massachusetts.....	2,555,800	9,690,200	7,134,400
Michigan.....	1,684,200	2,873,100	1,188,900
Minnesota.....	504,900	651,700	146,800
Mississippi.....	613,900	2,392,700	1,778,800
Missouri.....	1,155,600	3,540,400	2,384,800
Montana.....	2,100,300	2,840,600	740,300
Nebraska.....	1,467,200	3,583,000	2,115,800
Nevada.....	1,049,700	2,037,700	988,000
New Hampshire.....	617,300	1,714,300	1,097,000
New Jersey.....	2,960,000	7,825,900	4,865,900
New Mexico.....	3,293,300	6,718,600	3,425,300
New York.....	2,750,000	8,397,100	5,647,100
North Carolina.....	4,693,000	6,701,600	2,008,600
North Dakota.....	905,500	1,189,400	283,900
Ohio.....	664,200	7,304,100	6,639,900
Oklahoma.....	2,630,300	9,737,700	7,107,400
Oregon.....	416,300	1,545,000	1,128,700
Pennsylvania.....	560,300	6,959,900	6,399,600
Rhode Island.....	891,800	2,883,400	1,991,600
South Carolina.....	1,380,800	5,328,200	3,947,400
South Dakota.....	1,500,400	3,153,600	1,653,200
Tennessee.....	271,500	3,264,400	2,992,900
Texas.....	4,670,000	18,182,000	13,512,000
Utah.....	374,900	2,930,700	2,555,800
Vermont.....	17,600	74,600	57,000
Virginia.....	4,829,000	22,689,000	17,860,000
Washington.....	3,610,900	12,889,100	9,278,200
West Virginia.....	8,200	183,300	175,100
Wisconsin.....	247,700	912,600	664,900
Wyoming.....	726,900	1,210,000	483,100
Guam.....	601,300	1,062,500	461,200
Puerto Rico.....	3,108,000	3,108,000	-----
Virgin Islands.....	31,300	92,400	61,100
Wake Island.....	154,600	154,600	-----

SUGGESTION FOR LATER APPROPRIATION

Senator PASTORE. That shows it State by State.

Mr. KEPPEL. Yes, sir.

Senator PASTORE. Commissioner, what have you to say on this argument made by Mr. Saltonstall and Mr. Holland about putting in there the operating money and leaving out for the time being the construction money at this juncture and wait for later appropriation bills? Where would that put you?

Mr. KEPPEL. I think there is clearly a difference between the two as Senator Holland has pointed out. Many school districts have been, in fact probably all of them, have been operating under very special almost jury-rigged conditions since September with regard to the regular operating funds. I think the Senator has stated better than anything I could say on that topic.

Senator PASTORE. The only trouble is that the Senator said it off the record. I would hope that the Senator would say it again because it is not recorded. Why don't you say it?

CONCERN FOR IMPACTED SCHOOLS

Senator HOLLAND. I would be happy to have the Commissioner state it. My statement called attention to the fact for Senators Saltonstall, Pastore, and Monroney and myself, all of whom have discussed this matter, that districts from one end of this Nation to the other that are affected by this matter of the children going to their public schools who are there in connection with defense plants or other distinctly Federal activities have been going to school since the beginning of school this fall which in most instances was in September. The local agencies have been carrying the total of the maintenance and operation program including that part of this which is applicable to the pupils who are added to their load by these Federal activities.

BUDGET BUREAU RECOMMENDATION

I thought that by all means this item should come in this particular bill and we could wait very properly for the facilities under Public Law 815 which also was extended for 2 years. I think I was stating the attitude of all four of the Senators who had discussed this matter this morning.

I also stated, Mr. Chairman, that I had talked yesterday on behalf of all of us to the Budget Bureau and to the White House and found that the Budget Bureau had completed its work on this matter and that their recommendation was on the White House desk for action if the President saw fit to take action immediately upon the signing of the authorization bill which was also on his desk and scheduled for signature this morning.

It was my feeling that we would be very remiss if we took care of other programs by this deficiency bill or this supplemental bill, and did not recognize the fact that the Federal Government really owes money for school operation and maintenance since September to these many districts which are affected and will owe money continuously through the operation of the regular school term from now on until the next bills can come before us.

Is that statement in accord with your understanding of the situation, Doctor?

Mr. KEPPEL. It is entirely in accord with it. I hope the Senator and the chairman will permit me to argue for the building side.

Senator HOLLAND. I am perfectly willing for you to be heard on that but my own feeling was that while necessary to be passed finally it was not in the same emergency situation so far as sums already due to the school districts are concerned and sums to be due immediately after the passage of this bill as that situation obtains for maintenance and operations.

Senator PASTORE. If the Senator will yield, what we have to bear in mind, gentleman, is that this is a very, very extraordinary procedure.

Mr. KEPPEL. Yes, sir.

NEED FOR IMMEDIATE ACTION

Senator PASTORE. We are going to have a supplemental right after the first of the year. It has been recognized that the Congress will leave here either Friday or Saturday. We can't escape that. The House is going to vote on this resolution Thursday.

It means that if we don't produce something here which is generally acceptable to the House we are going to be in serious trouble and end up with nothing. All that Senator Holland is saying is the more emergent of the two items seems to be the maintenance and operation one. We are not minimizing the importance of the other either. We are merely saying that it might be more effective and more practical for us at this juncture, more realistic, if we just included in here at this time exactly what we need because we have to have them immediately and that anything else go until after the first of the year. That is the argument he is making. I would like to hear someone address himself to that. What would be the harm in doing that?

Senator HOLLAND. May I associate myself completely with the statement just made by Senator Pastore because this is just the way I feel about it.

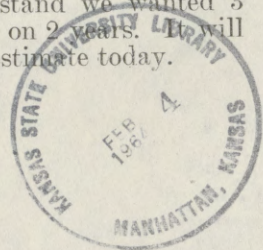
Senator PASTORE. That is right. Will anyone tell me what would be the harm in doing that?

Mr. KELLY. I think none.

SITUATION IN VIRGINIA

Senator ROBERTSON. Before they testify, I would like to make this point clear. Virginia, as you know, has a very modest school budget. We are not a rich State. In fact I don't think we tax ourselves enough for schools. I would like to see heavier taxation but it would probably mean a sales tax and they just can't bring themselves to it. We are badly impacted in Northern Virginia and Norfolk to the tune of \$8 million. It would close the schools in Arlington, Fairfax, and Princess Anne if we didn't come across with this money that has been promised and which they are borrowing. That could not be a more urgent matter because everybody understand we wanted 3 years, the House wanted 1 year, we compromised on 2 years. It will be signed into law today. We will get a budget estimate today.

Senator HOLLAND. It has been signed.



DEFERMENT IN CONSTRUCTION PROGRAM SUGGESTED

Senator ROBERTSON. The construction program would not build any schools for 2 years but you will close what we now have if you don't put funds for maintenance and operation in the bill. I mean the construction money won't put anybody in school for 2 years. You have to have this Public Law 874 money now. They have to put their share and get the plans and then it will take 2 years under the construction program for these trainees under this vocational bill.

Senator PASTORE. You have not made yourself clear to me.

Senator ROBERTSON. What I am saying is don't load this down with construction.

Senator PASTORE. That is what we are all saying.

Senator ROBERTSON. Stick to what we have to have for the emergency.

Senator PASTORE. I merely wanted to clear that up. Is there anyone here representing any phase of this request that objects to that?

Mr. KELLY. Could I just clarify the position that we are in, Mr. Chairman? We have no reason to object at all. We are in the strange position of appearing here to discuss a very large appropriation item which the President has not as yet submitted to the Congress. We are here at your request to explain how much would be required if we did what you wanted to do.

Senator PASTORE. That is right. All I am saying is this. Is there anything in the construction element of this budget that can't comfortably wait until after we come back in January?

Mr. KELLY. I think it is less emergent than the funds for operations.

Senator PASTORE. You can answer that yes or no. You don't have to be that cagy. I am asking the question again. Is there anything in the construction element of this budget that can't wait for the next supplemental after the first of the year.

Mr. KELLY. I think not, sir.

Senator PASTORE. How much is the operating amount?

Mr. KELLY. \$216,204,000.

OKALOOSA COUNTY, FLA.

Senator PASTORE. Are there any further questions?

Senator HOLLAND. Mr. Chairman, I would like to bring out something to supplement what my friend from Virginia has just said. I am thinking of a county in Florida, Santa Rosa County—I mean Okaloosa County where Eglin is—where not only is a large proportion, perhaps half of the child load of the schools coming from Federal institutions, but where the Federal Government has taken about half of the land off the tax roll by reason of the immense size of that institution. You know about that situation, Doctor.

Mr. KEPPEL. Yes, sir.

Senator HOLLAND. How can we expect local people who are deprived of much of their taxing power by the Federal Government, and at the

same time have their school loan increased so greatly, to continue indefinitely to carry the entire burden which they have been carrying since September.

Senator PASTORE. That is why we are going to pass this \$216 million.

Mr. KEPPEL. That is why I urge these so strongly.

Senator PASTORE. No one is questioning that.

Senator ROBERTSON. Vote me for it, Mr. Chairman.

AMOUNT FOR PROFESSIONAL ASSISTANCE

Senator PASTORE. All right, sir, you are voted. Now coming to another item here, I understand that there has been consultation with the other side of the Capitol on this item "Health professions educational assistance," \$30,390,000. Can you talk about that?

Mr. KELLY. Dr. Graning will speak to that.

APPROPRIATION ESTIMATE

"HEALTH PROFESSIONS EDUCATIONAL ASSISTANCE

"To carry out parts B and C of title VII of the Public Health Service Act, \$30,390,000 of which \$15,000,000 is for grants to assist in construction of new teaching facilities pursuant to paragraph (1) of section 720 of the Act, \$5,000,000 is for grants to assist in construction of new teaching facilities for dentists pursuant to paragraph (2) of section 720, \$5,000,000 is for grants for replacement or rehabilitation of existing teaching facilities pursuant to paragraph (3) of section 720, and \$5,100,000 is for loans and for assisting in the establishment and operation of student loan funds pursuant to such part C: Provided, That amounts appropriated herein for grants and loans shall remain available until expended.

"Loans and payments for the next succeeding fiscal year. For making, after March 31 of the current fiscal year, loans and payment to schools under part C of title VII of the Public Health Service Act for the first quarter of the next succeeding fiscal year such sums as may be necessary, and the obligations incurred and expenditures made hereunder shall be charged to the appropriation for that purpose for such fiscal year: Provided, That such payments to schools pursuant to this paragraph may not exceed 50 percent of the amount authorized in such part C for this purpose for the next succeeding fiscal year."

Obligations by activity

Description	1964 presently available		1964 revised estimate		Increase (+) or decrease (-)	
	Positions	Amount	Positions	Amount	Positions	Amount
Grants for construction of teaching facilities for medical, dental, and other health personnel.....		0		\$25,000,000		+\$25,000,000
Student loans.....		0		5,100,000		+5,100,000
Operational and technical services.....	0	0	48	290,000	+48	+290,000
Total obligations.....	0	0	48	30,390,000	+48	+30,390,000

Obligations by object

	1964 presently available	1964 revised estimate	Increase (+) or decrease (-)
Total number of permanent positions.....	0	48	+48
Average number of all employees.....	0	19	+19
Number of employees at end of year.....	0	41	+41
11 Personnel compensation.....	0	\$188,000	+\$188,000
12 Personnel benefits.....	0	17,000	+17,000
21 Travel and transportation of persons.....	0	27,000	+27,000
22 Transportation of things.....	0	2,000	+2,000
23 Rent, communications, and utilities.....	0	16,000	+16,000
24 Printing and reproduction.....	0	7,000	+7,000
25 Other services.....	0	2,000	+2,000
Payment to "Bureau of State Services management fund".....	0	6,000	+6,000
26 Supplies and materials.....	0	8,000	+8,000
31 Equipment.....	0	17,000	+17,000
33 Investments and loans.....	0	5,100,000	+5,100,000
41 Grants, subsidies, and contributions.....	0	25,000,000	+25,000,000
Total obligations.....	0	30,390,000	+30,390,000

Summary of changes

	Positions	Amount
Appropriation 1964.....	0	0
Revised estimate 1964.....	48	\$30,390,000
Change.....	+48	+30,390,000
Increases:		
1. Grants for construction of teaching facilities for medical, dental, and other health personnel.....		25,000,000
2. Student loans.....		5,100,000
3. Operations and technical services.....	48	290,000
Net increases.....	48	30,390,000

JUSTIFICATION

As a result of enactment of Public Law 88-129, approved September 24, 1963, titled "Health Professions Educational Assistance Act of 1963," Federal funds will be provided on a grant basis to assist public or other nonprofit schools of medicine, dentistry, osteopathy, pharmacy, optometry, podiatry, nursing, and public health in the construction of teaching facilities. Such action will increase the opportunities for training of professional health personnel by providing additional teaching facilities, and will prevent the curtailment of enrollment or deterioration in the quality of training provided in existing schools by rehabilitating or replacing them. This is a 3-year program beginning with fiscal year 1964, with a total construction authorization of \$175 million.

Sponsoring agencies will be provided technical assistance and consultation regarding the planning, programing, design, and construction of teaching facilities, and State, regional, or interstate planning agencies will be provided technical assistance regarding the type, kind, and location of additional facilities required to meet the teaching facility needs in the State or areas involved.

Project applications and plans and specifications will be reviewed for compliance with established regulations and standards. Projects will be approved on the basis of relative need after consultation with the National Advisory Council on Education for Health Professions. This council will be composed of 16 members. Plans during the balance of this fiscal year provide for two meetings. Payments will be made as construction progresses.

Loan agreements will also be made to schools of medicine, osteopathy, or dentistry to be used by such schools to establish student loan funds for the making of loans to students pursuing a full-time course of study leading to a degree of doctor of medicine, doctor of dentistry, or equivalent, or doctor of osteopathy. Loans will be made in accordance with an agreement between the

Secretary and the school involved. Such loans may not exceed \$2,000 for any student for any academic year or its equivalent, and may be made only to students in need of the amount of such loan. Preference will be given to first-year students entering after June 30, 1963.

A request in the amount of \$30,390,000 is submitted to carry out the provisions of the act during 1964. This amount provides \$25 million for grants to assist in the construction and rehabilitation of teaching facilities for schools of medicine, osteopathy, dentistry, pharmacy, optometry, podiatry, nursing, or public health; \$5,100,000 for a student loan fund in schools of medicine, dentistry, and osteopathy; and \$290,000 for operations and technical services required in the administration of the programs.

The construction grant funds requested in the amount of \$25 million would provide \$15 million for the construction and expansion of medical and other health professions schools, excluding schools of dentistry; \$5 million specifically for construction and expansion of dental schools; and \$5 million for the replacement and rehabilitation of existing schools of all types.

The funds included in this request represent the first step in increasing the supply of physicians, dentists, and other health professions personnel. To maintain the present levels of supply of physicians and dentists in relation to population, the admissions during the next 10 years to medical schools must be increased by almost 50 percent and admissions to dental schools must be doubled. Specifically, to keep up with population increases alone, admissions to schools of medicine must be increased from 8,200 to 12,000 by 1971 and admissions to dental schools must be increased from 3,600 to 6,900. In order to meet this goal an estimated 20 new medical schools and 20 new dental schools or their equivalents in terms of expanded facilities must be constructed. In addition, a large-scale remodeling and replacement program must be undertaken, if some schools are to avoid the curtailment of enrollment or deterioration in the quality of training in existing schools.

A large number of schools have already indicated their intent to apply for construction assistance under this program. Letters have been received from 64 medical schools and 5 osteopathic schools estimating cost of construction at \$550 million. Of this number, 14 are for completely new schools. Letters have been received from 37 dental schools with estimates of \$147 million. Other professional schools submitting letters of intent and estimates are: nursing—38 letters with an estimate of \$30 million; public health—5 letters with an estimate of \$10 million; podiatry—2 letters with no estimate; optometry—7 letters with an estimate of \$4 million; and pharmacy—15 letters with an estimate of \$8 million. A total of 172 letters of intent have been received with estimates from 122 of these totaling \$749 million.

Projects will be approved on the basis of relative needs after consultation with the National Advisory Council on Education for Health Professions.

A total of \$5,100,000 is requested for 1964, for the health professions student loan program authorized by part C of the act. Under this program, student loan funds will be established by participating schools from which low interest loans will be made to medical, dental, and osteopathic students who need such financial assistance in order to pursue their courses of study.

The hearings which were held when the authorization for this act was being considered pointed to the great need for loan funds so as to increase the numbers of physicians and dentists to meet our future requirements.

The high cost of medical and dental education serves as a major obstacle to attracting adequate numbers of high caliber individuals into these professions from the lower income groups. The 40 percent of families having incomes of \$5,000 or less are the source of only 15 percent of the students in medical school. Only one-third of all dental students are from families whose incomes are \$6,500 or less. Medicine and dentistry are the longest and most expensive professional areas of study, costing between \$16,000 and \$20,000. At the same time, there is a relative lack of financial support for students entering these professions as compared to other scientific professions. Thus, more than 10,000 Federal fellowships are available for graduate study in the natural and physical sciences, with no similar assistance available to medical and dental students. Leaders in medicine and dentistry are becoming increasingly concerned with the problems of finding enough well qualified students to enter these professions.

There are 87 schools of medicine, 48 schools of dentistry, and 5 schools of osteopathy eligible to participate in this program. In 1962 these schools had

an enrollment of approximately 31,000 medical students, 13,500 dental students and 1,500 osteopathic students. Of the total student body of over 46,000 more than 12,000 were first year students. We anticipate that these will increase in future years as this act is effected.

The \$5,100,000 requested will be used to make Federal contribution to loan funds in those schools with which agreements are entered into to establish such funds. It will also provide Federal loans as authorized by section 744 to those schools which need to borrow Federal funds to meet the matching institutional contribution requirements. The amounts to be allocated to student loan funds would be sufficient to make maximum loans of \$2,000 to 2,400 individuals, or about one-fifth of the total number of first year students. However, the average amount borrowed will probably be somewhat less than the maximum, thus permitting a greater number of students to receive assistance.

This program will make a substantial contribution to alleviating the growing national shortage of physicians and dentists. It is also expected that it will increase the quality of medical care by enabling some well-qualified individuals to pursue professional education in these fields who could not otherwise do so and by increasing the quality of students in these schools as measured by the academic standing of persons gaining admission.

Action has already been taken to implement this act. The necessary regulations have been prepared. We have been working with the leaders in the schools of medicine, dentistry, and osteopathy to assure the speedy undertaking of the program. We anticipate that funds for loans will be available at the schools within 30 days after the appropriation act has been signed.

STATEMENT OF THE ASSISTANT SURGEON GENERAL

Dr. GRANING. Mr. Chairman and members of the committee—
Senator PASTORE. We do have a budget estimate on this.

Dr. GRANING. Yes, sir. I am Harold Graning, Assistant Surgeon General of the U.S. Public Health Service and Chief of the Division of Hospital and Medical Facilities.

It is a great honor and privilege to appear before you today in support of funds needed for this fiscal year to initiate the programs authorized in the Health Professions Educational Assistance Act of 1963. This act, Public Law 88-129, which became law on September 24, 1963, recognizes the fact that additional professional health personnel are greatly needed and that existing schools are not going to be able to meet the national need. Testimony before the Congress pointed out that there had been a deterioration of the ratios of professional personnel to population and that in spite of sizable numbers of graduates from foreign schools who are licensed each year we have not kept abreast of the population increase.

HEALTH PROFESSIONS EDUCATIONAL ASSISTANCE ACT

The act provides for a construction program for medical schools, dental schools, schools of osteopathy, nursing, public health, pharmacy, and podiatry. The length of time required to study medicine or dentistry and the costs involved have meant that a disproportionate number of students have come from upper socioeconomic levels. The act authorized the establishment of a loan program for students in schools of medicine, dentistry, and osteopathy.

The act provides for a total construction authorization of \$175 million over a 3-year period beginning with fiscal year 1964. This envisions the construction of new schools, the expansion of existing schools, and assistance in the renovation or replacement of inadequate facilities. Quality of programs offered by educational institutions is given assistance assured by the stipulation that each institution must meet accreditation requirements of an appropriate national accrediting group. The request before you is in the amount of \$30,390,000. This amount would provide \$15 million for the construction of new schools and expansion of existing schools other than dentistry. Five million for schools of dentistry. And \$5 million for replacement of seriously inadequate facilities. It would also provide \$5,100,000 for student loan funds and a total of \$290,000 and 48 positions for administration of all phases of the program.

SCHOOL PARTICIPATION

A large number of schools have already indicated their interest and their intent to apply for construction assistance under this program. A total of 173 letters of intent have been received with cost estimates from 122 of these totaling approximately \$749 million. Similarly, as a result of a recent survey, the eligible schools have indicated the need of about \$10 million for loans to 10,800 students who would need to borrow for the 1964 spring semester. For this reason the full \$5,100,000 authorized is being requested. These students encounter two peak periods of expense in each year. Large payments must be made at the beginning of the first and second semesters and plans for administering the student loan provisions take this fact into account. The Public Health Service and the schools are ready to initiate the loan program as soon as the funds are available.

It is expected that this loan program will greatly assist in alleviating the growing national shortage of physicians and dentists and osteopaths. Also it will increase the quality of medical care by enabling well-qualified individuals to pursue professional education in these fields who could not otherwise do so and by increasing the quality of students as measured by the academic standing of persons gaining admission.

PREPARED STATEMENT

Mr. Chairman, I have a longer statement I would like to submit for the record.

Senator PASTORE. Will you do that, please?

Dr. GRANING. Yes, sir.

(The document referred to follows:)

STATEMENT BY CHIEF, DIVISION OF HOSPITAL AND MEDICAL FACILITIES, PUBLIC HEALTH SERVICE, ON SUPPLEMENTAL ESTIMATE, HEALTH PROFESSIONS EDUCATIONAL ASSISTANCE

Mr. Chairman and members of the committee, it is a great honor and privilege to appear before you today in support of funds needed for this fiscal year to initiate the programs authorized in the Health Professions Educational Assistance Act of 1963. This act—Public Law 88-129—which became law on September 24, 1963, recognizes the fact that additional professional health personnel are greatly needed and that existing schools are not going to be able to meet the national need. Testimony before the Congress pointed out that there had been a deterioration of the ratios of professional personnel to population and

that in spite of sizable numbers of graduates from foreign schools who are licensed each year, we have not kept abreast of the population increase. The act provides for a construction program for medical schools, dental schools, schools of osteopathy, nursing, public health, pharmacy, and podiatry. The length of time required to study medicine, osteopathy, or dentistry and the costs involved have meant that a disproportionate number of students have come from upper socioeconomic levels. The act authorized the establishment of a loan program for students in schools of medicine, dentistry, and osteopathy.

The act provides for a total construction authorization of \$175 million over a 3-year period beginning with fiscal year 1964. It envisions the construction of new schools, the expansion of existing schools, and assistance in the renovation or replacement of inadequate facilities. Quality of programs offered by educational institutions given assistance is assured by the stipulation that each institution must meet accreditation requirements of the appropriate national accrediting group.

A request in the amount of \$30,390,000 is submitted to carry out the provisions of this act during 1964. This amount would provide \$25 million for grants to assist in the construction and rehabilitation of teaching facilities for schools of medicine, osteopathy, dentistry, pharmacy, optometry, podiatry, nursing, or public health; \$5,100,000 for student loan funds in schools of medicine, dentistry, and osteopathy; and \$290,000 for operations and technical services required in the administration of the program.

CONSTRUCTION PROGRAM

The construction grant funds requested in the amount of \$25 million would provide \$15 million for the construction and expansion of medical and other health professions schools, excluding schools of dentistry; \$5 million specifically for construction and expansion of dental schools; and \$5 million for the replacement and rehabilitation of existing schools of all types.

To maintain the present levels of supply of physicians and dentists in relation to population, the admissions during the next 10 years to medical schools must be increased by almost 50 percent and admissions to dental schools must be doubled. Specifically, to keep up with population increases alone, admissions to schools of medicine must be increased from 8,200 to 12,000 by 1971, and admissions to dental schools must be increased from 3,600 to 6,900. In order to meet this goal an estimated 20 new medical schools and 20 new dental schools or their equivalents in terms of expanded facilities must be constructed. In addition, a large-scale remodeling and replacement program must be undertaken if some schools are to avoid the curtailment of enrollment or deterioration in the quality of training in existing schools.

A large number of schools have already indicated their intent to apply for construction assistance under this program. Letters have been received from 64 medical schools and 5 osteopathic schools estimating cost of construction at \$550 million. Of this number, 14 are for completely new schools. Letters have been received from 37 dental schools with cost estimates of \$147 million. Other professional schools submitting letters of intent and estimates are: Nursing, 38 letters with a cost estimate of \$30 million; public health, 5 letters with a cost estimate of \$10 million; podiatry, 2 letters with no estimate; optometry, 7 letters with a cost estimate of \$4 million; and pharmacy, 15 letters with a cost estimate of \$8 million. A total of 172 letters of intent have been received with cost estimates from 122 of these equaling \$749 million.

Projects will be approved on the basis of relative need after consultation with the National Advisory Council on Education for Health Professions. The Council will be composed of 16 members, and plans during the balance of this fiscal year provide for a minimum of 2 meetings.

STUDENT LOAN PROGRAM

Many able students from low-income families are unable to enter the medical and dental professions because of the high cost of education. Availability of financial assistance in other scientific fields drains a large number of these potential medical and dental students of lesser means from the reservoir of highly qualified individuals. Furthermore, although there has been a sharp increase in the number of college graduates in the past 10 years, the proportion applying for enrollment in medical and dental schools has shown a downward trend.

The Congress authorized in this act \$5,100,000 for 1964 to assist in the establishment of student loan funds for medical, dental, and osteopathic students. The provisions of this act are patterned after the loan provisions of the National Defense Education Act but take into account the higher cost and longer periods of training required for careers in these health professions.

In a recent survey the eligible schools have indicated a need of about \$10,000 for loans to 10,800 students who need to borrow for the spring semester. For this reason the full \$5,100,000 authorized is being requested.

These students encounter two peak periods of expense in each year. Large payments must be made at the beginning of both the first and second semesters. Plans for administering the student loan provisions take this fact into account. The Public Health Service and the schools are ready to initiate the loan program for the spring semester.

The maximum loan available to students would be \$2,000. Based upon a \$5,100,000 appropriation together with matching funds, loans would be available to about 2,500 students. It is expected, however, that the average amount borrowed will be somewhat less than the maximum allowed. Thus more students may receive financial assistance.

After the effective date of the agreement between the Public Health Service and the school, students will be prohibited from applying for new loans from the school's national defense student loan fund. Therefore, after preference has been given to first-year students, schools will need funds for upper classmen presently expecting to negotiate additional loans.

One of the purposes of this program is to enable students, who otherwise could not do so to enter medical, dental, and osteopathic schools. In order that students may make definite plans they must receive loan commitments well in advance of entering school. To accomplish this, authority is requested to obligate during the last quarter of fiscal year 1964 an additional \$5,100,000 which represents 50 percent of the \$10,200,000 authorized for fiscal year 1965. This need for obligational authority for loans to students has already been recognized by the Congress for the national defense student loan program.

It is expected that this loan program will greatly assist in alleviating the growing national shortage of physicians, dentists, and osteopaths and will increase the quality of medical care by enabling more well-qualified individuals to pursue professional education in these fields who could not otherwise do so and by increasing the quality of students in these schools as measured by the academic standing of persons gaining admission.

OPERATIONS AND TECHNICAL SERVICES

An estimate of \$290,000 for salaries and expenses is requested for the administration of this act. Funds are needed to permit us to place these programs in operation.

A. For the planning and construction of facilities, 39 positions and \$228,000 are required to provide staff to (1) develop regulations, procedures, and policies governing administration of a program that will be consistent with legislative intent; (2) provide technical assistance and consultation to professional schools regarding the planning and design of teaching facilities, and to State, regional, or interstate planning agencies regarding the type, kind, and location of facilities needed to meet the teaching requirements in the State or area involved; (3) develop guide material pertaining to the design, construction, and equipping of professional health schools; and (4) maintain surveillance over the progress of the program and evolving needs.

B. For the administration of the student loan program, seven positions and \$50,000 are required to (1) develop regulations, procedures, and policies to administer the program; (2) provide technical assistance and consultation to medical, dental, and osteopathic schools regarding eligibility for loans, methods for repayment, and other such problems; and (3) review and analyze requests for student loan funds and requests for institutional loans.

C. For necessary legal services, two positions and \$12,000.

Mr. Chairman, I shall be glad to answer any question you may have concerning this program or the budget request.

HEALTH PROFESSIONS STUDENT LOAN PROGRAM

Schools' estimates of fund needs for fiscal year 1964

Estimates	Type of school, fiscal year 1964			Total
	Medicine	Dentistry	Osteopathy	
1. Total number of borrowers.....	6,423	3,692	743	10,858
2. Number of borrowers who entered as 1st-year students after June 30, 1963.....	1,949	1,160	222	3,331
3. Total amount needed.....	\$5,658,172	\$3,594,740	\$1,078,950	\$10,331,862
4. Amount needed for borrowers in 2 above.....	\$1,865,132	\$1,228,450	\$261,700	\$3,355,282
5. Amount to be contributed by school.....	\$599,642	\$360,819	\$107,895	\$1,068,356
6. Amount of Federal funds needed.....	\$5,058,530	\$3,233,921	\$971,055	\$9,263,506

NOTE.—Totals include responses from 70 of 87 schools of medicine, 43 of 48 schools of dentistry, and 5 of 5 schools of osteopathy.

NEW PROGRAM

Senator MONRONEY. Did the House consider this request?

Senator PASTORE. No.

I am chairman of the supplemental committee. We are hearing this testimony now. We do have a budget estimate as against the other where we didn't have it. This is all completed. If we don't do this now we are going to do it in January which means I will have to do it all over again. The fact of the matter is that this is a new program authorized by Congress. All I want to know from you, Doctor, is, has this been boned down to the minimum?

Dr. GRANING. It has, sir.

NEED FOR ECONOMY

Senator PASTORE. I can't admonish too strongly that we are now in a phase of frugality and the President has pointed that up very emphatically. I would hope that all of his administrative departments will heed the admonitions that he has made and keep these things down to a minimum because these programs have been authorized by the Congress because they are good programs. We don't want to do anything to give them a black eye or to impede them in any way. I can't urge that too strongly. I ask you again, this is right down to the bone; is that right?

Dr. GRANING. It is most certainly so, sir.

Mr. KELLY. May I say that Secretary Celebrezze certainly shares your and the President's view that he has the responsibility for economical stewardship and these represent his recommendations.

Senator PASTORE. I repeat again—when you say you need 8 or 10 jobs, how can we say whether 6 or 7 will do? It is up to you, who are charged with this responsibility, to come in here and tell us exactly what you need, and no more. Are there any further questions?

Senator MONRONEY. Yes. If the committee would not care to go for the full amount requested, do you have a priority on there, say student loans, for example? I think you point out that is a very high priority.

AGREEMENT WITH HOUSE

Senator PASTORE. I think, myself, what we ought to do on this is put it on the bill. I will say this for the record. If the House objects to

it and it comes back we will recede. We have been told that in all probability they will accept this. If there is an urgency on this program, and it has been pointed out here by the witness that there is, these institutions are waiting for this money in order that they can start their commitments and that we need it for the student program, we will have to go through this all in January and all the mechanics are in order, the estimate is in, and so my feeling is that we should not start chopping this up and do it again in January. My feeling would be to put it in the bill and see what the House will do with it. If they don't want it they can take it off.

Senator MONRONEY. I thought if they had a figure—if they don't want the whole thing you might be able to take the \$10 million loan for the students—

Senator PASTORE. It is \$5 million.

Senator MONRONEY. Who need to borrow for the 1964 spring semester.

NATIONAL DEFENSE EDUCATION ACT

Senator PASTORE. We can talk that over in our executive meeting. I want to get all the evidence in here so if we decide to go the full way it is justified in the record. I have another item here—student loans under the National Defense Education Act. Who is here to talk on that?

Mr. KELLY. Mr. Keppel?

APPROPRIATION ESTIMATE

“DEFENSE EDUCATIONAL ACTIVITIES

“For an additional amount for ‘Defense Educational Activities’, \$31,168,000 for capital contributions to student loan funds.”

Student loan fund request, fiscal year 1964

	Original FCC request ¹	Approved FCC request ¹	Formula allotment	Allocation	Percent- age ²
Totals.....	\$125,208,666	\$121,955,470	\$90,000,000	\$90,000,000	77.030
Alabama.....	1,909,860	1,882,587	1,416,062	1,487,921	79.182
Alaska.....	50,817	50,667	24,611	25,860	51.039
Arizona.....	767,591	761,495	766,778	650,485	100.000
Arkansas.....	1,567,537	1,563,068	783,739	823,510	52.686
California.....	8,805,251	8,605,016	8,885,826	7,505,843	100.000
Colorado.....	1,716,728	1,704,988	1,254,910	1,318,591	79.290
Connecticut.....	1,584,810	1,571,710	1,192,396	1,238,710	100.000
Delaware.....	134,915	128,400	149,059	128,400	100.000
District of Columbia.....	1,468,097	1,464,609	776,475	816,878	55.706
Florida.....	2,388,286	2,343,843	1,801,768	1,840,034	100.000
Georgia.....	1,754,375	1,704,472	1,528,301	1,579,598	100.000
Hawaii.....	167,071	167,071	273,430	167,071	95.239
Idaho.....	424,660	391,821	355,145	373,167	95.690
Illinois.....	5,796,424	5,744,078	4,481,820	4,709,252	100.000
Indiana.....	3,594,720	3,510,175	2,529,987	2,636,976	56.422
Iowa.....	3,537,726	3,516,506	1,778,410	1,863,403	60.367
Kansas.....	2,917,883	2,853,009	1,498,527	1,569,317	57.443
Kentucky.....	2,338,455	2,307,978	1,261,748	1,325,776	84.933
Louisiana.....	2,377,274	2,289,655	1,707,651	1,794,307	60.906
Maine.....	690,431	672,153	389,609	409,380	100.000
Maryland.....	1,492,099	1,490,999	1,200,316	3,730,873	100.000
Massachusetts.....	4,868,929	4,280,807	3,635,297	3,730,873	100.000
Michigan.....	4,086,133	4,046,513	3,960,963	3,123,066	69.426
Minnesota.....	4,000,100	3,890,478	2,195,976	2,307,412	49.743
Mississippi.....	2,349,424	2,349,424	1,112,225	1,168,665	64.863
Missouri.....	4,307,319	3,826,245	2,257,214	2,371,737	

See footnotes at end of table, p. 56.

Student loan fund request, fiscal year 1964—Continued

	Original FCC request ¹	Approved FCC request ¹	Formula allotment	Allocation	Percent- age ²
Montana.....	593,196	572,761	410,782	431,627	75.359
Nebraska.....	1,038,087	1,033,363	865,570	909,494	88.013
Nevada.....	99,000	99,000	90,332	94,916	95.875
New Hampshire.....	672,251	672,251	374,117	393,102	58.476
New Jersey.....	2,095,996	2,073,652	1,654,873	1,738,850	83.854
New Mexico.....	537,170	537,170	403,596	424,077	78.947
New York.....	13,082,864	12,414,412	7,153,602	7,516,615	63.344
North Carolina.....	3,283,932	3,139,538	2,202,313	2,314,070	73.066
North Dakota.....	712,918	700,586	443,700	466,216	66.547
Ohio.....	5,030,046	4,960,837	4,281,451	4,498,715	96.306
Oklahoma.....	2,358,839	2,312,210	1,711,746	1,798,609	83.263
Oregon.....	1,518,328	1,480,167	1,137,648	1,195,379	90.473
Pennsylvania.....	7,545,591	7,523,200	4,899,982	5,148,634	75.515
Puerto Rico.....	501,617	501,617	598,786	492,980	100.000
Rhode Island.....	939,199	939,199	491,686	516,637	55.008
South Carolina.....	1,607,590	1,593,108	999,175	1,049,878	65.901
South Dakota.....	1,114,946	1,096,959	453,785	476,813	43.467
Tennessee.....	2,677,832	2,636,135	1,783,223	1,873,713	71.019
Texas.....	5,707,319	5,632,622	5,080,567	5,338,383	97.586
Utah.....	480,424	455,363	1,013,084	455,363	100.000
Vermont.....	653,173	651,533	333,587	350,515	53.799
Virginia.....	1,670,799	1,618,955	1,532,280	1,517,390	100.000
Washington.....	2,427,177	2,406,547	1,729,287	1,817,041	93.720
West Virginia.....	1,381,873	1,336,268	887,946	880,468	65.890
Wisconsin.....	2,151,919	2,141,469	2,120,480	1,825,235	100.000
Wyoming.....	225,144	214,260	178,461	187,517	87.518
Canal Zone.....			5,177		
Guam.....	4,521	4,521		4,521	100.000
Virgin Islands.....					

¹ Federal capital contribution.² Allocation percent of approved request up to \$250,000 limitation.

INCREASE IN LOANS TO COLLEGE STUDENTS

MR. KEPPEL. Thank you, Mr. Chairman. In the bill signed this morning by the President, there is provision for an increase in the amounts available for loans to college students in general—I am making a distinction between this and the amounts discussed by my predecessor before you for the medical students—

Senator PASTORE. Yes. These are straight-out student loans.

MR. KEPPEL. Yes. They are separated in the act itself from the medical school loans explicitly. Evidence presented earlier this year showed the need of an increase from \$90 million now to \$125 million, and even higher in later years. I have a fairly detailed statement, Mr. Chairman, with regard to this if you would like to have it placed in the record.

Senator PASTORE. It will be placed in the record if there is no objection. There is no objection.

(The statement referred to follows:)

JUSTIFICATION

There is need for additional funds to finance the national defense student loan programs in some 1,500 colleges and universities throughout the country. Prior to the amendments of H.R. 4955 the law limited the amount that could be appropriated to \$90 million for the year 1963-64. Actual requirements of the institutions to meet student loan applications amount to some \$122 million. The lifting of the authorization from \$90 to \$125 million, plus the raising of the ceiling on individual institutions from \$250,000 to \$800,000, permits the Congress to meet the current needs through this supplemental appropriation.

Under the current authorization and appropriation, the program has encountered not only a general insufficiency of funds, but a problem of allotment among the States and the colleges. Thus, while in the aggregate the loan

funds now available are about \$32 million short of meeting all requirements, the funds are allotted among the States by a formula which meets the full requirements of 16 of the 53 participating States and territories while the remaining 37 States receive from 43 to 98 percent of their needs.

In adjusting to the funds appropriated and allotted this fiscal year, the institutions have experienced problems in retaining able students who lacked sufficient resources, without loans, to complete the school year. It is evident that most institutions have spread the available funds among as many students as possible, but with the approach of the second semester many students will be dropping out of school for the rest of the year unless funds are available to meet their financial needs.

Many superior but needy high school students have learned about the national defense student loan program and have been persuaded to make use of its loans to continue their education. A major purpose of the National Defense Education Act, as stated in its declaration of policy, was to "give assurance that no student of ability will be denied an opportunity for higher education because of financial need." The appropriation of the supplemental funds will aid materially to accomplish this purpose of the act during the current academic year.

When supplemental funds are provided, and prior to the distribution of supplemental funds to fulfill institution's approved requests, a review will be made to affirm that the money is needed for loans to students during the 1963-64 loan program.

AMOUNT REQUESTED

Mr. KEPPEL. We come before you, sir, again under the circumstances mentioned by Mr. Kelly earlier, hoping that the committee will consider the amount of \$31,168,000 which is our estimate and will enable the Office of Education to approve in full the existing requests of all institutions in the States now before the Office.

Senator PASTORE. In other words, we already have a deficiency there. To the tune of what, \$14,215,000?

Mr. KEPPEL. \$31,168,000.

Senator PASTORE. These are for unfilled applications?

Mr. KEPPEL. That is right, sir. What had happened was that the colleges had not only bumped their head against the \$90 million ceiling but had gone well past it. The program in other words, has become very widely used in American higher education. So as of August 30, sir, which was the date we used to close off, there was a difference between the \$90 million available and the request, the difference being \$31,168,000.

Senator PASTORE. In other words, we have already appropriated \$90 million.

Mr. KEPPEL. That is right, sir.

Senator PASTORE. That has all been used up.

Mr. KEPPEL. Certainly has.

Senator PASTORE. A long time ago.

Mr. KEPPEL. It certainly has.

PENDING APPLICATIONS

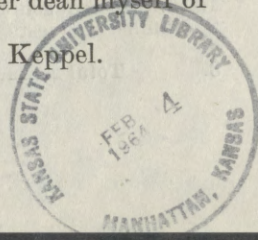
Senator PASTORE. Now we have pending applications on the part of these students to the amount of \$31,168,000?

Mr. KEPPEL. That is right.

Senator PASTORE. Would you say there is an urgency in this program?

Mr. KEPPEL. I certainly would, sir. I am a former dean myself of a New England institution.

Senator PASTORE. And a good one I must say, Dr. Keppel.



Mr. KEPPEL. Thank you, sir. The demand has astonished all of us. A good many colleges, Mr. Chairman, have because of the limitation placed on them been forced to make a priority decision. How will they do it? Will they reduce the number of students? Some said we have to reduce the number of students. But a good many other institutions have said, We will ride for luck. We will provide the money for the first half of the academic year and hope we get additional funds for second semester.

SCHOOL CONTRIBUTIONS

Senator PASTORE. You mean the schools have been putting up the money?

Mr. KEPPEL. They put up 10 cents on the dollar. They have said to the students, they provided loans for the first half of the academic year. They are just hoping, that is all I can say, sir.

Senator PASTORE. Where would these students go? In the event let us assume that they would like to make a loan and the money is not there, what happens? Do they drop out or do the parents borrow money?

Mr. KEPPEL. Both of the things you mentioned; some of them drop out. This is the tragedy. They don't have the money to keep on going. Parents are borrowing money.

Senator PASTORE. Can you document the last statement?

Mr. KEPPEL. The dropout? Yes.

DROPOUT SITUATION

Senator PASTORE. I would like to get that statement documented in the record. In other words, has the paucity of the money contributed to the dropout situation? I would like to know that in the record. When does the second semester start?

Mr. PATEROS. February 1.

Senator PASTORE. If we don't pass a supplemental bill by that time we are in trouble.

Mr. KEPPEL. I can document up to the hilt, Mr. Chairman, the fact that students are dropping out of college for financial reasons. There is no question about that.

Senator PASTORE. I have a chart here that has to do with the presentation made by the doctor and I would like to include it in the record if there is no objection. This is an explanation of this situation.

(The chart referred to follows:)

ADDITIONAL INFORMATION TO SUPPORT THE AMOUNT OF \$31,168,000 FOR TITLE II, NATIONAL DEFENSE EDUCATION ACT, FISCAL YEAR 1964

I. FACTS KNOWN ABOUT THE NEEDS OF INSTITUTIONS

A. The total requests of institutions was \$125,208,666 which is \$35,208,666 more than the authorized and appropriated \$90 million.

B. The total request figure was reduced by a formula to an approved request figure of \$121,168,000 which is \$31,168,000 more than the \$90 million.

C. Breakdown of \$31,168,000:

1. Unfilled requests between \$250,000 and \$800,000.....	\$14,215,000
2. Unfilled requests under \$250,000.....	16,953,000
3. Total	31,168,000

- D. The institutions were notified on August 30:
1. Their requests were approved at amounts which totaled \$121,168,000.
 2. Due to the limitations of the ceilings in the law, they would get only the stated amounts which totaled \$90 million.
- E. It was public information that a law was pending in Congress which would lift the ceilings.
- F. Colleges did not wait until after August 30 to process their applications for loans from students. In most colleges, this begins in late winter and early spring.
- G. Few colleges received their full requests, or their full approved requests and some received as low as 43 percent of their approved requests.
- H. After August 30, most colleges faced the dilemma of having less money than they had tentatively loaned to students.
- I. This dilemma was not the fault of the institutions.
1. They had been requested to apply for funds by January 30.
 2. To do this, they had to request their students to apply prior to January 30.
 3. The institutions did not learn of the amount they would receive until after August 30.
 4. It had been necessary, however, for them to give students answers prior to that time.
- J. Factual data on how all institutions met their tentative commitments to all students are not available.

II. THINGS WE HEAR ABOUT THE SITUATION IN INSTITUTIONS

- A. The University of Rhode Island, which received 55 percent of its request, used practically all of its money for the first semester. It has little left for the second semester.
- B. Some institutions fulfilled loans to all they had approved—but only a percentage of the amount approved.
- C. Some institutions fulfilled the full amount they had approved—but to only a percentage of the student borrowers.
- D. Some institutions fulfilled the full amount to all approved borrowers—but for the first semester only.
- E. Some institutions “borrowed” temporarily from other college funds to cover their obligations to students, intending to “restore” the money when Congress amended the law and made more NDSL money available.
- F. Some institutions are carrying students to whom commitments had been made “on the cuff” until the law is amended and more NDSL money is provided.
- G. Some colleges urged their students to borrow from other sources at the going rate of interest until the law is amended and more NDSL money becomes available. At that time the colleges will fulfill their tentative commitments and the students can pay off the other loans.
- H. Some students are struggling along in poverty with unpaid bills.

III. PROPOSED PLAN OF OPERATION

- A. While waiting for the supplemental appropriation of \$31,168,000 to be passed and signed, the Branch will prepare for action.
- B. As soon as the \$31,168,000 is available:
1. The Branch will request each institution which on August 30, 1963, was allocated less than its approved request, to do the following:
 - (a) Review their national defense student loan needs for this academic year, fiscal year 1964.
 - (b) Review the allocation letter of August 30, 1963.
 - (c) Determine the difference between their approved request and their allocation.
 - (d) Determine the amount of that difference they actually need for the present academic year—fiscal year 1964.
 - (e) Notify us of the amount of money they need in addition to their August 30 allocation, but for no more than their approved request.
 2. The Branch will make a supplemental allocation to the institution's August allocation—but not to exceed the August 30 approved requests.
 3. Only the actual need difference between the August 30 allocation and approved request will be allocated and distributed.

C. Any difference between the confirmed statement of need for the balance of this academic year, fiscal year 1964, and the \$31,168,000 will be released for return to the Treasury.

STUDENT LOANS

Senator YOUNG. Just what help do you give a student? How much can you loan him or how much can you give him?

Mr. KEPPEL. Might I ask Mr. Harris to respond to that?

Mr. HARRIS. It authorizes a loan of up to \$1,000 for each academic year not to exceed \$5,000 for the total loan to any one student in the course of his college career.

Senator YOUNG. This is a loan?

Mr. HARRIS. Yes, sir.

Senator YOUNG. Covering any subjects or do they have to pursue certain courses?

Mr. HARRIS. Covering any subjects but the law requires that preferences be given to able students pursuing study in language, science, and so on.

Senator YOUNG. The Federal Government puts up what percent?

Mr. HARRIS. Ninety percent of the loan fund in the institution.

Senator YOUNG. This is for all 4 years of college?

Mr. HARRIS. Yes, sir.

Senator YOUNG. That is all.

Senator PASTORE. Are there any further questions?

Senator MONRONEY. What percentage of the colleges scale down their loan program to meet the \$90 million and which went over?

UNFILLED REQUESTS

Mr. PATEROS. On the basis of numbers of institutions the unfilled requests represent over 1,100 institutions in 36 States.

Senator MONRONEY. By "unfilled requests" you mean those who will have to supplement the loan in the second semester?

Mr. PATEROS. That is right.

Senator MONRONEY. How does that relate to the total number of institutions?

Mr. PATEROS. There are 1,565 institutions.

Senator MONRONEY. So over two-thirds in order to try to accommodate every student possible went over the numbers that they otherwise would have been allowed under the \$90 million figure?

Mr. PATEROS. That is right, sir.

Senator MONRONEY. What are your plans for next year on putting out these loan funds? I admire the colleges in their desire to supply these loan funds, but sooner or later we should try to appropriate enough money so that they will stay within the allocation. Otherwise Congress will not have much to say about what would be put out on these loans.

MAXIMUM ALLOCATION INCREASED

Mr. KELLY. I think that the answer to your question is that the National Defense Education Act has heretofore limited us to \$90 million a year as the maximum and the Congress has been appropriating the maximum. The new act which was signed today lifts that maximum up to \$125 million in 1964 and then further lifts it in 1965 and thereafter. We will be requesting more than we have in the past and should not run into this same problem again.

Senator MONRONEY. In other words, the old act was not modern enough to take care of the growth factor?

Mr. KEPPEL. That is right. And the growth factor is going on and will continue to go on. Also you will recall, Mr. Chairman, that this loan program involves—I am using the common language—the partial forgiveness of the loan for those entering teaching. This means certain loans are not repaid. So we have a continuing problem.

REPAYMENT REQUIREMENT

Senator YOUNG. What is the repayment requirement on these loans?

Mr. PATEROS. Ten years at 3-percent interest, with a deferment for services in the Armed Forces or the Peace Corps or attending additional schooling, and anyone who goes into teaching is permitted to be forgiven a maximum of 50 percent at the rate of 10 percent for each year of teaching.

Senator YOUNG. This doesn't cover medicine?

Mr. KEPPEL. No.

Mr. PATEROS. Previously medical students were included in our program but the wording of the student loan program for medical students prohibits a student from participating in this program once his institution participates in the other program.

Senator MONRONEY. He could be financed on a premedical basis?

Mr. KEPPEL. Through college, yes, sir, and many are.

STATEMENT OF LEONARD L. MAINE

Senator PASTORE. I have here a statement of Leonard L. Maine, of Portsmouth, R.I., which we will place in the record.

(The statement referred to follows:)

PORTSMOUTH, R.I., *December 18, 1963.*

To: Senator John O. Pastore, of Rhode Island, Senate Appropriations Committee.
 From: Leonard L. Maine, representing federally impacted school districts of Rhode Island.

STATEMENT

Twenty-three of the Rhode Island 39 school districts qualify for funds under Public Laws 874-815.

Many districts approach fiscal year end (Portsmouth closes January 31) and need payments to fulfill budget requirements. Budgets are in the works now for the 1964-65 school year.

Rhode Island entitlements for fiscal 1963 total \$2,281,228. (See breakdown below.) A reasonable estimate of increase for 1964 is 10 percent because of the increased cost of education and increased number of pupils.

It is respectfully requested that the Senate Appropriations Committee take the necessary action in order that the Congress may provide funds for Public Laws 874-815 as extended in H.R. 4955 before January 1.

LEONARD L. MAINE.

62 SUPPLEMENTAL APPROPRIATIONS—MENTAL RETARDATION

School districts receiving assistance under Public Law 874 and their entitlement in fiscal year 1963, State of Rhode Island

Total -----	\$2, 281, 228
1 Newport school system-----	422, 121
2 Town of Middletown School Committee-----	424, 345
3 Town of Tiverton School Committee-----	24, 642
4 Town of East Greenwich School Department-----	58, 978
5 Town of North Kingstown School Department-----	505, 980
6 Town of Portsmouth School Committee-----	224, 309
7 Town of Jamestown School Committee-----	25, 310
8 Coventry School Department-----	114, 092
9 Warwick School Committee-----	199, 380
501 Town of Westerly School Committee-----	77, 293
502 Town of Charlestown School Committee-----	6, 293
601 Richmond School Committee, Shannock-----	4, 603
602 Town of Narragansett School Committee-----	16, 168
603 Hopkinton School Department-----	9, 329
701 West Greenwich School Department-----	2, 431
801 Town of West Warwick School Department-----	52, 558
802 Town of Smithfield Department of Public Schools-----	10, 089
804 Bristol School Committee-----	15, 090
805 Exeter School Department-----	9, 216
806 South Kingstown School Committee, Wakefield-----	47, 368
901 Foster School Department-----	3, 190
1201 Chariho Registered H.S.D., Wood River Junction-----	18, 619
1401 North Smithfield School Committee-----	9, 824
1402 Foster-Glocester Registered School Department, Gloucester-----	-----

COMMITTEE RECESS

Senator PASTORE. Are there any further questions? Are there any other witnesses on any of the subjects we discussed this morning? The Chair hears none.

The meeting is recessed.

(At 11:25 a.m., Wednesday December 18, 1963, the committee recessed, subject to call.)

TELEGRAMS

Senator PASTORE. In addition I have several telegrams which we will place in the record.

(The telegrams referred to follow:)

NEW YORK, N.Y., December 17, 1963.

Senator JOHN O. PASTORE,
Chairman, Senate Appropriations Subcommittee on Deficiencies and Supplementals, New Senate Office Building, Washington, D.C.:

The American Public Health Association believes it essential to the continued health of this Nation's people that construction of new health teaching facilities and loans for medical and dental students begin immediately. Urge Congress to appropriate funds necessary to implement Public Law 88-129 prior to adjournment.

BERWYN F. MATTISON, M.D.,
Executive Director.

PROVIDENCE, R.I., December 17, 1963.

Senator JOHN O. PASTORE,
Senate Office Building, Washington, D.C.:

It is my understanding that the U.S. Senate is considering a supplementary appropriation bill to implement the new legislation on mental retardation. I would like you to know that this appropriation bill has the complete support of

the Rhode Island Association for Retarded Children. This money is essential for our programs in Rhode Island for the mentally retarded. We urge you to support the appropriation in full.

JOSEPH L. BYRON,
President, Rhode Island Association for Retarded Children.

CHICAGO, ILL., December 17, 1963.

Senator JOHN O. PASTORE,
*Chairman, Subcommittee on Supplemental Appropriations,
U.S. Senate, Washington, D.C.:*

For more than 10 years the dental schools of the country and this association strongly have supported legislation similar to Public Law 88-129 in the belief that this legislation is in the best interest of the health of the people. In our opinion it is imperative that Public Law 88-129 be implemented at the earliest possible time. The American Association of Dental Schools urges prompt action on the supplemental appropriation for Public Law 88-129.

Respectfully,

REGINALD SULLENS,
Secretary of the American Association of Dental Schools.

NEW YORK, N.Y., December 17, 1963.

Senator JOHN O. PASTORE,
Chairman, Senate Appropriations Subcommittee on Deficiencies in Supplementals, New Senate Office Building, Washington, D.C.:

The National Tuberculosis Association urgently requests that the Senate approve necessary funds for implementation of Public Law 88-129. Unless supplemental appropriation approved, 1 year of 3-year authorization lost. Vital that medical school construction and medical and dental student loan program be started without delay.

JAMES E. PERKINS, M.D.,
Managing Director, National Tuberculosis Association.

SUPPLEMENTAL APPROPRIATIONS—MENTAL RETARDATION

The House of Representatives has passed the Supplemental Appropriation for Mental Retardation for the fiscal year 1954. The amount is \$1,000,000. The House has also passed the Supplemental Appropriation for Mental Retardation for the fiscal year 1955. The amount is \$1,000,000.

Approved: _____
Speaker of the House of Representatives

Approved: _____
Secretary of the House of Representatives

Approved: _____
Secretary of the Senate

Approved: _____
Secretary of the Senate

The House of Representatives has passed the Supplemental Appropriation for Mental Retardation for the fiscal year 1956. The amount is \$1,000,000. The House has also passed the Supplemental Appropriation for Mental Retardation for the fiscal year 1957. The amount is \$1,000,000.

Approved: _____
Speaker of the House of Representatives

Approved: _____
Secretary of the House of Representatives

Approved: _____
Secretary of the Senate

The House of Representatives has passed the Supplemental Appropriation for Mental Retardation for the fiscal year 1958. The amount is \$1,000,000. The House has also passed the Supplemental Appropriation for Mental Retardation for the fiscal year 1959. The amount is \$1,000,000.

Approved: _____
Speaker of the House of Representatives

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