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UNEMPLOYMENT COMPENSATION, MENTAL HEALTH, TEACHER ANNUITIES, PERSONNEL ACTS, AND MEDICAL FACILITIES CONSTRUCTION

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HEARING

BEFORE THE

SUBCOMMITTEE ON PUBLIC HEALTH, EDUCATION, WELFARE, AND SAFETY

OF THE

COMMITTEE ON THE DISTRICT OF COLUMBIA UNITED STATES SENATE

NINETY-SECOND CONGRESS

FIRST SESSION

ON

S. 2429

D.C. UNEMPLOYMENT COMPENSATION ACT AMENDMENTS

S. 1995 AND H.R. 10344

INTERSTATE COMPACT ON MENTAL HEALTH

S. 1982 AND H.R. 9395

TEACHER ANNUITY CONTRACTS

S. 1346

D.C. PERSONNEL ACT

S. 1998 AND H.R. 8407

D.C. EDUCATIONAL PERSONNEL ACT

S. 2899

D.C. MEDICAL FACILITIES CONSTRUCTION ACT OF 1972

S.J. RES. 133

GIFT OF PRESIDENT GEORGE WASHINGTON

NOVEMBER 24, 1971

Printed for the use of the
Committee on the District of Columbia

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UNEMPLOYMENT COMPENSATION, MENTAL HEALTH, TEACHERS ANNUITIES, PERSONNEL ACTS, AND MEDICAL FACILITIES CONSTRUCTION

WEDNESDAY, NOVEMBER 24, 1971

U.S. SENATE,
SUBCOMMITTEE ON PUBLIC HEALTH,
EDUCATION, WELFARE, AND SAFETY,
COMMITTEE ON THE DISTRICT OF COLUMBIA,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10 a.m., in room 6226, New Senate Office Building, Senator John V. Tunney (chairman of the subcommittee) presiding.

Present: Senator Tunney.

Staff present: Gene E. Godley, general counsel; and Clarence V. McKee, Jr., minority staff member.

Senator TUNNEY. This morning we open hearings on 10 bills in several substantive areas such as unemployment compensation, mental health, education and hospital construction. Because most of the provisions of these bills are noncontroversial in nature and because eight relate to programs of high legislative priority for the District government, I have scheduled them together in order to expedite their consideration.

It is my understanding that all witnesses have agreed to condense their oral remarks to enable us to consider this many bills in one short hearing.

I would like to express my appreciation to the witnesses for this. It is important that we be able to complete these bills before the Senate goes on recess today, so that all relevant information can be available to the committee as these bills are discussed.

I have instructed counsel to follow a liberal rule to allow additional material to be inserted into the record.

I now place copies of the bills and resolution, which are before the subcommittee this morning, in the record.

(The bills and resolution follow:)

92D CONGRESS
1ST SESSION

S. 2429

IN THE SENATE OF THE UNITED STATES

AUGUST 4 (legislative day, AUGUST 3), 1971

Mr. TUNNEY (by request) introduced the following bill; which was read twice and referred to the Committee on the District of Columbia

A BILL

To amend the District of Columbia Unemployment Compensation Act in order to conform to Federal law, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "District of Columbia
4 Unemployment Compensation Act Amendments of 1971".
5 SEC. 2. The District of Columbia Unemployment Com-
6 pensation Act, approved August 28, 1935, as amended, is
7 further amended as follows:
8 (1) Section 1 (b) (1) of such Act (D.C. Code, sec. 46–
9 301 (b) (1)) is amended to read as follows:

II

1 "(1) 'Employment' means:
2 "(A) Any service performed prior to January 1, 1972,
3 which was employment as defined in this subsection prior
4 to such date and, subject to the other provisions of this sub-
5 section, service performed after December 31, 1971, includ-
6 ing service in interstate commerce, by—
7 "(i) any officer of a corporation; or
8 "(ii) any individual who, under the usual common
9 law rules applicable in determining the employer-
10 employee relationship, has the status of an employee;
11 or
12 "(iii) any individual other than an individual who
13 is an employee under subdivision (i) or (ii) who per-
14 forms services for remuneration for any person—
15 "(I) as any agent-driver or commission-driver
16 engaged in distributing meat products, vegetable
17 products, fruit products, bakery products, bever-
18 ages (other than milk), or laundry or drycleaning
19 services, for his principal;
20 "(II) as a traveling or city salesman, other
21 than as an agent-driver or commission-driver,
22 engaged upon a full-time basis in the solicitation on
23 behalf of, and the transmission to, his principal
24 (except for side-line sales activities on behalf of
25 some other person) of orders from wholesalers,

1 retailers, contractors, or operators of hotels, restau-
2 rants, or other similar establishments for merchan-
3 dise for resale or supplies for use in their business
4 operations: *Provided,* That for purposes of sub-
5 paragraph (A) (iii), the term 'employment' shall
6 include services described in (I) and (II) above
7 performed after December 31, 1971, only if:
8 "1. The contract of service contemplates
9 that substantially all of the services are to be
10 performed personally by such individual;
11 "2. The individual does not have a sub-
12 stantial investment in facilities used in connec-
13 tion with the performance of the services (other
14 than in facilities for transportation); and
15 "3. The services are not in the nature of
16 a single transaction that is not part of a con-
17 tinuing relationship with the person for whom
18 the services are performed.
19 "(B) Service performed after December 31, 1971, by
20 an individual in the employ of the District or any of its
21 instrumentalities (or in the employ of the District and one
22 or more States or their instrumentalities) for a hospital or
23 institution of higher education located in the District: *Pro-*
24 *vided,* That such service is excluded from 'employment' as
25 defined in the Federal Unemployment Tax Act solely by

1 reason of section 3306(c) (7) of that Act and is not ex-
2 cluded from 'employment' under section 1(b) (1) (D) of
3 this Act;

4 "(C) Service performed after March 30, 1962, by an
5 individual in the employ of an educational organization, and
6 service performed after December 31, 1971, by an individual
7 in the employ of a religious, charitable, or other organiza-
8 tion which is excluded from the term 'employment' as defined
9 in the Federal Unemployment Tax Act solely by reason of
10 section 3306(c) (8) of that Act, except as provided in
11 section 1(b) (1) (D) of this Act;

12 "(D) For the purpose of subparagraphs (B) and (C)
13 the term 'employment' does not apply to service performed
14 after December 31, 1971—

15 "(i) in the employ of (I) a church or conven-
16 tion or association of churches, or (II) an organiza-
17 tion which is operated primarily for religious purposes
18 and which is operated, supervised, controlled, or princi-
19 pally supported by a church or convention or association
20 of churches; or

21 "(ii) by a duly ordained, commissioned, or licensed
22 minister of a church in the exercise of his ministry or
23 by a member of a religious order in the exercise of
24 duties required by such order; or

1 "(iii) in a facility conducted for the purpose of
2 carrying out a program of rehabilitation for individuals
3 whose earning capacity is impaired by age or physical or
4 mental deficiency or injury providing remunerative work
5 for individuals who because of their impaired physical
6 or mental capacity cannot be readily absorbed in the
7 competitive labor market, by an individual receiving
8 such rehabilitation or remunerative work; or
9 "(iv) as part of an unemployment work-relief or
10 work-training program assisted or financed in whole or
11 in part by any Federal agency or an agency of a State
12 or political subdivision thereof, by an individual receiv-
13 ing such work relief or work training; or
14 "(v) for a hospital in a State prison or other State
15 correctional institution, by an inmate of the prison or cor-
16 rectional institution.
17 "(E) The term 'employment' shall include the service
18 of an individual who is a citizen of the United States, per-
19 formed outside the United States (except in Canada or the
20 Virgin Islands), after December 31, 1971, in the employ of
21 an American employer (other than service which is deemed
22 'employment' under the provisions of section 1 (b) (2) of
23 this Act or the parallel provisions of another State's law), if:
24 "(i) the employer's principal place of business in
25 the United States is located in the District; or

1 "(ii) the employer has no place of business in the
2 United States, but
3 "(I) the employer is an individual who is a
4 resident of the District; or
5 "(II) the employer is a corporation which is
6 organized under the laws of the District or the laws
7 of the United States; or
8 "(III) the employer is a partnership or a trust
9 and the number of the partners or trustees who are
10 residents of the District is greater than the number
11 who are residents of any one other State; or
12 "(iii) none of the criteria of clauses (i) and (ii)
13 of this subparagraph are met but the employer has
14 elected coverage in the District or, the employer having
15 failed to elect coverage in any State, the individual has
16 filed a claim for benefits, based on such service, under
17 the law of the District.
18 "(iv) an 'American employer', for purposes of this
19 subparagraph, means a person who is—
20 "(I) an individual who is a resident of the
21 United States; or
22 "(II) a partnership if two-thirds or more of
23 the partners are residents of the United States; or
24 "(III) a trust, if all of the trustees are resi-
25 dents of the United States; or

1 "(IV) a corporation organized under the laws
2 of the United States or of any State.
3 "(v) as used in this subparagraph the term 'United
4 States' includes the States, the District of Columbia, and
5 the Commonwealth of Puerto Rico.
6 "(F) The term 'employment' shall include personal or
7 domestic service in a private home for an employer who paid
8 cash remuneration of $500 or more in any calendar quarter.
9 'Personal or domestic service' for the purpose of this sub-
10 paragraph shall include all persons employed by an employer
11 in his capacity as a householder, as distinguished from a
12 person employed by the employer in the pursuit of a trade,
13 occupation, profession, enterprise, or vocation."
14 (2) Section 1(b)(2) of such Act (D.C. Code, sec.
15 46-301(b)(2)) is amended—
16 (A) by striking out "or" after "performed within"
17 and inserting in lieu thereof a comma;
18 (B) by inserting after "within and without" the
19 following: "or entirely without";
20 (C) by adding after subparagraph (B) the follow-
21 ing new paragraph:
22 "(C) the service is performed anywhere within the
23 United States, the Virgin Islands, or Canada: *Provided*,
24 That (i) such service is not covered under the un-
25 employment compensation law of any State, the Virgin

1 Islands, or Canada, and (ii) the place from which the
2 service is directed or controlled is in the District."
3 (3) Section 1(b)(4) of such Act (D.C. Code, sec.
4 46-301(b)(4)) is amended to read as follows:
5 "(4) Notwithstanding any other provisions of this
6 subsection, the term 'employment' shall also include all
7 service performed after January 1, 1955, by an officer or
8 member of the crew of an American vessel or American
9 aircraft on or in connection with such vessel or aircraft:
10 *Provided*, That the operating office from which the operations
11 of such vessel or aircraft are ordinarily and regularly super-
12 vised, managed, directed, and controlled, is within the
13 District."
14 (4) Section 1(b)(5) of such Act (D.C. Code, sec.
15 46-301(b)(5)) is amended—
16 (A) by amending subparagraph (A) to read as
17 follows:
18 "(A) service performed by an individual under 18
19 years of age as a babysitter;";
20 (B) by redesignating clauses (a) and (b) of sub-
21 paragraph (D) as (i) and (ii), respectively;
22 (C) by inserting immediately before the semicolon
23 at the end of subparagraph (E) the following: ", except
24 for service performed after December 31, 1971, as pro-
25 vided in section 1(b)(1)(B) of this Act";

1 (D) by striking out in subparagraph I (1) (c) "at
2 a" and inserting in lieu thereof "at such";
3 (E) by redesignating clauses (1), (2), and (5) of
4 subparagraph I as (i), (ii), and (iii), respectively;
5 (F) by striking out clauses (3) and (4) of sub-
6 paragraph I;
7 (G) by redesignating (a) and (c) of clause (i) as
8 (I) and (III), respectively;
9 (H) by striking out (b) of clause (i);
10 (I) by redesignating clauses (1) and (2) of sub-
11 paragraph (K) as (i) and (ii), respectively;
12 (J) by inserting in subparagraph (Q), "or air-
13 craft" after "vessel" the first and third times it appears,
14 and by inserting "or American aircraft" after "vessel"
15 the second time it appears;
16 (K) by redesignating clauses (A) and (B) of
17 subparagraph (R) as (i) and (ii), respectively;
18 (L) by striking out subparagraphs (G) and (P);
19 and
20 (M) by redesignating subparagraphs (H) through
21 (T) as subparagraphs (G) through (R), respectively.
22 (5) Section 1 (b) (6) of such Act (D.C. Code, sec.
23 46–301 (b) (6)) is amended by striking out "5 (H)" in the
24 last sentence and inserting in lieu thereof "5 (G)".
25 (6) Section 1 (b) (7) of such Act (D.C. Code, sec.

1 46–301 (b) (7)) is amended by inserting before the period
2 at the end thereof the following: "or which as a condition for
3 full tax credit against the tax imposed by the Federal Unem-
4 ployment Tax Act is required to be covered under this Act".
5 (7) Section 1 (b) (8) of such Act (D.C. Code, sec.
6 46–301 (b) (8)) is amended—
7 (A) by inserting "localized" after "Any" in sub-
8 paragraph (i);
9 (B) by striking out "section 1 (b) (5)" in such
10 subparagraph (i) and inserting in lieu thereof "section
11 1 (b)";
12 (C) by striking out "section 1 (b) (8) (i)" in sub-
13 paragraph (ii) and inserting in lieu thereof "section
14 1 (b) (8) (A)";
15 (D) by redesignating clauses (A) and (B) of
16 subparagraph (i) as (i) and (ii), respectively; and
17 (E) by redesignating subparagraphs (i), (ii), and
18 (iii) as (A), (B), and (C), respectively.
19 (8) Section 1 (c) of such Act (D.C. Code, sec. 46–
20 301 (c)) is amended by striking out paragraph (3).
21 (9) Section 1 (d) of such Act (D.C. Code, sec. 46–
22 301 (d)) is amended by inserting immediately after the first
23 sentence the following new sentence: "After August 29,
24 1946, back pay awarded under any statute of the District
25 or of the United States shall be treated as wages."

1 (10) Section 1 (q) of such Act (D.C. Code, sec. 46–
2 301 (q)) is amended to read as follows:
3 "(q) 'State' includes, in addition to the States of the
4 United States of America, the District of Columbia (herein
5 referred to as the 'District'), Puerto Rico, and the Virgin
6 Islands."
7 (11) Section 1 (r) of such Act (D.C. Code, sec.
8 46–301 (r)) is amended by inserting immediately after
9 "including" the following: "the District government and its
10 instrumentalities (as specified in section 1 (b) (1) (B)) of
11 this Act,".
12 (12) Section 1 (t) of such Act (D.C. Code, sec.
13 46–301 (t)) is amended by inserting immediately before the
14 period at the end thereof the following: ", and the term
15 'American aircraft' means an aircraft registered under the
16 laws of the United States".
17 (13) Section 1 of such Act (D.C. Code, sec. 46–301)
18 is amended by adding at the end thereof the following new
19 subsections:
20 "(w) 'Institution of higher education', for the purposes
21 of this section, means an educational institution which—
22 "(1) admits as regular students only individuals
23 having a certificate of graduation from a high school, or
24 recognized equivalent of such a certificate;

1 "(2) is legally authorized in the District to provide
2 a program of education beyond high school;
3 "(3) provides an educational program for which
4 it awards a bachelor's or higher degree, or provides a
5 program which is acceptable for full credit toward such
6 a degree, a program of postgraduate or postdoctoral
7 studies, or a program of training to prepare students for
8 gainful employment in a recognized occupation; and
9 "(4) is a public or other nonprofit institution.
10 "(x) 'Hospital' means an institution which has been
11 licensed by the Commissioner of the District as a hospital."
12 (14) Section 3(b) of such Act (D.C. Code, sec.
13 46-303(b)) is amended by striking out ", until the effective
14 date of this Act,".
15 (15) Section 3(c)(2) of such Act (D.C. Code, sec.
16 46-303(c)(2)) is amended by inserting immediately be-
17 fore the period at the end of the first sentence thereof a colon
18 and the following: "*Provided*, That after December 31,
19 1971, benefits paid to an individual for any week during
20 which he is attending a training or retraining course under
21 the provisions of section 10(d)(2) of this Act or extended
22 benefits paid to an exhaustee under the provisions of section
23 7(g) of this Act shall not be charged against such employer
24 accounts".

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1 (16) Section 3 (c) (3) of such Act (D.C. Code, sec.
2 46–303 (c) (3)) is amended to read as follows:
3 "(3) The standard rate of contributions shall be 2.7 per
4 centum, except that after December 31, 1971, each employer
5 newly subject to this Act shall pay contributions at a rate
6 equal to the average rate on taxable wages of all employers
7 for the preceding calendar year (rounded to the next higher
8 one-tenth of 1 per centum), or 1 per centum, whichever is
9 higher (not exceeding 2.7 per centum) until he has been an
10 employer for a sufficient period to meet the requirement to
11 qualify for a reduced rate as provided in paragraph (4) of
12 this subsection; thereafter, his contribution rate shall be de-
13 termined in accordance with the provisions of such para-
14 graph (4)."
15 (17) Section 3 (c) (4) of such Act (D.C. Code, sec.
16 46–303 (c) (4)) is amended—
17 (A) by striking out subparagraph (i) and inserting
18 in lieu thereof:
19 "(A) No employer's rate of contribution for any calen-
20 dar year or part thereof shall be reduced below the standard
21 rate unless and until his account could have been charged
22 with benefits paid throughout the thirty-six-consecutive-
23 calendar-month period ending on the computation date
24 applicable to such year or part thereof. For the calendar
25 years 1963 to 1971, inclusive, any employer who is subject

1 to this Act by virtue of the amendment of former section
2 (1) (b) (5) (G) of this Act by the Act of March 30, 1962,
3 and who has not been subject to this Act for a sufficient
4 period to meet this requirement, may qualify for a rate less
5 than the standard rate if his account could have been charged
6 with benefit payments throughout a lesser period but, in no
7 event, less than the twelve consecutive calendar months end-
8 ing on the computation date (as herein defined) for that
9 calendar year.";
10 (B) by striking out subparagraph (ii) and insert-
11 ing in lieu thereof:
12 "(B) If the amount of the fund as of June 30 of any
13 year is less than 4 per centum of the total payrolls subject
14 to contributions under this Act for the twelve-consecutive-
15 month period ending on the preceding December 31, the
16 contribution rate for each employer (including newly sub-
17 ject employers) shall be increased by the percentage dif-
18 ferential between said 4 per centum of such total payrolls
19 and said fund's percentage of such total payrolls, but in no
20 event shall the contribution rate for any employer be more
21 than 2.7 per centum. Said percentage differential for each
22 employer shall be computed to the next higher one-tenth of
23 1 per centum.";
24 (C) by striking out subparagraph (iii) and in-
25 serting in lieu thereof:

1 "(C) If on December 20 of any year, the amount in
2 the fund becomes less than 2 per centum of the total annual
3 payrolls subject to contributions under the Act for the
4 twelve-consecutive-month period ending on the preceding
5 June 30, the Board shall make a declaration to that effect.
6 Effective the quarter following such announcement, each
7 employer's (including each new subject employer's) rate
8 of contribution shall be the standard rate.";
9 (D) by striking out "paragraph (iv)" in the last
10 sentence of subparagraph (iv) and inserting in lieu
11 thereof "subparagraph (D)"; and
12 (E) by redesignating subparagraph (iv) as sub-
13 paragraph (D).
14 (18) Section 3 (c) (5) of such Act (D.C. Code, sec.
15 46-303 (c) (5)) is amended—
16 (A) by amending the first sentence to read as
17 follows: "The Board shall for any uncompleted portion
18 of the calendar year beginning July 1, 1943, and for
19 each calendar year thereafter classify employers in
20 accordance with their actual experience in the payment
21 of contributions and with respect to benefits charged
22 against their accounts, except as provided in section
23 3 (c) (3) of this Act."; and
24 (B) by striking out "3 (c) (4) (i)" and inserting
25 in lieu thereof "3 (c) (4) (A)".

1 (19) Section 3 (c) (7) of such Act (D.C. Code, sec.
2 46-303 (c) (7)) is amended—
3 (A) by redesignating subclauses (1), (2), (3),
4 and (4) of clause (ii) as (I), (II), (III), and (IV),
5 respectively; and
6 (B) by redesignating subparagraphs (a) through
7 (f) as subparagraphs (A) through (F), respectively.
8 (20) Section 3 (c) (8) of such Act (D.C. Code, sec.
9 46-303 (c) (8)) is amended—
10 (A) by amending subparagraph (i) to read as
11 follows:
12 "(A) If as of the computation date the total of all
13 contributions credited to any employer's account, with re-
14 spect to employment since May 31, 1939, is in excess of the
15 total benefits paid after June 30, 1939, then chargeable or
16 charged to his account, such excess shall be known as the
17 employer's reserve, and his contribution rate for the ensuing
18 calendar year or part thereof shall be—
19 "(i) 2.7 per centum if such reserve is less than
20 0.5 per centum of his average annual payroll;
21 "(ii) 2 per centum if such reserve equals or exceeds
22 0.5 per centum but is less than 1 per centum of his
23 average annual payroll;
24 "(iii) 1.5 per centum if such reserve equals or

1 exceeds 1 per centum but is less than 1.5 per centum
2 of his average annual payroll;
3 "(iv) 1 per centum if such reserve equals or ex-
4 ceeds 1.5 per centum but is less than 2.5 per centum of
5 his average annual payroll;
6 "(v) 0.5 per centum if such reserve equals or ex-
7 ceeds 2.5 per centum but is less than 3 per centum of his
8 average annual payroll;
9 "(vi) 0.1 per centum if such reserve equals or
10 exceeds 3 per centum of his average annual payroll.";
11 (B) by inserting immediately before the period at
12 the end of subparagraph (ii) "except as provided in sub-
13 section (c) (3) of this section."; and
14 (C) by redesignating subparagraphs (ii), (iii),
15 and (iv) as subparagraphs (B), (C), and (D), re-
16 spectively.
17 (21) Section 3 (c) (9) of such Act (D.C. Code, sec.
18 46–303 (c) (9)) is amended—
19 (A) by striking out "(iv)" in subparagraph (b)
20 and inserting in lieu thereof "(D)"; and
21 (B) by redesignating subparagraphs (a), (b),
22 (c), (d), and (e) as (A), (B), (C), (D), and (E),
23 respectively.
24 (22) Section 3 (c) of such Act (D.C. Code, sec.

1 46–303 (c)) is amended by adding at the end thereof the fol-
2 lowing new paragraph:
3 "(11) After December 31, 1971, the separate account
4 established for an employer under the provisions of paragraph
5 (1) of this subsection shall be discontinued effective the cal-
6 endar quarter next succeeding three calendar years after the
7 employer has been determined out of business. Thereafter no
8 employer shall have any right to or interest in such discon-
9 tinued account."
10 (23) Section 3 (e) of such Act (D.C. Code, sec.
11 46–303 (e)) is amended to read as follows:
12 "(e) From December 31, 1939, to January 1, 1955,
13 wages, for the purpose of section 3, shall not include any
14 amount in excess of $3,000 paid by an employer to any
15 person arising out of his or her employment during any
16 calendar year. From January 1, 1955, to December 31, 1971,
17 wages shall not include any amount in excess of $3,000
18 actually paid by an employer to any person during any
19 calendar year. After December 31, 1971, wages shall not
20 include any amount in excess of $4,200 (or in excess of the
21 limitation on the amount of taxable wages fixed by the Fed-
22 eral Unemployment Tax Act (26 U.S.C. 3301–3308),
23 whichever is greater) actually paid by an employer to any
24 person during any calendar year. After December 31, 1954,
25 the term 'employment' for the purpose of this subsection

1 shall include services constituting employment under any
2 employment security law of a State or of the Federal Govern-
3 ment. After December 31, 1971, the term 'employment' for
4 the purpose of this subsection shall include services constitut-
5 ing employment performed in the employ of a transferor as
6 determined under the provisions of section 3 (c) (7) of this
7 Act."

8 (24) Section 3 (f) of such Act (D.C. Code, sec.
9 46–303 (f)) is amended by striking out in the first sentence
10 " (i) " and inserting in lieu thereof " (A) ".

11 (25) Section 3 (g) of such Act (D.C. Code, sec. 46–
12 303 (g)) is amended by inserting immediately before the
13 period at the end of the first sentence a colon and the follow-
14 ing: "*Provided*, That liability to the fund shall not exceed
15 contributions for the three calendar years next preceding
16 the quarter in which liability was determined."

17 (26) Section 3 of such Act (D.C. Code, sec. 46–303)
18 is amended by adding at the end thereof the following new
19 subsections:

20 " (h) Notwithstanding any other provisions of this sec-
21 tion, benefits paid to employees of nonprofit organizations
22 shall be financed in accordance with the provisions of this
23 subsection. For the purpose of this subsection and subsection
24 (i), a nonprofit organization is an organization (or group
25 of organizations) described in section 501 (c) (3) of the

1 Internal Revenue Code of 1954 which is exempt from in-
2 come tax under section 501 (a) of such Code.
3 "(1) Any nonprofit organization which, pursuant to sec-
4 tion 1 (b) (1) (C), is, or becomes, subject to this Act on
5 or after January 1, 1972, shall pay contributions under the
6 provisions of section 3 (c), unless it elects, in accordance
7 with this paragraph to pay to the Board for the District
8 Unemployment Fund an amount equal to the amount of
9 regular benefits plus one-half of the amount of extended
10 benefits paid that is attributable to service in the employ
11 of such nonprofit organization, to individuals for weeks of
12 unemployment which begin during the effective period of
13 such election.
14 "(A) Any nonprofit organization which is, or becomes,
15 subject to this Act on January 1, 1972, may elect to become
16 liable for payments in lieu of contributions for a period of
17 not less than one taxable year beginning with January 1,
18 1972: *Provided*, That it files with the Board a written notice
19 of its election within the thirty-day period immediately fol-
20 lowing such date or within a like period immediately fol-
21 lowing the date of enactment of this subparagraph whichever
22 occurs later.
23 "(B) Any nonprofit organization which becomes sub-
24 ject to this Act after January 1, 1972, may elect to become
25 liable for payments in lieu of contributions for a period of not

1 less than the remainder of that and the next year beginning
2 with the date on which such liability begins by filing a writ-
3 ten notice of its election with the Board not later than thirty
4 days immediately following the date of the determination of
5 such liability.

6 "(C) Any nonprofit organization which makes an elec-
7 tion in accordance with subparagraph (A) or subparagraph
8 (B) of this paragraph will continue to be liable for payments
9 in lieu of contributions until it files with the Board a written
10 notice terminating its election not later than thirty days
11 prior to the beginning of the taxable year for which such
12 termination shall first be effective.

13 "(D) Any nonprofit organization which has been pay-
14 ing contributions under this Act for a period subsequent to
15 January 1, 1972 may change to a reimbursable basis by
16 filing with the Board not later than thirty days prior to
17 the beginning of any taxable year a written notice of election
18 to become liable for payments in lieu of contributions. Such
19 election shall not be terminable by the organization for that
20 and the next year.

21 "(E) The Board may for good cause extend the period
22 within which a notice of election, or a notice of termination,
23 must be filed and may permit an election to be retroactive
24 but not any earlier than with respect to benefits paid after
25 December 31, 1969.

1 "(F) The Board, in accordance with such regula-
2 tions as it may prescribe, shall notify each nonprofit or-
3 ganization of any determination which the Board may make
4 of its status as an employer and of the effective date of any
5 election which it makes and of any termination of such elec-
6 tion. Such determinations shall be subject to reconsideration,
7 appeal and review in accordance with the provisions of
8 section 3 (c).
9 "(2) Payments in lieu of contributions shall be made
10 in accordance with the provisions of this paragraph in-
11 cluding either subparagraph (A) or subparagraph (B).
12 "(A) At the end of each calendar quarter, or at the end
13 of any other period as determined by the Board, the Board
14 shall bill each nonprofit organization (or group of such
15 organizations) which has elected to make payments in lieu
16 of contributions for an amount equal to the full amount of
17 regular benefits plus one-half of the amount of extended bene-
18 fits paid that is attributable to service in the employ of such
19 organization.
20 "(B) (i) Each nonprofit organization that has elected
21 payments in lieu of contribtutions may request permission to
22 make such payments as provided in this subparagraph. Such
23 method of payment shall become effective upon approval by
24 the Board.
25 "(ii) At the end of each calendar quarter, or at the

1 end of such other period as determined by the Board, the
2 Board shall bill each nonprofit organization for an amount
3 representing one of the following:
4 "(I) For 1972, one-fourth of 1 percent of its total
5 payroll for 1971.
6 "(II) For years after 1972, such percentage of its
7 total payroll for the immediately preceding calendar
8 year as the Board shall determine. Such determination
9 shall be based each year on the average benefit costs
10 attributable to service in the employ of nonprofit orga-
11 nizations during the preceding calendar year.
12 "(III) For any organization which did not pay
13 wages throughout the four calendar quarters of the
14 preceding calendar year, such percentage of its payroll
15 during such year as the Board shall determine.
16 "(iii) At the end of each taxable year, the Board may
17 modify the quarterly percentage of payroll thereafter pay-
18 able by the nonprofit organization in order to minimize
19 excess or insufficient payments.
20 "(iv) At the end of each taxable year, the Board shall
21 determine whether the total of payments for such year made
22 by a nonprofit organization is less than, or in excess of, the
23 total amount of regular benefits plus one-half of the amount
24 of extended benefits paid to individuals during such taxable
25 year based on wages attributable to service in the employ

1 of such organization. Each nonprofit organization whose
2 total payments for such year are less than the amount so
3 determined shall be liable for payment of the unpaid balance
4 to the fund in accordance with subparagraph (C). If the
5 total payments exceed the amount so determined for the
6 taxable year, all or a part of the excess may, at the discre-
7 tion of the Board, be refunded from the fund or retained in
8 the fund as part of the payments which may be required for
9 the next taxable year.
10 "(C) Payment of any bill rendered under subparagraph
11 (A) or subparagraph (B) shall be made not later than thirty
12 days after such bill was mailed to the last known address of
13 the nonprofit organization or was otherwise delivered to it,
14 unless there has been an application for review and redeter-
15 mination in accordance with subparagraph (E).
16 "(D) Payments made by a nonprofit organization under
17 the provisions of this subsection shall not be deducted or de-
18 ductible, in whole or in part, from the remuneration of indi-
19 viduals in the employ of the organization.
20 "(E) The amount due specified in any bill from the
21 Board shall be conclusive on the organization unless, not later
22 than fifteen days after the bill was mailed to its last known
23 address or otherwise delivered to it, the organization files an
24 application for redetermination by the Board, setting forth
25 the grounds for such application or appeal. The Board shall

1 promptly review and reconsider the amount due specified in
2 the bill and shall thereafter issue a redetermination in any
3 case in which such application for redetermination has been
4 filed. Any such redetermination shall be conclusive on the
5 organization unless the organization files an appeal as set
6 forth in paragraph 3 (c) (10), setting forth the grounds for
7 the appeal.

8 "(F) Past due payments of amounts in lieu of contribu-
9 tions shall be subject to the same interest and penalties that,
10 pursuant to section 4 (c), apply to past due contributions.

11 "(3) In the discretion of the Director, any nonprofit
12 organization that elects to become liable for payments in lieu
13 of contributions shall be required within thirty days after the
14 effective date of it selection, to execute and file with the
15 Board a surety bond approved by the Director, or it may
16 elect instead to deposit with the Board money. The amount
17 of such bond or deposit shall be determined in accordance
18 with the provisions of this paragraph.

19 "(A) The amount of the bond or deposit required by
20 this paragraph shall be equal to one-fourth of 1 per centum
21 of the organization's total wages paid for employment as
22 defined in section 1 (b) (C) for the four calendar quarters
23 immediately preceding the effective date of the election, the
24 renewal date in the case of a bond, or the biennial anniver-
25 sary of the effective date of election in the case of a deposit

1 of money, whichever date shall be most recent and appli-
2 cable. If the nonprofit organization did not pay wages in each
3 of such four calendar quarters, the amount of the bond or
4 deposit shall be as determined by the Director.
5 "(B) Any bond deposited under this paragraph shall
6 be in force for a period of not less than two taxable years
7 and shall be renewed with the approval of the Director at
8 such times as the Director may prescribe, but not less fre-
9 quently than at two-year intervals as long as the organization
10 continues to be liable for payments in lieu of contributions.
11 The Director shall require adjustments to be made in a pre-
12 viously filed bond as he deems appropriate. If the bond is
13 to be increased, the adjusted bond shall be filed by the
14 organization within fifteen days of the date notice of the
15 required adjustment was mailed or otherwise delivered to it.
16 Failure by any organization covered by such bond to pay
17 the full amount of payments in lieu of contributions when
18 due, together with any applicable interest and penalties
19 provided for in section 4 (c) of this Act, shall render the
20 surety liable on said bond to the extent of the bond, as
21 though the surety was such organization.
22 "(C) Any deposit of money in accordance with this
23 paragraph shall be retained by the Board in an escrow ac-
24 count until liability under the election is terminated, at
25 which time it shall be returned to the organization, less any

1 deductions as hereinafter provided. The Director may deduct
2 from the money deposited under this paragraph by a non-
3 profit organization to the extent necessary to satisfy any due
4 and unpaid payments in lieu of contributions and any appli-
5 cable interest and penalties provided for in section 4 (c). The
6 Director shall require the organization within fifteen days fol-
7 lowing any deduction from a money deposit under the provi-
8 sions of this subparagraph to deposit sufficient additional
9 money to make whole the organization's deposit at the prior
10 level. The Director may, at anytime, review the adequacy of
11 the deposit made by any organization. If, as the result of such
12 review, he determines that an adjustment is necessary, he
13 shall require the organization to make additional deposit
14 within fifteen days of written notice of his determination or
15 shall return to it such portion of the deposit as he no longer
16 considers necessary, whichever action is appropriate.

17 "(D) If any nonprofit organization fails to file a bond
18 or make a deposit, or to file a bond in an increased amount
19 or to increase or make whole the amount of a previously made
20 deposit, as provided under this paragraph, the Director may
21 terminate such organization's election to make payments in
22 lieu of contributions and such termination shall continue for
23 not less than the four-consecutive-calendar-quarter period
24 beginning with the quarter in which such termination
25 becomes effective: *Provided,* That the Director may extent

1 for good cause the applicable filing, deposit or adjustment
2 period by not more than fifteen days.
3 "(4) If any nonprofit organization is delinquent in
4 making payments in lieu of contributions as required under
5 paragraph (2) of this subsection, the Board may terminate
6 such organization's election to make payments in lieu of con-
7 tributions as of the beginning of the next taxable year, and
8 such termination shall be effective for that and the next
9 taxable year.
10 "(5) Each employer that is liable for payments in lieu
11 of contributions shall pay to the Board for the fund the
12 amount of regular benefits plus one-half of the amount of
13 extended benefits paid that are attributable to service in the
14 employ of such employer. If benefits paid to an individual are
15 based on wages paid by more than one employer and one
16 or more of such employers are liable for payments in lieu
17 of contributions, the amount payable to the fund by each
18 employer that is liable for such payments shall be deter-
19 mined in accordance with the provisions of subparagraph
20 (A) or subparagraph (B).
21 "(A) If benefits paid to an individual are based on
22 wages paid by one or more employers that are liable for
23 payments in lieu of contributions and on wages paid by one
24 or more employers who are liable for contributions, the
25 amount of benefits payable by each employer that is liable

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1 for payments in lieu of contributions shall be an amount
2 which bears the same ratio to the total benefits paid to the
3 individual as the total base-period wages paid to the indi-
4 vidual by such employer bear to the total base-period wages
5 paid to the individual by all of his base-period employers.
6 "(B) If benefits paid to an individual are based on wages
7 paid by two or more employers that are liable for payments
8 in lieu of contributions, the amount of benefits payable by
9 each such employer shall be an amount which bears the
10 same ratio to the total benefits paid to the individual as the
11 total base-period wages paid to the individual by such
12 employer bear to the total base-period wages paid to the
13 individual by all of his base-period employers.
14 "(6) Two or more employers that have become liable
15 for payments in lieu of contributions, in accordance with the
16 provisions of subsection (h) (1), may file a joint application
17 to the Board for the establishment of a group account for the
18 purpose of sharing the cost of benefits paid that are attribut-
19 able to service in the employ of such employers. Each such
20 application shall identify and authorize a group representa-
21 tive to act as the group's agent for the purposes of this para-
22 graph. Upon approval of the application, the Board shall
23 establish a group account for such employers effective as of
24 the beginning of the calendar quarter in which it receives the
25 application and shall notify the group's representative of the

1 effective date of the account. Such account shall remain in
2 effect for not less than two years and thereafter until termi-
3 nated at the discretion of the Board or upon application by
4 the group. Upon establishment of the account, each member
5 of the group shall be liable for payments in lieu of contribu-
6 tions with respect to each calendar quarter in the amount that
7 bears the same ratio to the total benefits paid in such quarter
8 that are attributable to service performed in the employ of
9 all members of the group as the total wages paid for service
10 in employment by such member in such quarter bear to the
11 total wages paid during such quarter for service performed in
12 the employ of all members of the group. The Board shall pre-
13 scribe such regulations as it deems necessary with respect to
14 applications for establishment, maintenance, and termination
15 of group accounts that are authorized by this paragraph, for
16 addition of new members to, and withdrawal of active mem-
17 bers from, such accounts, and for the determination of the
18 amounts that are payable under this paragraph by members
19 of the group and the time and manner of such payments.
20 "(i) Notwithstanding any provisions in subsection (h)
21 any nonprofit organization that prior to January 1, 1969,
22 paid contributions required by subsection (c) of this section
23 and, pursuant to subsection (h) of this section, elects, within
24 thirty days after the effective date of such subsection (h),
25 to make payments in lieu of contributions, shall not be re-

1 quired to make any such payment on account of any benefits
2 paid, on the basis of wages paid by such organization to
3 individuals for weeks of unemployment which began on or
4 after the effective date of such election until the total amount
5 of such benefits equals the amount of the positive balance
6 in the experience rating account of such organization."
7 (27) Section 4 (a) of such Act (D.C. Code, sec.
8 46–304 (a)) is amended by inserting ", or payments in lieu
9 of contributions under section 3 (h)," immediately after
10 "section 3".
11 (28) Section 4 (b) of such Act (D.C. Code, sec.
12 46–304 (b)) is amended by inserting ", except as provided
13 in section 3 (h) of this Act" immediately before the period
14 at the end of the first sentence.
15 (29) Section 4 (c) of such Act (D.C. Code, sec.
16 46–304 (c)) is amended to read as follows:
17 "(c) (1) If contributions or payments in lieu of contri-
18 butions under section 3 (h) are not paid when due, there
19 shall be added interest at the rate of one-half of 1 per centum
20 per month or fraction thereof from the date they become
21 due until paid: *Provided*, That interest shall not run against
22 a court-appointed fiduciary when the contributions or pay-
23 ments in lieu of contributions under section 3 (h) are not
24 paid timely because of a court order.

1 "(2) If contributions or wage reports are not filed on
2 or before the fifteenth day of the second month following
3 the close of the calendar quarter for which they are due or
4 contributions, or payments in lieu of contributions under
5 section 3 (h), are not paid by that time, there shall be added
6 a penalty of 10 per centum of the contributions, or payments
7 in lieu of contributions under section 3 (h), but such penalty
8 shall not be less than $5 nor more than $25 and for good
9 cause such penalty may be waived by the Board."
10 (30) Section 4 (d) of such Act (D.C. Code, sec. 46–
11 304 (d)) is amended by inserting ", or payments in lieu of
12 contributions under section 3 (h)," immediately after "con-
13 tributions".
14 (31) Section 4 (e) of such Act (D.C. Code, sec. 46–
15 304 (e)) is amended by striking out "or tax" in the first
16 and fifteenth sentences and inserting in lieu thereof ", or pay-
17 ments in lieu of contributions under section 3 (h),".
18 (32) Section 4 (h) of such Act (D.C. Code, sec. 46–
19 304 (h)) is amended by inserting "or penalty" immedi-
20 ately after "interest" in the second sentence.
21 (33) Section 4 (i) of such Act (D.C. Code, sec.
22 46–304 (i)) is amended to read as follows:
23 "(i) REFUNDS.—If not later than three years after
24 the date on which any contributions (or payments in lieu
25 of contributions under section 3 (h)) or interest thereon were

1 paid, an employing unit which has paid such contributions
2 (or payments in lieu of contributions under section 3 (h))
3 or interest thereon shall make application for an adjustment
4 thereof in connection with subsequent contribution pay-
5 ments (or payments in lieu of contributions under section
6 3 (h)) or for a refund thereof because such adjustment can-
7 not be made, and the Board shall determine that such con-
8 tributions (or payments in lieu of contributions under section
9 3 (h)) or interest on any portion thereof was erroneously
10 collected, the Board shall allow such employing unit to make
11 an adjustment thereof, without interest, in connection with
12 subsequent contribution payments (or payments in lieu of
13 contributions under section 3 (h)) by it, or if such adjust-
14 ment cannot be made the Board shall refund said amount,
15 without interest, from the clearing account or benefit account
16 upon checks issued by the Board or its duly authorized agent.
17 For like cause and within the same period, adjustment or
18 refund may be so made on the Board's own initiative. Should
19 benefits have been paid based upon work records filed by
20 the employing unit, claiming an adjustment or refund, such
21 benefit should be disregarded for purposes of figuring such
22 adjustment or refund, and any such benefit payments already
23 having been made at the time of the adjustment or refund,
24 based upon records filed with this Board by such employing

1 unit, shall to that extent be allowed and shall not be deemed
2 to have been paid erroneously."
3 (34) Section 4 (1) of such Act (D.C. Code, sec. 46–
4 304 (1)) is amended by striking out the first and second
5 sentences and inserting in lieu thereof the following:
6 "(1) The Board may compromise any civil case arising
7 under this Act. Whenever a compromise is made by the
8 Board in each such case, there shall be placed in the minutes
9 of the Board the opinion of an attorney of the Board with
10 the reasons therefor, including a statement of (1) the
11 amount of the contributions, or payments in lieu of con-
12 tributions under section 3 (h), due, (2) the amount of
13 interest due on the same, and (3) the amount actually paid
14 in accordance with the terms of the compromise."
15 (35) Section 7 (b) of such Act (D.C. Code, sec. 46–
16 307 (b)) is amended—
17 (A) by striking out the second sentence; and
18 (B) by striking out in the third sentence "50 per
19 centum" and inserting in lieu thereof "66⅔ per centum".
20 (36) Section 7 (c) of such Act (D.C. Code, sec.
21 46–307 (c)) is amended to read as follows:
22 "(c) To qualify for benefits an individual must have
23 (1) been paid wages for employment of not less than $300
24 in one quarter in his base period, (2) been paid wages for
25 employment of not less than $450 in not less than two quar-

1 ters in such period, and (3) received during such period
2 wages the total amount of which is equal to at least one and
3 one-half times the amount of his wages for the quarter in
4 such period in which his wages were the highest. Nothwith-
5 standing the provisions of paragraph (3), any otherwise
6 qualified individual, the total amount of whose wages during
7 such period is less than the amount required to have been
8 received during such period under such paragraph, may
9 qualify for benefits if the difference between the amounts so
10 required to have been received and the total amount of his
11 wages during such period does not exceed $70, but the
12 amount of his weekly benefit, as computed under section
13 7(b), shall be reduced by $1 if such difference does not
14 exceed $35 or by $2 if such difference is more than $35.
15 Wages received by an individual in the period intervening
16 between the end of his last base period and the beginning of
17 his last benefit year shall not be available for benefit purposes
18 in a subsequent benefit year unless he has, subsequent to the
19 commencement of such last benefit year, performed services
20 for which he received remuneration for personal services,
21 whether or not such services were performed in employment
22 as defined in this Act, in an amount equal to at least ten
23 times the weekly benefit amount for which he qualifies in
24 such last benefit year. Benefits payable to an individual with
25 respect to a week shall be reduced, under regulations pre-

1 scribed by the Board, by any amount received or applied for
2 with respect to such week as a retirement pension or annuity
3 under a public or private retirement plan or system provided,
4 or contributed to, by any base period employer. An amount
5 received with respect to a period other than a week shall
6 be prorated by weeks. No reduction shall be made under the
7 preceding two sentences for any amount received under title
8 II of the Social Security Act."
9 (37) Section 7 of such Act (D.C. Code, sec. 46–307)
10 is amended by adding the following new subsection:
11 (g) EXTENDED BENEFITS PROGRAM.—Notwithstand-
12 ing any other provisions of this section, this subsection
13 provides a program of extended benefits on and after
14 January 1, 1972.
15 "(1) DEFINITIONS.—As used in this subsection, unless
16 the context clearly requires otherwise—
17 "(A) 'Extended benefit period' means a period
18 which—
19 "(i) begins with the third week after which-
20 ever of the following weeks occurs first: (I) a week
21 for which there is a national 'on' indicator, or (II)
22 a week for which there is a State 'on' indicator;
23 and
24 "(ii) ends with either of the following weeks,
25 whichever occurs later: (I) the third week after

1 the first week for which there is both a national
2 'off' indicator and a State 'off' indicator; or (II)
3 the thirteenth consecutive week of such period:
4 *Provided*, That no extended benefit period may
5 begin by reason of a State 'on' indicator before the
6 fourteenth week following the end of a prior
7 extended benefit period which was in effect with
8 respect to the District.
9 "(B) There is a 'national' 'on' 'indicator' for a week
10 if the Secretary of Labor determines that for each of the
11 three most recent completed calendar months ending
12 before such week, the rate of insured unemployment
13 (seasonally adjusted) for all States equaled or exceeded
14 4.5 per centum.
15 "(C) There is a 'national' 'off' 'indicator' for a week
16 if the Secretary of Labor determines that for each of the
17 three most recent completed calendar months ending
18 before such week, the rate of insured unemployment
19 (seasonally adjusted) for all States was less than 4.5
20 per centum.
21 "(D) There is a 'State' 'on' 'indicator' for the Dis-
22 trict for a week if the Board determines, in accordance
23 with regulations of the Secretary of Labor, that for the
24 period consisting of such week and the immediately pre-

1 ceding twelve weeks, the rate of insured unemployment
2 (not seasonally adjusted) under this Act—
3 "(i) equaled or exceeded 120 per centum of
4 the average of such rates for the corresponding
5 thirteen-week period ending in each of the preced-
6 ing two calendar years, and
7 "(ii) equaled or exceeded 4 per centum.
8 "(E) There is a 'State' 'off' 'indicator' for the Dis-
9 trict for a week if the Board determines in accordance
10 with regulations of the Secretary of Labor, that for the
11 period consisting of such week and the immediately pre-
12 ceding twelve weeks, the rate of insured unemployment
13 (not seasonally adjusted) under this Act—
14 "(i) was less than 120 per centum of the aver-
15 age of such rates for the corresponding thirteen-
16 week period ending in each of the preceding two
17 calendar years, or
18 "(ii) was less than 4 per centum.
19 "(F) 'Rate of insured unemployment', for purposes
20 of subparagraphs (D) and (E) of this subsection,
21 means the percentage derived by dividing (i) the
22 average weekly number of individuals filing claims in
23 the District for weeks of unemployment with respect
24 to the most recent thirteen-consecutive-week period, as
25 determined by the Board on the basis of its reports to
26 the Secretary of Labor, by (ii) the average monthly

1 employment covered under this Act for the first four of
2 the most recent six completed calendar quarters ending
3 before the end of such thirteen-week period.

4 "(G) 'Regular benefits' means benefits payable to
5 an individual under this Act or under any State law
6 (including benefits payable to Federal civilian em-
7 ployees and to ex-servicemen pursuant to chapter 85
8 of title 5, United States Code) other than extended
9 benefits.

10 "(H) 'Extended benefits' mean benefits (including
11 benefits payable to Federal civilian employees and to ex-
12 servicemen pursuant to chapter 85 of title 5, United
13 States Code) payable to an individual under the provi-
14 sions of this subsection for weeks of unemployment in
15 his eligibility period.

16 "(I) 'Eligibility period' of an individual means the
17 period consisting of the weeks in his benefit year which
18 begin in an extended benefit period and, if his benefit
19 year ends within such extended benefit period, any week
20 thereafter which begins in such period.

21 "(J) 'Exhaustee' means an individual who, with
22 respect to any week of unemployment in his eligibility
23 period:

24 "(i) has received, prior to such week, all of
25 the regular benefits that were available to him under

1 this Act or any State law (including dependents'
2 allowances and benefits payable to Federal civilian
3 employees and ex-servicemen under chapter 85 of
4 title 5, United States Code) in his current benefit
5 year that includes such week: *Provided,* That, for
6 the purposes of this subparagraph, an individual
7 shall be deemed to have received all of the regular
8 benefits that were available to him although as a
9 result of a pending appeal with respect to wages
10 that were not considered in the original monetary
11 determination in his benefit year, he may subse-
12 quently be determined to be entitled to added regu-
13 lar benefits;
14 "(ii) his benefit year having expired prior to
15 such week, has no, or insufficient, wages on the basis
16 of which he could establish a new benefit year that
17 would include such week; and
18 "(iii) (I) has no right to unemployment bene-
19 fits or allowances, as the case may be, under the
20 Railroad Unemployment Insurance Act, the Trade
21 Expansion Act of 1962, the Automotive Products
22 Trade Act of 1965, and such other Federal laws as
23 are specified in regulations issued by the Secretary
24 of Labor; and (II) has not received and is not seek-
25 ing unemployment benefits under the unemployment

1 compensation law of the Virgin Islands or of Can-
2 ada; but if he is seeking such benefits and the
3 appropriate agency finally determines that he is not
4 entitled to benefits under such law he is considered
5 an exhaustee.
6 "(K) 'State law' means the unemployment insur-
7 ance law of any State, approved by the Secretary of
8 Labor under section 3304 of the Internal Revenue Code
9 of 1954.
10 "(2) Except when the result would be inconsistent with
11 the other provisions of this subsection, as provided in the
12 regulations of the Board, the provisions of this Act which
13 apply to claims for, or the payment of, regular benefits shall
14 apply to claims for, and the payment of, extended benefits.
15 "(3) An individual shall be eligible to receive extended
16 benefits with respect to any week of unemployment in his
17 eligibility period only if the Board finds that with respect to
18 such week:
19 "(A) he is an 'exhaustee' as defined in paragraph
20 (1) (J) of this subsection, and
21 "(B) he has satisfied the requirements of this Act
22 for the receipt of regular benefits that are applicable
23 to individuals claiming extended benefits, including not
24 being subject to a disqualification for the receipt of
25 benefits.

1 "(4) The weekly extended benefit amount payable to
2 an individual for a week of total unemployment in his eligi-
3 bility period shall be an amount equal to the weekly basic
4 or augmented benefit amount, whichever is appropriate,
5 payable to him during his applicable benefit year.

6 "(5) The total extended benefit amount payable to any
7 eligible individual with respect to his applicable year shall
8 be the least of the following amounts:

9 "(A) 50 percent of the total amount of regular
10 benefits (including dependents' allowances) which were
11 payable to him under this Act in his applicable benefit
12 year;

13 "(B) thirteen times his weekly benefit amount (in-
14 cluding dependent's allowances) which was payable to
15 him under this Act for a week of total unemployment
16 in the applicable benefit year; or

17 "(C) thirty-nine times his weekly benefit amount
18 (including dependents' allowances) which was payable
19 to him under this Act for a week of total unemployment
20 in the applicable benefit year, reduced by the total
21 amount of regular benefits which were paid (or deemed
22 paid) to him under this Act with respect to the benefit
23 year.

24 "(D) For purposes of this paragraph, the total
25 regular benefit amount shall be that amount (including

1 dependents' allowances) provided in the individual's
2 monetary determination or the amount of regular bene-
3 fits (including dependents' allowances) actually re-
4 ceived, whichever is the greater.
5 "(6) (A) Whenever an extended benefit period is to
6 become effective in the District (or in all States) as a result
7 of a State or a National 'on' indicator, or an extended bene-
8 fit period is to be terminated in the District as a result of
9 State and National 'off' indicators, the Director shall make an
10 appropriate public announcement as provided in the regula-
11 tions of the Board.
12 "(B) Computations required by the provisions of para-
13 graph (1) (F) of this subsection shall be made by the Board
14 in accordance with regulations prescribed by the Secretary of
15 Labor."
16 (38) Section 9 of such Act (D.C. Code, sec. 46-309)
17 is amended by adding the following new subsection:
18 "(g) Benefits based on service in employment defined
19 in section 1 (b) (1) (B) and (C) shall be payable in the
20 same amount, on the same terms, and subject to the same con-
21 ditions as compensation payable on the basis of other service
22 subject to this Act; except that benefits based on service in
23 an instructional, research, or principal administrative capac-
24 ity in an institution of higher education (as defined in sec-
25 tion 1 (w)) shall not be paid to an individual for any week

1 of unemployment which begins during the period between
2 two successive academic years, or during a similar period
3 between two regular terms, whether or not successive, or
4 during a period of paid sabbatical leave provided for in the
5 individual's contract, if the individual has a contract or con-
6 tracts to perform services in any such capacity for any in-
7 stitution or institutions of higher education for both such aca-
8 demic years or both such terms."

9 (39) Section 11 of such Act (D.C. Code, sec. 46–311)
10 is amended—

11 (A) by striking out "(a)" in the penultimate sen-
12 tence of subsection (e); and

13 (B) by inserting "or recording device" immediately
14 after "stenographer" in the second sentence of sub-
15 section (f).

16 (40) Section 13 of such Act (D.C. Code, sec. 46–313)
17 is amended by amending subsection (e) to read as follows:

18 "(e) FEDERAL-STATE COOPERATION.—(1) In the
19 administration of this Act, the Board shall cooperate with
20 the Department of Labor to the fullest extent consistent
21 with the provisions of this Act, and shall take such action,
22 through the adoption of appropriate rules, regulations, ad-
23 ministrative methods, and standards, as may be necessary to
24 secure to the District and its citizens all advantages avail-
25 able under the provisions of the Social Security Act that

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1 relate to unemployment compensation, the Federal Unem-
2 ployment Tax Act, the Wagner-Peyser Act, and the
3 Federal-State Extended Unemployment Compensation Act
4 of 1970.
5 "(2) In the administration of the provisions in section
6 7(g) of this Act, which are enacted to conform with the
7 requirements of the Federal-State Extended Unemployment
8 Compensation Act of 1970, the Board shall take such action
9 as may be necessary (A) to ensure that the provisions are
10 so interpreted and applied as to meet the requirements of
11 such Federal Act as interpreted by the Department of Labor,
12 and (B) to secure to the District the full reimbursement
13 of the Federal share of extended and regular benefits paid
14 under this Act that are reimbursable under the Federal Act."
15 (40) Section 14 of such Act (D.C. Code, sec. 46–
16 314) is amended—
17 (A) by inserting the subsection designation "(a)"
18 immediately before "All";
19 (B) by striking out "$40" in such subsection (a)
20 and inserting in lieu thereof "$65"; and
21 (C) by adding at the end thereof the following
22 new subsection:
23 "(b) (1) There is hereby created a special deposit
24 fund in the Treasury of the United States, separate and
25 apart from the District Unemployment Fund, to be known

1 as the Special Administrative Expense Fund. Notwithstand-
2 ing any contrary provisions of this Act, (A) interest and
3 penalties collected from employers, and dishonored check
4 penalties authorized by Public Law 89–208 (79 Stat. 844),
5 shall after January 31, 1972, be deposited into the clearing
6 account in the District Unemployment Fund in the Treas-
7 ury of the United States for clearance only and shall not,
8 except as provided in paragraph (4) of this subsection, be
9 deemed a part of the District Unemployment Fund; (B)
10 thereafter, during each calendar quarter, there shall be
11 transferred from the clearing account to such Special Ad-
12 ministrative Expense Fund all moneys described in subpara-
13 graph (A) of this subsection collected during the preced-
14 ing quarter; and (C) refunds of such moneys paid into the
15 Special Administrative Expense Fund shall be made from
16 such fund.
17 "(2) Said moneys shall not be expended or available
18 for expenditure in any manner which would permit their
19 substitution for, or a corresponding reduction in, Federal
20 funds which would, in the absence of said moneys, be avail-
21 able to finance expenditures for the administration of this
22 Act. Nothing in this subsection shall prevent said moneys
23 from being used as a revolving fund to cover expenditures,
24 necessary and proper under the law, for which Federal funds
25 have been duly requested but not yet received, subject to

1 the charging of such expenditures against such funds when
2 received. The moneys in this fund shall be used by the Board
3 for the payment of costs of administration which are found
4 by the Board not to be proper and valid charges payable out
5 of Federal grants or other funds received for the administra-
6 tion of this Act. All such payments of expenses shall be
7 made by checks drawn by the Board and shall be subject
8 to audit by the District in the same manner as are pay-
9 ments of other expenses of the District.
10 "(3) No expenditure of this fund shall be made unless
11 and until the Board by resolution duly entered in its min-
12 utes finds that no other funds are available or can properly
13 be used to finance such expenditures. Vouchers drawn to
14 pay expenditures of this fund shall, among other things,
15 include a duly certified copy of the resolution of the Board
16 hereinbefore referred to.
17 "(4) The moneys in this fund shall be continuously
18 available to the Board for expenditures and refunds in ac-
19 cordance with the provisions of this subsection and shall not
20 lapse at any time or be transferred to any other fund or
21 account except as herein provided. If, on June 30 of any
22 calendar year, the balance in this fund exceeds $250,000 by
23 $1,000 or more, the Board shall transfer such excess to the
24 Unemployment Trust Fund. It shall be the duty of the
25 Secretary of the Treasury to invest such portion of this

1 fund in excess of $10,000 at the end of each month. Such
2 investments shall be made in the same manner as provided
3 in section 904 of the Social Security Act. The interest on,
4 and the proceeds from, the sale of redemptions of any obliga-
5 tions held in this fund shall be credited to and form a part
6 of this fund."
7 (41) Section 15 of such Act (D.C. Code, sec. 46–315)
8 is amended by striking out "$25" in subsection (c) and in-
9 serting in lieu thereof "$50".
10 (42) Section 16 of such Act (D.C. Code, sec. 46–316)
11 is amended to read as follows:
12 "(a) The Board is hereby authorized to enter into
13 reciprocal arrangements with appropriate and duly author-
14 ized agencies of other States or of the Federal Government,
15 or both, whereby services performed by an individual for a
16 single employing unit for which services are customarily
17 performed by such individual in more than one State shall
18 be deemed to be services performed entirely within any one
19 of the States (1) in which any part of such individual's
20 service is performed or (2) in which such individual has his
21 residence or (3) in which the employing unit maintains a
22 place of business, provided there is in effect, as to such serv-
23 ices, an election, approved by the agency charged with the
24 administration of such State's unemployment-compensation
25 law, pursuant to which all the services performed by such

1 individual for such employing unit are deemed to be per-
2 formed entirely within such State.

3 "(b) The Board is hereby authorized to enter into
4 reciprocal arrangements with appropriate and duly author-
5 ized agencies of other States or of the Federal Government,
6 or both, whereby potential rights to benefits accumulated
7 under the unemployment-compensation laws of one or more
8 States or under one or more such laws of the Federal Gov-
9 ernent, or both, may constitute the basis for the payment
10 of benefits through a single appropriate agency under terms
11 which the Board finds will be fair and reasonable as to all
12 affected interests and will not result in any substantial loss
13 to the fund.

14 "(c) The Board shall participate in any arrangements
15 for the payment of compensation on the basis of combining
16 an individual's wages and employment covered under this
17 Act with his wages and employment covered under the un-
18 employment-compensation laws of other States which are
19 approved by the Secretary of Labor in consultation with the
20 State unemployment-compensation agencies as reasonbly
21 calculated to assure the prompt and full payment of com-
22 pensation in such situations and which include provisions for
23 (1) applying the base period of a single State law to a
24 claim involving the combining of an individual's wages and
25 employment covered under two or more State unemploy-

1 ment-compensation laws, and (2) avoiding the duplicate use
2 of wages and employment by reason of such combining.
3 "(d) The Board is hereby authorized to enter into
4 reciprocal arrangements with appropriate and duly author-
5 ized agencies of other States or of the Federal Government,
6 or both, whereby contributions due under this Act with
7 respect to wages for employment shall for the purposes of
8 section 4 of this Act be deemed to have been paid to the fund
9 as of the date payment was made as contributions therefor
10 under another State or Federal unemployment-compensation
11 law, but no such arrangement shall be entered into unless it
12 contains provisions for such reimbursement to the fund of
13 such contributions and the actual earnings thereon as the
14 Board finds will be fair and reasonable as to all affected
15 interests.
16 "(e) Reimbursements paid from the fund pursuant to
17 subsection (c) of this section shall be deemed to be benefits
18 for the purpose of sections 6, 7, and 8 of this Act. The
19 Board is authorized to make to other State or Federal agen-
20 cies and to receive from such other State or Federal agencies
21 reimbursements from or to the fund, in accordance with ar-
22 rangements entered into pursuant to this section.
23 "(f) The administration of this Act and of State and
24 Federal unemployment-compensation and public-employ-
25 ment-service laws will be promoted by cooperation between

1 the District and such States and the appropriate Federal
2 agencies in exchanging services and making available fa-
3 cilities and information. The Board is therefore authorized
4 to make such investigations, secure and transmit such in-
5 formation, make available such services and facilities, and
6 exercise such of the other power provided herein with
7 respect to the administration of this Act as it deems neces-
8 sary or appropriate to facilitate the administration of any
9 such unemployment-compensation or public-employment-
10 service law, and in like manner to accept and utilize infor-
11 mation, services, and facilities made available to the District
12 by the agency charged with the administration of any such
13 other unemployment-compensation or public-employment-
14 service law.
15 "(g) To the extent permissible under the laws and Con-
16 stitution of the United States, the Board is authorized to
17 enter into or cooperate in arrangements whereby facilities
18 and services provided under this Act and facilities and serv-
19 ices provided under the unemployment-compensation law of
20 any foreign government may be utilized for the taking of
21 claims and the payment of benefits under the employment-
22 security law of the District or under a similar law of such
23 government."

1 Sec. 3. The amendments made by this Act shall take
2 effect on January 1, 1972, except that the amendments made
3 by sections 2(35) and 2(36) of this Act shall take effect
4 only with respect to benefit years that begin on or after
5 January 2, 1972.

92D CONGRESS
1ST SESSION

S. 1995

IN THE SENATE OF THE UNITED STATES

JUNE 3, 1971

Mr. TUNNEY (by request) introduced the following bill; which was read twice and referred to the Committee on the District of Columbia

A BILL

To authorize the District of Columbia to enter into the Interstate Compact on Mental Health.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Interstate Compact on
4 Mental Health Act".
5 SEC. 2. The Commissioner of the District of Columbia
6 is hereby authorized to enter into and execute on behalf of
7 the District of Columbia an agreement with any State or
8 States legally joining therein in the form substantially as
9 follows:

II

1 "THE INTERSTATE COMPACT ON MENTAL
2 HEALTH

3 "ARTICLE I—PURPOSE AND FINDINGS

4 "The party states find that the proper and expeditious
5 treatment of the mentally ill and mentally deficient can be
6 facilitated by cooperative action, to the benefit of the patients,
7 their families, and society as a whole. Further, the party
8 states find that the necessity of and desirability for furnishing
9 such care and treatment bears no primary relation to the resi-
10 dence or citizenship of the patient but that, on the contrary,
11 the controlling factors of community safety and humanitarian-
12 ism require that facilities and services be made available for
13 all who are in need of them. Consequently, it is the purpose
14 of this compact and of the party states to provide the necessary
15 legal basis for the institutionalization or other appropriate care
16 and treatment of the mentally ill and mentally deficient under
17 a system that recognizes the paramount importance of patient
18 welfare and to establish the responsibilities of the party states
19 in terms of such welfare.

20 "ARTICLE II—DEFINITIONS

21 "As used in this compact:
22 "(a) 'Sending state' shall mean a party state from which
23 a patient is transported pursuant to the provisions of the com-
24 pact or from which it is contemplated that a patient may be
25 so sent.

1 "(b) 'Receiving state' shall mean a party state to which
2 a patient is transported pursuant to the provisions of the com-
3 pact or to which it is contemplated that a patient may be so
4 sent.
5 "(c) 'Institution' shall mean any hospital or other facil-
6 ity maintained by a party state or political subdivision thereof
7 for the care and treatment of mental illness or mental defi-
8 ciency, and shall include Saint Elizabeths Hospital in the
9 District of Columbia.
10 "(d) 'Patient' shall mean any person subject to or
11 eligible as determined by the laws of the sending state, for
12 institutionalization or other care, treatment, or supervision
13 pursuant to the provisions of this compact.
14 "(e) 'After-care' shall mean care, treatment and services
15 provided a patient, as defined herein, on convalescent status
16 or conditional release.
17 "(f) 'Mental illness' shall mean mental disease to such
18 extent that a person so afflicted requires care and treatment
19 for his own welfare, or the welfare of others, or of the com-
20 munity.
21 "(g) 'Mental deficiency' shall mean mental deficiency
22 as defined by appropriate clinical authorities to such extent
23 that a person so afflicted is incapable of managing himself
24 and his affairs, but shall not include mental illness as defined
25 herein.

1 "(h) 'State' shall mean any state, territory or posses-
2 sion of the United States, the District of Columbia, and the
3 Commonwealth of Puerto Rico.

4 "ARTICLE III—ELIGIBILITY AND PLACEMENT OF
5 PATIENTS

6 "(a) Whenever a person physically present in any
7 party state shall be in need of institutionalization by reason
8 of mental illness or mental deficiency, he shall be eligible for
9 care and treatment in an institution in that state irrespective
10 of his residence, settlement or citizenship qualifications.

11 "(b) The provisions of paragraph (a) of this article
12 to the contrary notwithstanding, any patient may be trans-
13 ferred to an institution in another state whenever there are
14 factors based upon clinical determinations indicating that the
15 care and treatment of said patient would be facilitated or im-
16 proved thereby. Any such institutionalization may be for the
17 entire period of care and treatment or for any portion or por-
18 tions thereof. The factors referred to in this paragraph shall
19 include the patient's full record with due regard for the loca-
20 tion of the patient's family, character of the illness and
21 probable duration thereof, and such other factors as shall be
22 considered appropriate.

23 "(c) No state shall be obliged to receive any patient
24 pursuant to the provisions of paragraph (b) of this article
25 unless the sending state has given advance notice of its

1 intention to send the patient; furnished all available medi-
2 cal and other pertinent records concerning the patient; given
3 the qualified medical or other appropriate clinical authorities
4 of the receiving state an opportunity to examine the patient
5 if said authorities so wish; and unless the receiving state
6 shall agree to accept the patient.

7 "(d) In the event that the laws of the receiving state
8 establish a system of priorities for the admission of patients,
9 an interstate patient under this compact shall receive the
10 same priority as a local patient and shall be taken in the
11 same order and at the same time that he would be taken if
12 he were a local patient.

13 "(e) Pursuant to this compact, the determination as
14 to the suitable place of institutionalization for a patient may
15 be reviewed at any time and such further transfer of the
16 patient may be made as seems likely to be in the best interest
17 of the patient.

18 "ARTICLE IV—AFTER-CARE OR SUPERVISION IN THE
19 RECEIVING STATE

20 "(a) Whenever, pursuant to the laws of the state in
21 which a patient is physically present, it shall be determined
22 that the patient should receive after-care or supervision,
23 such care or supervision may be provided in a receiving
24 state. If the medical or other appropriate clinical authori-
25 ties having responsibility for the care and treatment of the

1 patient in the sending state shall have reason to believe
2 that after-care in another state would be in the best interest
3 of the patient and would not jeopardize the public safety,
4 they shall request the appropriate authorities in the receiving
5 state to investigate the desirability of affording the patient
6 such after-care in said receiving state, and such investiga-
7 tion shall be made with all reasonable speed. The request
8 for investigation shall be accompanied by complete informa-
9 tion concerning the patient's intended place of residence and
10 the identity of the person in whose charge it is proposed
11 to place the patient, the complete medical history of the
12 patient, and such other documents as may be pertinent.
13 "(b) If the medical or other appropriate clinical
14 authorities having responsibilty for the care and treatment
15 of the patient in the sending state and the appropriate
16 authorities in the receiving state find that the best interest
17 of the patient would be served thereby, and if the public
18 safety would not be jeopardized thereby, the patient may
19 receive after-care or supervision in the receiving state.
20 "(c) In supervising, treating, or caring for a patient on
21 after-care pursuant to the terms of this article, a receiving
22 state shall employ the same standards of visitation, examina-
23 tion, care, and treatment that it employs for similar local
24 patients.

1 "ARTICLE V—ESCAPE OF DANGEROUS OR POTENTIALLY
2 DANGEROUS PATIENTS

3 "Whenever a dangerous or potentially dangerous patient
4 escapes from an institution in any party state, that state
5 shall promptly notify all appropriate authorities within and
6 without the jurisdiction of the escape in a manner reasonably
7 calculated to facilitate the speedy apprehension of the
8 escapee. Immediately upon the apprehension and identifica-
9 tion of any such dangerous or potentially dangerous patient,
10 he shall be detained in the state where found pending dis-
11 position in accordance with law.

12 "ARTICLE VI—TRANSPORTING PATIENTS THROUGH
13 PARTY STATES

14 "The duly accredited officers of any state party to this
15 compact, upon the establishment of their authority and the
16 identity of the patient, shall be permitted to transport any
17 patient being moved pursuant to this compact through any
18 and all states party to this compact, without interference.

19 "ARTICLE VII—PAYMENT OF COSTS

20 "(a) No person shall be deemed a patient of more than
21 one institution at any given time. Completion of transfer of
22 any patient to an institution in a receiving state shall have
23 the effect of making the person a patient of the institution in
24 the receiving state.

1 "(b) The sending state shall pay all costs of and inci-
2 dental to the transportation of any patient pursuant to this
3 compact, but any two or more party states may, by making
4 a specific agreement for that purpose, arrange for a different
5 allocation of costs as among themselves.

6 "(c) No provision of this compact shall be construed to
7 alter or affect any internal relationships among the depart-
8 ments, agencies and officers of and in the government of a
9 party state, or between a party state and its subdivisions, as
10 to the payment of costs, or responsibilities therefor.

11 "(d) Nothing in this compact shall be construed to pre-
12 vent any party state or subdivision thereof from asserting
13 any right against any person, agency or other entity in re-
14 gard to costs for which such party state or subdivision thereof
15 may be responsible pursuant to any provision of this compact.

16 "(e) Nothing in this compact shall be construed to in-
17 validate any reciprocal agreement between a party state
18 and a non-party state relating to institutionalization, care or
19 treatment of the mentally ill or mentally deficient, or any
20 statutory authority pursuant to which such agreements may
21 be made.

22 "ARTICLE VIII—GUARDIANS

23 "(a) Nothing in this compact shall be construed to
24 abridge, diminish, or in any way impair the rights, duties,
25 and responsibilities of any patient's guardian on his own

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1 behalf or in respect of any patient for which he may serve,
2 except that where the transfer of any patient to another
3 jurisdiction makes advisable the appointment of a supple-
4 mental or substitute guardian, any court of competent juris-
5 diction in the receiving state may make such supplemental
6 or substitute appointment and the court which appointed the
7 previous guardian shall upon being duly advised of the new
8 appointment, and upon the satisfactory completion of such
9 accounting and other acts as such court may by law require,
10 relieve the previous guardian of power and responsibility to
11 whatever extent shall be appropriate in the circumstances;
12 provided, however, that in the case of any patient having
13 settlement in the sending state, the court of competent juris-
14 diction in the sending state shall have the sole discretion to
15 relieve a guardian appointed by it or continue his power and
16 responsibility, whichever it shall deem advisable. The court
17 in the receiving state may, in its discretion, confirm or re-
18 appoint the person or persons previously serving as guardian
19 in the sending state in lieu of making a supplemental or sub-
20 stitute appointment.
21 "(b) The term 'guardian' as used in paragraph (a) of
22 this article shall include any guardian, trustee, legal com-
23 mittee, conservator, or other person or agency however
24 denominated who is charged by law with power to act for or
25 responsibility for the person or property of a patient.

1 "ARTICLE IX—INAPPLICABILITY OF COMPACT TO PER-
2 SONS SUBJECT TO PENAL SENTENCE; POLICY AGAINST
3 PLACEMENT OF PATIENTS IN PRISONS OR JAILS

4 "(a) No provision of this compact except Article V
5 shall apply to any person institutionalized while under sen-
6 tence in a penal or correctional institution or while subject
7 to trial on a criminal charge, or whose institutionalization is
8 due to the commission of an offense for which, in the absence
9 of mental illness or mental deficiency, said person would be
10 subject to incarceration in a penal or correctional institution.

11 "(b) To every extent possible, it shall be the policy of
12 states party to this compact that no patient shall be placed
13 or detained in any prison, jail or lockup, but such patient
14 shall, with all expedition, be taken to a suitable institutional
15 facility for mental illness or mental deficiency.

16 "ARTICLE X—COMPACT ADMINISTRATORS

17 "(a) Each party state shall appoint a 'compact adminis-
18 trator' who, on behalf of his state, shall act as general coordi-
19 nator of activities under the compact in his state and who
20 shall receive copies of all reports, correspondence, and other
21 documents relating to any patient processed under the com-
22 pact by his state either in the capacity of sending or receiv-
23 ing state. The compact administrator or his duly designated
24 representative shall be the official with whom other party

1 states shall deal in any matter relating to the compact or any
2 patient processed thereunder.
3 "(b) The compact administrators of the respective
4 party states shall have power to promulgate reasonable rules
5 and regulations to carry out more effectively the terms and
6 provisions of this compact.
7 "ARTICLE XI—SUPPLEMENTARY AGREEMENTS
8 "The duly constituted administrative authorities of any
9 two or more party states may enter into supplementary
10 agreements for the provision of any service or facility or
11 for the maintenance of any institution on a joint or cooper-
12 ative basis whenever the states concerned shall find that
13 such agreements will improve services, facilities, or institu-
14 tional care and treatment in the fields of mental illness
15 or mental deficiency. No such supplementary agreement shall
16 be construed so as to relieve any party state of any obliga-
17 tion which it otherwise would have under other provisions
18 of this compact.
19 "ARTICLE XII—EFFECTIVE DATE OF COMPACT
20 "This compact shall enter into full force and effect as to
21 any state when enacted by it into law and such state shall
22 thereafter be a party thereto with any and all states legally
23 joining therein.

1 "ARTICLE XIII—WITHDRAWAL FROM COMPACT

2 "(a) A state party to this compact may withdraw
3 therefrom by enacting a statute repealing the same. Such
4 withdrawal shall take effect one year after notice thereof
5 has been communicated officially and in writing to the gov-
6 ernors and compact administrators of all other party states.
7 However, the withdrawal of any state shall not change the
8 status of any patient who has been sent to said state or sent
9 out of said state pursuant to the provisions of the compact.
10 "(b) Wihdrawal from any agreement permitted by
11 Article VII (b) as to costs or from any supplementary agree-
12 ment made pursuant to Article XI shall be in accordance
13 with the terms of such agreement.

14 "ARTICLE XIV—CONSTRUCTION AND SEVERABILITY

15 "This compact shall be liberally construed so as to
16 effectuate the purposes thereof. The provisions of this com-
17 pact shall be severable and if any phrase, clause, sentence
18 or provision of this compact is declared to be contrary to
19 the constitution of any party state or of the United States
20 or the applicability thereof to any government, agency, per-
21 son or circumstances is held invalid, the validity of the re-
22 mainder of this compact and the applicability thereof to any
23 government, agency, person or circumstance shall not be
24 affected thereby. If this compact shall be held contrary to
25 the constitution of any state party thereto, the compact shall

1 remain in full force and effect as to the remaining states and
2 in full force and effect as to the state affected as to all sever-
3 able matters."

4 SEC. 3. Pursuant to this compact, the Commissioner of
5 the District of Columbia is hereby authorized and empowered
6 to designate an officer who shall be the compact adminis-
7 trator and who, acting jointly with like officers of party
8 States, shall have power to promulgate rules and regula-
9 tions to carry out more effectively the terms of the com-
10 pact. The compact administrator is hereby authorized, em-
11 powered, and directed to cooperate with all departments,
12 agencies, and officers of and in the government of the Dis-
13 trict of Columbia in facilitating the proper administration
14 of the compact or of any supplementary agreement or agree-
15 ments entered into by the District thereunder.

16 SEC. 4. The compact administrator is hereby authorized
17 and empowered to enter into supplementary agreements with
18 appropriate officials of party States pursuant to articles VII
19 and XI of the compact. In the event that such supplementary
20 agreements shall require or contemplate the use of any in-
21 stitution or facility of the District of Columbia or require or
22 contemplate the provision of any service by the District of
23 Columbia, no such agreement shall have force or effect until
24 approved by the head of the department or agency under
25 whose jurisdiction said institution or facility is operated or

1 whose department or agency will be charged with the render-
2 ing of such service.
3 SEC. 5. The compact administrator, subject to the ap-
4 proval of the Commissioner or his designated agent, may
5 make or arrange for any payments necessary to discharge
6 any financial obligations imposed upon the District of Colum-
7 bia by the compact or by any supplementary agreement
8 entered into thereunder.
9 SEC. 6. The compact administrator is hereby directed
10 to consult with the immediate family of any proposed trans-
11 feree and, in the case of a proposed transferee from an insti-
12 tution in the District of Columbia to an institution in a party
13 State, to take no final action without approval of the Superior
14 Court of the District of Columbia.
15 SEC. 7. Duly authorized copies of this Act shall, upon
16 its approval, be transmitted by the Commissioner or his desig-
17 nated agent to the Governor of each State, the Attorney
18 General and the Administrator of General Services of the
19 United States, and the Council of State Governments.

92D CONGRESS
1ST SESSION

H. R. 10344

IN THE HOUSE OF REPRESENTATIVES

AUGUST 3, 1971

Mr. LINK (for himself and Mr. HUNGATE) introduced the following bill; which was referred to the Committee on the District of Columbia

A BILL

To authorize the District of Columbia to enter into the Interstate Compact on Mental Health.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Interstate Compact on
4 Mental Health Act".
5 SEC. 2. The Commissioner of the District of Columbia
6 is hereby authorized to enter into and execute on behalf of
7 the District of Columbia an agreement with any State or
8 States legally joining therein in the form substantially as
9 follows:

I

1 "THE INTERSTATE COMPACT ON MENTAL
2 HEALTH

3 "ARTICLE I—PURPOSE AND FINDINGS

4 "The party states find that the proper and expeditious
5 treatment of the mentally ill and mentally deficient can be
6 facilitated by cooperative action, to the benefit of the pa-
7 tients, their families, and society as a whole. Further, the
8 party states find that the necessity of and desirability for
9 furnishing such care and treatment bears no primary rela-
10 tion to the residence or citizenship of the patient but that,
11 on the contrary, the controlling factors of community safety
12 and humanitarianism require that facilities and services be
13 made available for all who are in need of them. Consequently,
14 it is the purpose of this compact and of the party states
15 to provide the necessary legal basis for the institutionaliza-
16 tion or other appropriate care and treatment of the mentally
17 ill and mentally deficient under a system that recognizes
18 the paramount importance of patient welfare and to estab-
19 lish the responsibilities of the party states in terms of such
20 welfare.

21 "ARTICLE II—DEFINITIONS

22 "As used in this compact:
23 "(a) 'Sending state' shall mean a party state from
24 which a patient is transported pursuant to the provisions of

1 the compact or from which it is contemplated that a patient
2 may be so sent.
3 "(b) 'Receiving state' shall mean a party state to which
4 a patient is transported pursuant to the provisions of the com-
5 pact or to which it is contemplated that a patient may be so
6 sent.
7 "(c) 'Institution' shall mean any hospital or other facil-
8 ity maintained by a party state or political subdivision thereof
9 for the care and treatment of mental illness or mental
10 deficiency, and shall include Saint Elizabeth's Hospital in the
11 District of Columbia.
12 "(d) 'Patient' shall mean any person subject to or eligi-
13 ble as determined by the laws of the sending state, for institu-
14 tionalization or other care, treatment, or supervision pursuant
15 to the provisions of this compact.
16 "(e) 'After-care' shall mean care, treatment and serv-
17 ices provided a patient, as defined herein, on convalescent
18 status or conditional release.
19 "(f) 'Mental illness' shall mean mental disease to such
20 extent that a person so afflicted requires care and treatment
21 for his own welfare, or the welfare of others, or of the
22 community.
23 "(g) 'Mental deficiency' shall mean mental deficiency
24 as defined by appropriate clinical authorities to such extent
25 that a person so afflicted is incapable of managing himself and

1 his affairs, but shall not include mental illness as defined
2 herein.
3 "(h) 'State' shall mean any state, territory or posses-
4 sion of the United States, the District of Columbia, and the
5 Commonwealth of Puerto Rico.
6 "ARTICLE III—ELIGIBILITY AND PLACEMENT OF
7 PATIENTS
8 "(a) Whenever a person physically present in any party
9 state shall be in need of institutionalization by reason of men-
10 tal illness or mental deficiency, he shall be eligible for care
11 and treatment in an institution in that state irrespective of
12 his residence, settlement or citizenship qualifications.
13 "(b) The provisions of paragraph (a) of this article to
14 the contrary notwithstanding, any patient may be transferred
15 to an institution in another state whenever there are fac-
16 tors based upon clinical determinations indicating that the
17 care and treatment of said patient would be facilitated or im-
18 proved thereby. Any such institutionalization may be for the
19 entire period of care and treatment or for any portion or
20 portions thereof. The factors referred to in this paragraph
21 shall include the patient's full record with due regard for the
22 location of the patient's family, character of the illness and
23 probable duration thereof, and such other factors as shall
24 be considered appropriate.
25 "(c) No state shall be obliged to receive any patient

1 pursuant to the provisions of paragraph (b) of this article
2 unless the sending state has given advance notice of its in-
3 tention to send the patient; furnished all available medical
4 and other pertinent records concerning the patient; given the
5 qualified medical or other appropriate clinical authorities of
6 the receiving state an opportunity to examine the patient if
7 said authorities so wish; and unless the receiving state shall
8 agree to accept the patient.

9 "(d) In the event that the laws of the receiving state
10 establish a system of priorities for the admission of patients,
11 an interstate patient under this compact shall receive the
12 same priority as a local patient and shall be taken in the
13 same order and at the same time that he would be taken if
14 he were a local patient.

15 "(e) Pursuant to this compact, the determination as to
16 the suitable place of institutionalization for a patient may be
17 reviewed at any time and such further transfer of the patient
18 may be made as seems likely to be in the best interest of the
19 patient.

20 "ARTICLE IV—AFTER-CARE OR SUPERVISION IN THE
21 RECEIVING STATE

22 "(a) Whenever, pursuant to the laws of the state in
23 which a patient is physically present, it shall be determined
24 that the patient should receive after-care or supervision, such
25 care or supervision may be provided in a receiving state. If

1 the medical or other appropriate clinical authorities having
2 responsibility for the care and treatment of the patient in
3 the sending state shall have reason to believe that after-care
4 in another state would be in the best interest of the patient
5 and would not jeopardize the public safety, they shall request
6 the appropriate authorities in the receiving state to investi-
7 gate the desirability of affording the patient such after-care
8 in said receiving state, and such investigation shall be made
9 with all reasonable speed. The request for investigation
10 shall be accompanied by complete information concerning
11 the patient's intended place of residence and the identity of
12 the person in whose charge it is proposed to place the patient,
13 the complete medical history of the patient, and such other
14 documents as may be pertinent.
15 "(b) If the medical or other appropriate clinical au-
16 thorities having responsibility for the care and treatment
17 of the patient in the sending state and the appropriate au-
18 thorities in the receiving state find that the best interest of
19 the patient would be served thereby, and if the public safety
20 would not be jeopardized thereby, the patient may receive
21 after-care or supervision in the receiving state.
22 "(c) In supervising, treating, or caring for a patient
23 on after-care pursuant to the terms of this article, a receiving
24 state shall employ the same standards of visitation, examina-

1 tion, care, and treatment that it employs for similar local
2 patients.

3 "ARTICLE V—ESCAPE OF DANGEROUS OR POTENTIALLY
4 DANGEROUS PATIENTS

5 "Whenever a dangerous or potentially dangerous patient
6 escapes from an institution in any party state, that state
7 shall promptly notify all appropriate authorities within and
8 without the jurisdiction of the escape in a manner reasonably
9 calculated to facilitate the speedy apprehension of the
10 escapee. Immediately upon the apprehension and identifica-
11 tion of any such dangerous or potentially dangerous patient,
12 he shall be detained in the state where found pending dis-
13 position in accordance with law.

14 "ARTICLE VI—TRANSPORTING PATIENTS THROUGH
15 PARTY STATES

16 "The duly accredited officers of any state party to this
17 compact, upon the establishment of their authority and the
18 identity of the patient, shall be permitted to transport any
19 patient being moved pursuant to this compact through any
20 and all states party to this compact, without interference.

21 "ARTICLE VII—PAYMENT OF COSTS

22 "(a) No person shall be deemed a patient of more than
23 one institution at any given time. Completion of transfer of
24 any patient to an institution in a receiving state shall have

1 the effect of making the person a patient of the institution
2 in the receiving state.
3 "(b) The sending state shall pay all costs of and inci-
4 dental to the transportation of any patient pursuant to this
5 compact, but any two or more party states may, by making
6 a specific agreement for that purpose, arrange for a different
7 allocation of costs as among themselves.
8 "(c) No provision of this compact shall be construed
9 to alter or affect any internal relationships among the de-
10 partments, agencies and officers of and in the government
11 of a party state, or between a party state and its subdivi-
12 sions, as to the payment of costs, or responsibilities therefor.
13 "(d) Nothing in this compact shall be construed to
14 prevent any party state or subdivision thereof from asserting
15 any right against any person, agency or other entity in
16 regard to costs for which such party state or subdivision
17 thereof may be responsible pursuant to any provision of this
18 compact.
19 "(e) Nothing in this compact shall be construed to
20 invalidate any reciprocal agreement between a party state
21 and a non-party state relating to institutionalization, care or
22 treatment of the mentally ill or mentally deficient, or any
23 statutory authority pursuant to which such agreements may
24 be made.

1 "Article VIII—Guardians

2 "(a) Nothing in this compact shall be construed to
3 abridge, diminish, or in any way impair the rights, duties,
4 and responsibilities of any patient's guardian on his own
5 behalf or in respect of any patient for which he may serve,
6 except that where the transfer of any patient to another
7 jurisdiction makes advisable the appointment of a supplemen-
8 tal or substitute guardian, any court of competent jurisdic-
9 tion in the receiving state may make such supplemental
10 or substitute appointment and the court which appointed
11 the previous guardian shall upon being duly advised of the
12 new appointment, and upon the satisfactory completion of
13 such accounting and other acts as such court may by law
14 require, relieve the previous guardian of power and respon-
15 sibility to whatever extent shall be appropriate in the cir-
16 cumstances; provided, however, that in the case of any
17 patient having settlement in the sending state, the court of
18 competent jurisdiction in the sending state, the court of com-
19 petent jurisdiction in the sending state shall have the sole
20 discretion to relieve a guardian appointed by it or continue
21 his power and responsibility, whichever it shall deem ad-
22 visable. The court in the receiving state may, in its dis-
23 cretion, confirm or reappoint the person or persons previ-
24 ously serving as guardian in the sending state in lieu of
25 making a supplemental or substitute appointment.

1 "(b) The term 'guardian' as used in paragraph (a) of
2 this article shall include any guardian, trustee, legal com-
3 mittee, conservator, or other person or agency however
4 denominated who is charged by law with power to act for or
5 responsibility for the person or property of a patient.

6 "ARTICLE IX—INAPPLICABILITY OF COMPACT TO PER-
7 SONS SUBJECT TO PENAL SENTENCE; POLICY AGAINST
8 PLACEMENT OF PATIENTS IN PRISONS OR JAILS

9 "(a) No provision of this compact except Article V
10 shall apply to any person institutionalized while under sen-
11 tence in a penal or correctional institution or while subject
12 to trial on a criminal charge, or whose institutionalization
13 is due to the commission of an offense for which, in the
14 absence of mental illness or mental deficiency, said person
15 would be subject to incarceration in a penal or correctional
16 institution.

17 "(b) To every extent possible, it shall be the policy
18 of states party to this compact that no patient shall be placed
19 or detained in any prison, jail or lockup, but such patient
20 shall, with all expedition, be taken to a suitable institutional
21 facility for mental illness or mental deficiency.

22 "ARTICLE X—COMPACT ADMINISTRATORS

23 "(a) Each party state shall appoint a 'compact admin-
24 istrator' who, on behalf of his state, shall act as general
25 coordinator of activities under the compact in his state and

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1 who shall receive copies of all reports, correspondence, and
2 other documents relating to any patient processed under the
3 compact by his state either in the capacity of sending or
4 receiving state. The compact administrator or his duly des-
5 ignated representative shall be the official with whom other
6 party states shall deal in any matter relating to the compact
7 or any patient processed thereunder.

8 "(b) The compact administrators of the respective
9 party states shall have power to promulgate reasonable rules
10 and regulations to carry out more effectively the terms and
11 provisions of this compact.

12 "ARTICLE XI—SUPPLEMENTARY AGREEMENTS

13 "The duly constituted administrative authorities of any
14 two or more party states may enter into supplementary
15 agreements for the provision of any service or facility or
16 for the maintenance of any institution on a joint or coopera-
17 tive basis whenever the states concerned shall find that
18 such agreements will improve services, facilities, or in-
19 stitutional care and treatment in the fields of mental illness
20 or mental deficiency. No such supplementary agreement
21 shall be construed so as to relieve any party state of any
22 obligation which it otherwise would have under other pro-
23 visions of this compact.

1 "ARTICLE XII—EFFECTIVE DATE OF COMPACT

2 "This compact shall enter into full force and effect as
3 to any state when enacted by it into law and such state shall
4 thereafter be a party thereto with any and all states legally
5 joining therein.

6 "ARTICLE XIII—WITHDRAWAL FROM COMPACT

7 "(a) A state party to this compact may withdraw there-
8 from by enacting a statute repealing the same. Such with-
9 drawal shall take effect one year after notice thereof has
10 been communicated officially and in writing to the governors
11 and compact administrators of all other party states. How-
12 ever, the withdrawal of any state shall not change the
13 status of any patient who has been sent to said state or
14 sent out of said state pursuant to the provisions of the
15 compact.

16 "(b) Withdrawal from any agreement permitted by
17 Article VII (b) as to costs or from any supplementary agree-
18 ment made pursuant to Article XI shall be in accordance
19 with the terms of such agreement.

20 "ARTICLE XIV—CONSTRUCTION AND SEVERABILITY

21 "This compact shall be liberally construed so as to
22 effectuate the purposes thereof. The provisions of this com-
23 pact shall be severable and if any phrase, clause, sentence
24 or provision of this compact is declared to be contrary to
25 the constitution of any party state or of the United States

1 or the applicability thereof to any government, agency,
2 person, or circumstance is held invalid, the validity of the
3 remainder of this compact and the applicability thereof to
4 any government, agency, person or circumstance shall not
5 be affected thereby. If this compact shall be held contrary
6 to the constitution of any state party thereto, the compact
7 shall remain in full force and effect as to the remaining
8 states and in full force and effect as to the state affected as
9 to all severable matters."

10 SEC. 3. Pursuant to this compact, the Commissioner
11 of the District of Columbia is hereby authorized and em-
12 powered to designate an officer who shall be the compact
13 administrator and who, acting jointly with like officers of
14 party States, shall have power to promulgate rules and
15 regulations to carry out more effectively the terms of
16 the compact. The compact administrator is hereby authorized,
17 empowered, and directed to cooperate with all departments,
18 agencies, and officers of and in the government of the District
19 of Columbia in facilitating the proper administration of the
20 compact or of any supplementary agreement or agreements
21 entered into by the District thereunder.

22 SEC. 4. The compact administrator is hereby authorized
23 and empowered to enter into supplementary agreements
24 with appropriate officials of party States pursuant to articles
25 VII and XI of the compact. In the event that such supple-

1 mentary agreements shall require or contemplate the use
2 of any institution or facility of the District of Columbia or
3 require or contemplate the provision of any service by the
4 District of Columbia, no such agreement shall have force or
5 effect until approved by the head of the department or
6 agency under whose jurisdiction said institution or facility
7 is operated or whose department or agency will be charged
8 with the rendering of such service.
9 SEC. 5. The compact administrator, subject to the ap-
10 proval of the Commissioner or his designated agent, may
11 make or arrange for any payments necessary to discharge
12 any financial obligations imposed upon the District of Colum-
13 bia by the compact or by any supplementary agreement
14 entered into thereunder.
15 SEC. 6. The compact administrator is hereby directed to
16 consult with the immediate family of any proposed transferee
17 and, in the case of a proposed transferee from an institution in
18 the District of Columbia to an institution in a party State, to
19 take no final action without approval of the Superior Court of
20 the District of Columbia.
21 SEC. 7. Duly authorized copies of this Act shall, upon
22 its approval, be transmitted by the Commissioner or his
23 designated agent to the Governor of each State, the Attorney
24 General and the Administrator of General Services of the
25 United States, and the Council of State Governments.

92d CONGRESS
1st Session

S. 1982

IN THE SENATE OF THE UNITED STATES

June 2, 1971

Mr. Mathias introduced the following bill; which was read twice and referred to the Committee on the District of Columbia

A BILL

To authorize the reduction of the salaries of teachers and school officers in the public schools of the District of Columbia for the purpose of purchasing annuities pursuant to the provisions of section 403 (b) of the Internal Revenue Code, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 1 of the District of Columbia Teacher's Salary
4 Act of 1955, as amended (D.C. Code, sec. 31–1501), is
5 amended by designating the existing language as subsection
6 (a) and by adding the following:
7 "(b) (1) The Commissioner of the District of Columbia
8 is authorized, at the request of a teacher or school officer

1 who is paid under the provisions of this section and who is
2 subject to the provisions of the District of Columbia teachers
3 retirement legislation, to reduce the salary of such teacher
4 or officer for the purpose of the provisions of section 403 (b)
5 of the Internal Revenue Code of 1954 and the regulations
6 applicable thereto: *Provided*, That such reduction in salary
7 shall be used by the District of Columbia to purchase an
8 annuity contract for such employee: *And provided further*,
9 That the salary before such reduction shall be considered the
10 salary of such teacher or school officer for all other purposes,
11 including retirement, life insurance pursuant to title 5, chapter
12 87, United States Code, and employees' disability compensa-
13 tion pursuant to title 5, section 8337, United States Code.
14 "(2) The District of Columbia Council is authorized to
15 make regulations for the administration of this subsection."
16 SEC. 2. This Act shall take effect one hundred and eighty
17 days after enactment.

92D CONGRESS
1ST SESSION

H. R. 9395

IN THE HOUSE OF REPRESENTATIVES

JUNE 24, 1971

Mr. BROYHILL of Virginia introduced the following bill; which was referred to the Committee on the District of Columbia

A BILL

To authorize the Commissioner of the District of Columbia to enter into agreements with teachers and other employees of the Board of Education of the District of Columbia for the purchase of annuity contracts.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That (a) notwithstanding the provisions of section 1 of the
4 District of Columbia Teachers' Salary Act of 1955 (D.C.
5 Code, sec. 31–1501), and of any other law, or regulation
6 affecting the salary of teachers or school officers employed
7 in the service of the public schools of the District of Colum-
8 bia, the Commissioner of the District of Columbia (herein-
9 after referred to as the "Commissioner") is authorized to

1 enter into an agreement with a teacher or school officer to
2 reduce the salary of that teacher or school officer by an
3 amount requested by that teacher or school officer, and to
4 contribute that amount for the purchase of an annuity con-
5 tract described in section 403 (b) of the Internal Revenue
6 Code of 1954 (relating to the taxability of beneficiaries of
7 annuity plans) for that teacher or school official.
8 (b) The reduction in salary effected under an agreement
9 authorized by this Act shall not be considered in comput-
10 ing the salary for any teacher or school officer for any other
11 purpose including, but not limited to, the determination
12 of benefits or contributions under chapters 81 (relating to
13 workmen's compensation) and 87 (relating to life insur-
14 ance) of title 5 of the United States Code.
15 SEC. 2. The Commissioner shall prescribe such regula-
16 tions as he deems necessary to carry out the purposes of
17 this Act.
18 SEC. 3. For the purposes of this Act, the term "teacher
19 or school officer" includes all teachers, school officers, and
20 other employees of the Board of Education of the District of
21 Columbia who receive compensation according to the salary
22 schedules under section 1 of the District of Columbia Teach-
23 ers' Salary Act of 1955, and to whom the provisions of the
24 Act entitled "An Act for the retirement of public school

1 teachers in the District of Columbia", approved August 7,
2 1946 (D.C. Code, sec. 31–721 et seq.) are applicable.
3 SEC. 4. This Act shall apply with respect to any pay
4 period of any teacher or school officer beginning on or after
5 the one hundred and eightieth day after the date of enact-
6 ment of this Act.

92D CONGRESS
1ST SESSION

S. 1346

IN THE SENATE OF THE UNITED STATES

MARCH 24 (legislative day, MARCH 23), 1971

Mr. TUNNEY (by request) introduced the following bill; which was read twice and referred to the Committee on the District of Columbia

A BILL

Relating to benefits for employees of the Government of the District of Columbia, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "District of Columbia
4 Personnel Act".
5 TITLE I—AUTHORIZE DISTRICT OF COLUMBIA
6 EMPLOYEES TO ADMINISTER OATHS OF OFFICE
7 SEC. 101. Section 85 of the Revised Statutes Relating
8 to the District of Columbia (D.C. Code, sec. 1–308) is
9 amended by striking out "shall be taken and subscribed,
10 certified, and recorded, in such manner and form as may be
11 prescribed by law", and inserting in lieu thereof "may be

1 administered by such employees of the government of the
2 District of Columbia as the Commissioner in writing shall
3 designate".

4 TITLE II—SETOFF OF ANNUITY PAYMENTS OR
5 REFUNDS PAYABLE FROM THE CIVIL
6 SERVICE RETIREMENT FUND TO LIQUI-
7 DATE DEBTS OWED THE DISTRICT OR
8 FEDERAL GOVERNMENT

9 SEC. 201. Section 8346 of title 5, United States Code,
10 is amended by adding at the end thereof the following new
11 subsection:

12 "(c) Notwithstanding any other provision of law, the
13 Commission is authorized to take appropriate action on
14 counterclaims filed by the Government as setoff against
15 amounts otherwise due and payable from the fund to the
16 debtors concerned: *Provided*, That a tax indebtedness due the
17 Government shall not be set off against retirement funds
18 unless it has first been reduced to judgment through court
19 procedures."

20 TITLE III—WAIVER BY DISTRICT OF COLUMBIA
21 GOVERNMENT OF CLAIMS FOR OVERPAY-
22 MENT OF PAY

23 SEC. 301. (a) A claim of the government of the Dis-
24 trict of Columbia (hereinafter, "District") against a person
25 arising out of an erroneous payment of pay made to an

1 employee of the District before or after enactment of this
2 title, the collection of which would be against equity and
3 good conscience and not in the best interests of the District,
4 may be waived in whole or in part by the Commissioner
5 of the District of Columbia (hereinafter, "Commissioner")
6 or his designated agent in accordance with standards which
7 the Commissioner shall prescribe.
8 (b) The Commissioner may not exercise his authority
9 under this title to waive any claim—
10 (1) if, in his opinion, there exists, in connection
11 with the claim, an indication of fraud, misrepresentation,
12 fault, or lack of good faith on the part of the employee
13 or any other person having an interest in obtaining a
14 waiver of the claim; or
15 (2) after the expiration of three years immediately
16 following the date on which the erroneous payment of
17 pay was discovered or three years immediately following
18 the effective date of this title, whichever is later.
19 (c) In the audit and settlement of the accounts of any
20 accountable official, full credit shall be given for any amounts
21 with respect to which collection by the District is waived
22 under this title.
23 (d) An erroneous payment, the collection of which is
24 waived under this title, is deemed a valid payment for all
25 purposes.

1 (e) This title shall not affect any authority under any
2 other statute to litigate, settle, compromise, or waive any
3 claim of the District.

4 TITLE IV—TRANSPORTATION FOR DISTRICT OF
5 COLUMBIA EMPLOYEES WORKING IN MUNIC-
6 IPAL FACILITIES OUTSIDE THE DISTRICT OF
7 COLUMBIA

8 Sec. 401. The Commissioner of the District of Columbia,
9 or his designated agent, is hereby authorized to provide
10 transportation for persons employed by the government of
11 the District of Columbia in any District facility located out-
12 side the District of Columbia upon his determination that (1)
13 an emergency exists requiring the provision of such trans-
14 portation; or (2) other means of transportation to such
15 facility are inadequate; or (3) the location of the worksite
16 is such as to adversely affect recruitment and reten-
17 tion of personnel; or (4) for other good cause the furnish-
18 ing of transportation for employees to a District of Columbia
19 facility outside the District of Columbia is necessary. Such
20 transportation may be furnished by reimbursement, in whole
21 or in part, to employees for their expenses in traveling to and
22 from District facilities located outside the District of Colum-
23 bia, by the providing of vehicles for such transportation by
24 the government of the District of Columbia, or by any other

1 appropriate means, as determined by the Commissioner or
2 his designated agent.

3 TITLE V—REPEAL THE POLITICAL ACTIVITY
4 EXEMPTION OF THE RECORDER OF DEEDS

5 SEC. 501. Subsection (d) of section 7324 of title 5 of
6 the United States Code is amended (a) by inserting "or"
7 immediately after the semicolon at the end of clause (3);
8 (b) by striking out the semicolon and "or" at the end of
9 clause (4) and inserting a period in lieu thereof; and (c)
10 striking out clause (5).

92d CONGRESS
1st Session

S. 1998

IN THE SENATE OF THE UNITED STATES

June 3, 1971

Mr. Tunney (by request) introduced the following bill; which was read twice and referred to the Committee on the District of Columbia

A BILL

Relating to educational personnel in the District of Columbia.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "District of Columbia
4 Educational Personnel Act."

5 TITLE I—INTERSTATE AGREEMENT ON QUALI-
6 FICATION OF EDUCATIONAL PERSONNEL

7 Sec. 101. The Commissioner of the District of Colum-
8 bia is authorized to enter into and execute on behalf of the
9 District of Columbia an agreement with any State or States
10 legally joining therein in the form substantially as follows:

II

1 "THE INTERSTATE AGREEMENT ON QUALIFI-
2 CATION OF EDUCATIONAL PERSONNEL
3 "ARTICLE I—PURPOSE, FINDINGS, AND POLICY
4 "1. The States party to this Agreement, desiring by
5 common action to improve their respective school systems
6 by utilizing the teacher or other professional educational
7 person wherever educated, declare that it is the policy of
8 each of them, on the basis of cooperation with one another,
9 to take advantage of the preparation and experience of such
10 persons wherever gained, thereby serving the best interests
11 of society, of education, and of the teaching profession. It
12 is the purpose of this Agreement to provide for the develop-
13 ment and execution of such programs of cooperation as will
14 facilitate the movement of teachers and other professional
15 educational personnel among the States party to it, and to
16 authorize specific interstate educational personnel contracts
17 to achieve that end.
18 "2. The party States find that included in the large
19 movement of population among all sections of the nation
20 are many qualified educational personnel who move for
21 family and other personal reasons but who are hindered in
22 using their professional skill and experience in their new
23 locations. Variations from State to State in requirements for
24 qualifying educational personnel discourage such personnel
25 from taking the steps necessary to qualify in other States.

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1 As a consequence, a significant number of professionally
2 prepared and experienced educators is lost to our school
3 systems. Facilitating the employment of qualified educational
4 personnel, without reference to their States of origin, can
5 increase the available educational resources. Participation in
6 this Agreement can increase the availability of educational
7 manpower.

8 "ARTICLE II—DEFINITIONS

9 "As used in this Agreement and contracts made pur-
10 suant to it, unless the context clearly requires otherwise:

11 "1. 'Educational personnel' means persons who must
12 meet requirements pursuant to State law as a condition
13 of employment in educational programs.

14 "2. 'Designated State official' means the education of-
15 ficial of a State selected by that State to negotiate and
16 enter into, on behalf of his State, contracts pursuant to this
17 Agreement.

18 "3. 'Accept', or any variant thereof, means to recognize
19 and give effect to one or more determinations of another
20 State relating to the qualifications of educational personnel
21 in lieu of making or requiring a like determination that
22 would otherwise be required by or pursuant to the laws of
23 a receiving State.

24 "4. 'State' means a State, territory, or possession of the

1 United States; the District of Columbia; or the Common-
2 wealth of Puerto Rico.
3 "5. 'Originating State' means a State (and the sub-
4 division thereof, if any) whose determination that certain
5 educational personnel are qualified to be employed for spe-
6 cific duties in schools is acceptable in accordance with the
7 terms of a contract made pursuant to Article III.
8 "6. 'Receiving State' means a State (and the subdivi-
9 sions thereof) which accept educational personnel in accord-
10 ance with the terms of a contract made pursuant to Article
11 III.
12 "Article III—Interstate Educational Personnel
13 Contracts
14 "1. The designated State official of a party State may
15 make one or more contracts on behalf of his State with one
16 or more other party States providing for the acceptance of
17 educational personnel. Any such contract for the period of
18 its duration shall be applicable to and binding on the States
19 whose designated State officials enter into it, and the sub-
20 divisions of those States, with the same force and effect as
21 if incorporated in this Agreement. A designated State official
22 may enter into a contract pursuant to this Article only with
23 States in which he finds that there are programs of educa-
24 tion, certification standards or other acceptable qualifications
25 that assure preparation or qualification of educational per-

1 sonnel on a basis sufficiently comparable, even though not
2 identical to that prevailing in his own State.
3 "2. Any such contract shall provide for:
4 "(a) Its duration.
5 "(b) The criteria to be applied by an originating
6 State in qualifying educational personnel for acceptance
7 by a receiving State.
8 "(c) Such waivers, substitutions, and conditional
9 acceptances as shall aid the practical effectuation of the
10 contract without sacrifice of basic educational standards.
11 "(d) Any other necessary matters.
12 "3. No contract made pursuant to this Agreement shall
13 be for a term longer than five years but any such contract
14 may be renewed for like or lesser periods.
15 "4. Any contract dealing with acceptance of educational
16 personnel on the basis of their having completed an educa-
17 tional program shall specify the earliest date or dates on
18 which originating State approval of the program or programs
19 involved can have occurred. No contract made pursuant to
20 this Agreement shall require acceptance by a receiving State
21 of any persons qualified because of successful completion of
22 a program prior to January 1, 1954.
23 "5. The certification or other acceptance of a person
24 who has been accepted pursuant to the terms of a contract

1 shall not be revoked or otherwise impaired because the con-
2 tract has expired or been terminated. However, any certifi-
3 cate or other qualifying document may be revoked or sus-
4 pended on any ground which would be sufficient for revoca-
5 tion or suspension of a certificate or other qualifying docu-
6 ment initially granted or approved in the receiving State.
7 "6. A contract committee composed of the designated
8 State officials of the contracting States or their representa-
9 tives shall keep the contract under continuous review, study
10 means of improving its administration, and report no less
11 frequently than once a year to the heads of the appropriate
12 education agencies of the contracting States.
13 "ARTICLE IV—APPROVED AND ACCEPTED PROGRAMS
14 "1. Nothing in this Agreement shall be construed to
15 repeal or otherwise modify any law or regulation of a party
16 State relating to the approval of programs of educational
17 preparation having effect solely on the qualification of edu-
18 cational personnel within that State.
19 '2. To the extent that contracts made pursuant to this
20 Agreement deal with the educational requirements for the
21 proper qualification of educational personnel, acceptance of
22 a program of educational preparation shall be in accordance
23 with such procedures and requirements as may be provided
24 in the applicable contract.

1 "ARTICLE V—INTERSTATE COOPERATION
2 "The party States agree that:
3 "1. They will, so far as practicable, prefer the making
4 of multi-lateral contracts pursuant to Article III of this
5 Agreement.
6 "2. They will facilitate and strengthen cooperation in
7 interstate certification and other elements of educational
8 personnel qualification and for this purpose shall cooperate
9 with agencies, organizations, and associations interested in
10 certification and other elements of educational personnel
11 qualification.
12 "ARTICLE VI—AGREEMENT EVALUATION
13 "The designated State officials of any party States may
14 meet from time to time as a group to evaluate progress
15 under the Agreement, and to formulate recommendations
16 for changes.
17 "ARTICLE VII—OTHER ARRANGEMENTS
18 "Nothing in this Agreement shall be construed to pre-
19 vent or inhibit other arrangements or practices of any party
20 State or States to facilitate the interchange of educational
21 personnel.
22 "ARTICLE VIII—EFFECT AND WITHDRAWAL
23 "1. This Agreement shall become effective when en-
24 acted into law by two States. Thereafter it shall become

1 effective as to any State upon its enactment of this
2 Agreement.
3 "2. Any party State may withdraw from this Agree-
4 ment by enacting a statute repealing the same, but no such
5 withdrawal shall take effect until one year after the Governor
6 of the withdrawing State has given notice in writing of the
7 withdrawal to the Governors of all other party States.
8 "3. No withdrawal shall relieve the withdrawing State
9 of any obligation imposed upon it by a contract to which it
10 is a party. The duration of contracts and the methods and
11 conditions of withdrawal therefrom shall be those specified
12 in their terms.
13 "ARTICLE IX—CONSTRUCTION AND SEVERABILITY
14 "This Agreement shall be liberally construed so as to
15 effectuate the purposes thereof. The provisions of this Agree-
16 ment shall be severable and if any phrase, clause, sentence,
17 or provision of this Agreement is declared to be contrary
18 to the constitution of any State or of the United States, or
19 the application thereof to any Government, agency, person,
20 or circumstance is held invalid, the validity of the remainder
21 of this Agreement and the applicability thereof to any
22 Government, agency, person, or circumstance shall not be
23 affected thereby. If this Agreement shall be held contrary
24 to the constitution of any State participating therein, the

1 Agreement shall remain in full force and effect as to the
2 State affected as to all severable matters."
3 SEC. 102. The "designated State official" for the District
4 of Columbia shall be the Superintendent of Schools of the
5 District of Columbia. The Superintendent shall enter into
6 contracts pursuant to Article III of the Agreement only
7 with the approval of the specific text thereof by the Board
8 of Education of the District of Columbia.
9 SEC. 103. True copies of all contracts made on behalf
10 of the District of Columbia pursuant to the Agreement shall
11 be kept on file in the office of the Board of Education of the
12 District of Columbia and in the office of the Commissioner of
13 the District of Columbia. The Superintendent of Schools shall
14 publish all such contracts in convenient form.
15 SEC. 104. As used in the Interstate Agreement on
16 Qualification of Educational Personnel, the term "Governor"
17 when used with reference to the District of Columbia shall
18 mean the Commissioner of the District of Columbia.
19 TITLE II—EMERGENCY LEAVE FOR TEMPORARY
20 TEACHERS AND ATTENDANCE OFFICERS
21 SEC. 201. Section 4 of the District of Columbia Teach-
22 ers' Leave Act of 1949 (63 Stat. 843), as amended (D.C.
23 Code, sec. 31–694), is amended by striking out "proba-
24 tionary or permanent".

1 TITLE III—INCREASE IN SICK AND
2 EMERGENCY LEAVES FOR TEACHERS
3 SEC. 301. The second sentence of the first section of the
4 District of Columbia Teachers' Leave Act of 1949 (63 Stat.
5 842), as amended (D.C. Code, sec. 31-691), is amended
6 by striking out "one day" and inserting in lieu thereof "one
7 and three-tenths days".
8 TITLE IV—LIFE AND HEALTH INSURANCE
9 BENEFITS FOR TEMPORARY TEACHERS
10 SEC. 401. Title 5 of the United States Code is amended
11 as follows:
12 (a) Section 8716(b)(2) of such title is amended by
13 striking out "two school years" and inserting in lieu thereof
14 "one school year".
15 (b) Section 8913(b)(2) of such title is amended by
16 striking out "two school years" and inserting in lieu thereof
17 "one school year".
18 TITLE V—TRANSFER OF RETIREMENT
19 COVERAGE FOR TEMPORARY TEACHERS
20 SEC. 501. (a) The first sentence of section 8 of the Act
21 entitled "An Act for the retirement of public-school teachers
22 in the District of Columbia", approved August 7, 1946
23 (D.C. Code, sec. 31-728), is amended by striking out
24 "probationary".
25 (b) The first sentence of section 13 of such Act (D.C.

1 Code, sec. 31–733) is amended by striking out "perma-
2 nently".
3 (c) The first sentence of section 19 of the District of
4 Columbia Teachers' Salary Act of 1955 (D.C. Code, sec.
5 31–1548) is amended by striking out "probationary and
6 permanent".
7 SEC. 502. All deductions from the salaries of temporary
8 teachers on the rolls of the public schools of the District of
9 Columbia on the effective date of this title and all deposits
10 made by such temporary teachers by virtue of their service
11 as temporary teachers, together with all matching contribu-
12 tions made by the government of the District of Columbia
13 on account of such deductions to the Civil Service Retire-
14 ment and Disability Fund for annuity and retirement pur-
15 poses, are hereby transferred from such fund to the credit of
16 the District of Columbia Teachers' Retirement and Annuity
17 Fund. The teacher shall be deemed to consent and agree to
18 the transfer provided for herein. The transfer of such funds
19 shall be a complete discharge and acquittance of all claims
20 and demands against the Civil Service Retirement and Dis-
21 ability Fund on account of service rendered prior to the ef-
22 fective date of such transfer.
23 SEC. 503. (a) Section 7 of the District of Columbia
24 Teachers' Salary Act of 1955 (D.C. Code, sec. 31–1532)
25 is amended by adding the following new subsection:

1 "(d) Notwithstanding the provisions of subsection (a)
2 (1) of this section, any educational employee who was
3 employed by the Board of Education at the District of
4 Columbia Teachers College and who was transferred to the
5 Board of Higher Education pursuant to the authority con-
6 ferred by section 103(a) (12) of the District of Columbia
7 Public Education Act (D.C. Code, sec. 31–1603(a) (12)),
8 and who wishes to be reappointed to a position under the
9 Board of Education shall receive salary placement credit
10 for the intervening years of service at the District of Co-
11 lumbia Teachers College as if he had had continuous service
12 with the Board of Education: *Provided*, That there is no
13 break in service between the termination of employment by
14 the Board of Higher Education and the reappointment by
15 the Board of Education: *Provided further*, That such service
16 is credited to the District of Columbia Teachers' Retirement
17 and Annuity Fund, either by deductions made for such
18 retirement system or by the purchase of credit for such
19 service for deposit in said fund."
20 (b) Section 8 of the Act entitled "An Act for the
21 retirement of public-school teachers in the District of Co-
22 lumbia" (D.C. Code, sec. 31–728) is amended by adding
23 the following new paragraph:
24 "Notwithstanding the provisions of this section, any
25 teacher who is entitled to purchase service credit under the

1 provisions of section 7(d) of the District of Columbia
2 Teachers' Salary Act of 1955 (as added by section 503(a)
3 of this Act) shall purchase such credit based on the salary
4 received from the Board of Higher Education during the
5 period of service to be credited."

6 TITLE VI—SUMMER EMPLOYMENT OF DISTRICT
7 TEACHERS IN CONGRESSIONAL OFFICES

8 SEC. 601. Subsection (e) of section 5533 of title 5,
9 United States Code, is amended (a) by inserting "(1)"
10 immediately following "(e)"; and (b) by adding the fol-
11 lowing new paragraph:
12 "(2) Subsection (c) of this section does not apply to
13 pay received by a teacher of the public schools of the District
14 of Columbia for employment in a position during the sum-
15 mer vacation period.".

16 TITLE VII—EFFECTIVE DATE

17 SEC. 701. Sections 401, 501, and 502 of this Act shall
18 become effective on the first day of the first pay period
19 which begins on or after 60 days after the date of enactment
20 of this Act.

92D CONGRESS
1ST SESSION

H. R. 8407

IN THE SENATE OF THE UNITED STATES

JULY 14, 1971

Read twice and referred to the Committee on the District of Columbia

AN ACT

To authorize the District of Columbia to enter into the Interstate Agreement on Qualification of Educational Personnel.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Commissioner of the District of Columbia is au-
4 thorized to enter into and execute on behalf of the District of
5 Columbia an agreement with any State or States legally
6 joining therein in the form substantially as follows:
7 "THE INTERSTATE AGREEMENT ON QUALIFICA-
8 TION OF EDUCATIONAL PERSONNEL
9 "ARTICLE I—Purpose, Findings, and Policy
10 "1. The States party to this Agreement, desiring by
11 common action to improve their respective school systems
12 by utilizing the teacher or other professional educational

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1 person wherever educated, declare that it is the policy of
2 each of them, on the basis of cooperation with one another,
3 to take advantage of the preparation and experience of such
4 persons wherever gained, thereby serving the best interests
5 of society, of education, and of the teaching profession. It
6 is the purpose of this Agreement to provide for the develop-
7 ment and execution of such programs of cooperation as will
8 facilitate the movement of teachers and other professional
9 educational personnel among the States party to it, and to
10 authorize specific interstate educational personnel contracts
11 to achieve that end.
12 "2. The party States find that included in the large
13 movement of population among all sections of the Nation
14 are many qualified educational personnel who move for fam-
15 ily and other personal reasons but who are hindered in
16 using their professional skill and experience in their new
17 locations. Variations from State to State in require-
18 ments for qualifying educational personnel discourage such
19 personnel from taking the steps necessary to qualify in other
20 States. As a consequence, a significant number of profes-
21 sionally prepared and experienced educators is lost to our
22 school systems. Facilitating the employment of qualified
23 educational personnel, without reference to their States of
24 origin, can increase the available educational resources. Par-

1 ticipation in this Agreement can increase the availability of
2 educational manpower.

3 "ARTICLE II—Definitions

4 "As used in this Agreement and contracts made pursu-
5 ant to it, unless the context clearly requires otherwise:

6 "1. 'Educational personnel' means persons who must
7 meet requirements pursuant to State law as a condition of
8 employment in educational programs.

9 "2. 'Designated State official' means the education offi-
10 cial of a State selected by that State to negotiate and enter
11 into, on behalf of his State, contracts pursuant to this Agree-
12 ment.

13 "3. 'Accept', or any variant thereof, means to recog-
14 nize and give effect to one or more determinations of an-
15 other State relating to the qualifications of educational per-
16 sonnel in lieu of making or requiring a like determination
17 that would otherwise be required by or pursuant to the laws
18 of a receiving State.

19 "4. 'State' means a State, territory, or possession of the
20 United States; the District of Columbia; or the Common-
21 wealth of Puerto Rico.

22 "5. 'Originating State' means a State (and the subdi-
23 vision thereof, if any) whose determination that certain edu-
24 cational personnel are qualified to be employed for specific

1 duties in schools is acceptable in accordance with the terms
2 of a contract made pursuant to Article III.

3 "6. 'Receiving State' means a State (and the subdi-
4 visions thereof) which accept educational personnel in
5 accordance with the terms of a contract made pursuant to
6 Article III.

7 "ARTICLE III—Interstate Educational Personnel
8 Contracts

9 "1. The designated State official of a party State may
10 make one or more contracts on behalf of his State with one
11 or more other party States providing for the acceptance of
12 educational personnel. Any such contract for the period of
13 its duration shall be applicable to and binding on the States
14 whose designated State officials enter into it, and the sub-
15 divisions of those States, with the same force and effect as
16 if incorporated in this Agreement. A designated State official
17 may enter into a contract pursuant to this Article only with
18 States in which he finds that there are programs of educa-
19 tion, certification standards or other acceptable qualifications
20 that assure preparation or qualification of educational per-
21 sonnel on basis sufficiently comparable, even though not
22 identical, to that prevailing in his own State.

23 "2. Any such contract shall provide for:
24 (a) Its duration.
25 (b) The criteria to be applied by an originating State

1 in qualifying educational personnel for acceptance by a re-
2 ceiving State.
3 (c) Such waivers, substitutions, and conditional accept-
4 ances as shall aid the practical effectuation of the contract
5 without sacrifice of basic educational standards.
6 (d) Any other necessary matters.
7 "3. No contract made pursuant to this Agreement shall
8 be for a term longer than five years by any such contract
9 may be renewed for like or lesser periods.
10 "4. Any contact dealing with acceptance of educational
11 personnel on the basis of their having completed an educa-
12 tional program shall specify the earliest date or dates on
13 which originating State approval of the program or pro-
14 grams involved can have occurred. No contract made pur-
15 suant to this Agreement shall require acceptance by a re-
16 ceiving State of any persons qualified because of successful
17 completion of a program prior to January 1, 1954.
18 "5. The certification or other acceptance of a person
19 who has been accepted pursuant to the terms of a contract
20 shall not be revoked or otherwise impaired because the
21 contract has expired or been terminated. However, any
22 certificate or other qualifying document may be revoked or
23 suspended on any ground which would be sufficient for
24 revocation or suspension of a certificate or other qualifying

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1 document initially granted or approved in the receiving
2 State.
3 "6. A contract committee composed of the designated
4 State officials of the contracting States or their representatives
5 shall keep the contract under continuous review, study means
6 of improving its administration, and report no less frequently
7 than once a year to the heads of the appropriate education
8 agencies of the contracting States.
9 "ARTICLE IV—Approved and Accepted Programs
10 "1. Nothing in this Agreement shall be construed to
11 repeal or otherwise modify any law or regulation of a party
12 State relating to the approval of programs of educational
13 preparation having effect solely on the qualification of edu-
14 cational personnel within that State.
15 "2. To the extent that contracts made pursuant to this
16 Agreement deal with the educational requirements for the
17 proper qualification of educational personnel, acceptance of
18 a program of educational preparation shall be in accordance
19 with such procedures and requirements as may be provided
20 in the applicable contract.
21 "ARTICLE V—Interstate Cooperation
22 "The party States agree that:
23 "1. They will, so far as practicable, prefer the making
24 of multi-lateral contracts pursuant to Article III of this
25 Agreement.

1 "2. They will facilitate and strengthen cooperation in
2 interstate certification and other elements of educational
3 personnel qualification and for this purpose shall cooperate
4 with agencies, organizations, and associations interested in
5 certification and other elements of educational personnel
6 qualification.

7 "ARTICLE VI—Agreement Evaluation

8 "The designated State officials of any party States may
9 meet from time to time as a group to evaluate progress
10 under the Agreement, and to formulate recommendations
11 for changes.

12 "ARTICLE VII—Other Arrangements

13 "Nothing in this Agreement shall be construed to pre-
14 vent or inhibit other arrangements or practices of any party
15 State or States to facilitate the interchange of educational
16 personnel.

17 "ARTICLE VIII—Effect and Withdrawal

18 "1. This Agreement shall become effective when enacted
19 into law by two States. Thereafter it shall become effective
20 as to any State upon its enactment of this Agreement.

21 "2. Any party State may withdraw from this Agree-
22 ment by enacting a statute repealing the same, but no such
23 withdrawal shall take effect until one year after the Govern-
24 nor of the withdrawing State has given notice in writing of
25 the withdrawal to the Governors of all other party States.

1 "3. No withdrawal shall relieve the withdrawing State
2 of any obligation imposed upon it by a contract to which
3 it is a party. The duration of contracts and the methods and
4 conditions of withdrawal therefrom shall be those specified
5 in their terms.

6 "ARTICLE IX—Construction and Severability

7 "This Agreement shall be liberally construed so as to
8 effectuate the purposes thereof. The provisions of this Agree-
9 ment shall be severable and if any phrase, clause, sentence,
10 or provision of this Agreement is declared to be contrary
11 to the constitution of any State or of the United States, or
12 the application thereof to any Government, agency, person,
13 or circumstance is held invalid, the validity of the remainder
14 of this Agreement and the applicability thereof to any Gov-
15 ernment, agency, person, or circumstance shall not be af-
16 fected thereby. If this Agreement shall be held contrary to
17 the constitution of any State participating therein, the Agree-
18 ment shall remain in full force and effect as to the State
19 affected as to all severable matters."

20 SEC. 2. The "designated State official" for the District
21 of Columbia shall be the Superintendent of Schools of the
22 District of Columbia. The Superintendent shall enter into
23 contracts pursuant to Article III of the Agreement only with
24 the approval of the specific text thereof by the Board of
25 Education of the District of Columbia.

1 SEC. 3. True copies of all contracts made on behalf
2 of the District of Columbia pursuant to the Agreement shall
3 be kept on file in the office of the Board of Education of
4 the District of Columbia and in the office of the Commissioner
5 of the District of Columbia. The Superintendent of Schools
6 shall publish all such contracts in convenient form.

7 SEC. 4. As used in the Interstate Agreement on Quali-
8 fication of Educational Personnel, the term "Governor" when
9 used with reference to the District of Columbia shall mean
10 the Commissioner of the District of Columbia.

Passed the House of Representatives July 12, 1971.

Attest: W. PAT JENNINGS,

Clerk.

92d CONGRESS
1st Session

S. 2899

IN THE SENATE OF THE UNITED STATES

November 22, 1971

Mr. Eagleton (for himself, Mr. Boggs, Mr. Hollings, Mr. Hughes, Mr. Inouye, Mr. Mathias, Mr. Stevenson, Mr. Tunney, and Mr. Williams) introduced the following bill; which was read twice and referred to the Committee on the District of Columbia

A BILL

To authorize grants and loan guarantees for construction or modernization of hospitals and other medical facilities in the District of Columbia.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 SHORT TITLE
4 Section 1. This Act may be cited as the "District of
5 Columbia Medical Facilities Construction Act of 1972".
6 CONSTRUCTION AND MODERNIZATION GRANTS
7 Sec. 2. (a) The Secretary of Health, Education, and
8 Welfare (hereinafter in this Act referred to as the "Secre-
9 tary") may make grants to public or nonprofit private en-

1 tities to assist in meeting the cost of projects for the modern-
2 ization of public or nonprofit private hospitals in the District
3 of Columbia and in meeting the cost of projects for the con-
4 struction or modernization of long-term care facilities (in-
5 cluding extended care facilities), diagnostic or treatment cen-
6 ters, outpatient facilities, rehabilitation facilities, facilities for
7 the mentally retarded, and community mental health centers
8 in the District of Columbia.
9 (b) To carry out this section there are authorized to be
10 appropriated such sums as may be necessary for the fiscal
11 year ending June 30, 1972, and for each of the next three
12 fiscal years; except that the total amount appropriated under
13 this subsection may not exceed $70,000,000.
14 LOAN GUARANTEES AND INTEREST SUBSIDIES FOR
15 CONSTRUCTION AND MODERNIZATION PROJECTS
16 SEC. 3. (a) To assist nonprofit private entities to carry
17 out approved projects in the District of Columbia for the
18 modernization or construction of nonprofit private hospitals or
19 other facilities referred to in section 2 of this Act, the Secre-
20 tary, during the period July 1, 1972, through June 30, 1976,
21 may in accordance with the provisions of this Act guarantee
22 to any non-Federal lender which makes a loan to any such
23 entity for such a project payment when due of the principal
24 of any interest on such loan if such entity is eligible (as de-

1 termined under regulations of the Secretary) for a grant
2 under section 2 of such project.
3 (b) In the case of any loan guaranteed under subsec-
4 tion (a), the Secretary shall pay to the holder of the loan
5 guaranteed (and for and on behalf of the entity which
6 received such loan) amounts sufficient to reduce by not to
7 exceed 3 per centum per annum the net effective interest
8 rate otherwise payable on such loan.
9 (c) (1) The United States shall be entitled to recover
10 from the applicant for a loan guarantee under this section
11 the amount of any payment made pursuant to such guar-
12 antee, unless the Secretary for good cause waives such right
13 of recovery; and, upon making any such payment, the
14 United States shall be subrogated to all of the rights of the
15 recipient of the payments with respect to which the guaran-
16 tee was made.
17 (2) Guarantees of loans under this section shall be
18 subject to such terms and conditions as the Secretary deter-
19 mines to be necessary to assure that the purposes of this
20 section will be achieved; and, to the extent permitted by
21 paragraph (3), any terms and conditions applicable to a
22 loan guarantee under this section may be modified by the
23 Secretary to the extent he determines it to be consistent with
24 the financial interest of the United States.

1 (3) Any loan guarantee made by the Secretary pursu-
2 ant to this section shall be incontestable in the hands of an
3 applicant on whose behalf such guarantee is made, and as
4 to any person who makes or contracts to make a loan to such
5 applicant in reliance thereon, except for fraud or misrepre-
6 sentation on the part of such applicant or such other person.
7 (d) There is established in the Treasury a loan guaran-
8 tee and interest subsidy fund (hereinafter in this subsection
9 referred to as the "fund") which shall be available to the
10 Secretary without fiscal year limitation, in such amounts as
11 may be specified from time to time in appropriation Acts,
12 (1) to enable him to discharge his responsibilities under
13 guarantees issued by him under this section, and (2) for
14 interest subsidy payments authorized by this section. For
15 each fiscal year there are authorized to be appropriated $2,-
16 000,000 for interest subsidy payments and such sums as may
17 be necessary to discharge his responsibilities under loan guar-
18 antees. If at any time the sums in the fund are insufficient to
19 enable the Secretary to discharge his responsibilities under
20 guarantees issued by him under this section or to make in-
21 terest subsidy payments authorized by this section, he is au-
22 thorized to issue to the Secretary of the Treasury notes or
23 other obligations in such forms and denominations, bearing
24 such maturities, and subject to such terms and conditions, as
25 may be prescribed by the Secretary with the approval of the

1 Secretary of the Treasury, but only in such amounts as may
2 be specified from time to time in appropriation Acts. Such
3 notes or other obligations shall bear interest at a rate deter-
4 mined by the Secretary of the Treasury, taking into con-
5 sideration the current average market yield on outstanding
6 marketable obligations of the United States of comparable
7 maturities during the month preceding the issuance of the
8 notes or other obligations. The Secretary of the Treasury
9 shall purchase any notes and other obligations issued here-
10 under and for that purpose he may use as a public debt trans-
11 action the proceeds from the sale of any securities issued
12 under the Second Liberty Bond Act, and the purposes for
13 which the securities may be issued under that Act are ex-
14 tended to include any purchase of such notes and obligations.
15 The Secretary of the Treasury may at any time sell any of
16 the notes or other obligations acquired by him under this
17 subsection. All redemptions, purchases, and sales by the Sec-
18 retary of the Treasury of such notes or other obligations shall
19 be treated as public debt transactions of the United States.
20 Sums borrowed under his subsection shall be deposited in the
21 fund and redemption of such notes and obligations shall be
22 made by the Secretary from the fund.
23 (e) The Secretary, with the consent of the Secretary of
24 Housing and Urban Development, may obtain from the De-

1 partment of Housing and Urban Development such assist-
2 ance with respect to the administration of this section as will
3 promote efficiency and economy thereof.

4 APPROVAL OF APPLICATIONS

5 SEC. 4. (a) An application for a grant or loan guar-
6 antee with respect to any project may be approved by the
7 Secretary under this Act only if an application for a grant
8 with respect to such project has been filed under a Medical
9 Facilities Act (which for purposes of this Act means title
10 VI of the Public Health Service Act or, where appropriate,
11 title II or part C of title I of the Mental Retardation Facil-
12 ities and Community Mental Health Centers Construction
13 Act of 1963) and—
14 (1) has been approved under the Medical Facili-
15 ties Act and the application filed under this Act is for
16 additional funds in connection therewith, or
17 (2) has been denied under the Medical Facilities
18 Act because insufficient funds are available from the
19 allotments of the District of Columbia under the Medical
20 Facilities Act to permit approval of the application.
21 In determining whether to approve an application for a
22 grant under a Medical Facilities Act for any project in the
23 District of Columbia, the availability of additional funds for
24 such project under this Act shall be taken into consideration.
25 Approval of such application may be made contingent upon

1 the approval of an application or applications with respect to
2 such project under this Act and upon such additional funds
3 being made so available.
4 (b) The Secretary shall establish criteria for determin-
5 ing the order in which to approve under this Act, applica-
6 tions for grants and loan guarantees with respect to projects.
7 Such criteria with respect to construction or modernization
8 projects for the same type of facility shall be consistent with
9 the criteria developed by the State agency of the District of
10 Columbia pursuant to the State plan approved under the
11 applicable Medical Facilities Act.
12 (c) In the case of any project with respect to which an
13 application for a grant or loan guarantee is filed under this
14 Act and with respect to which an application for a grant has
15 been denied under a Medical Facilities Act, such application
16 under this Act may be approved only if there is compliance
17 with the same terms and conditions (including determina-
18 tion, in accordance with the applicable State plan, that the
19 project is needed) as are applicable to applications for grants
20 under the Medical Facilities Act, other than the availability
21 of sufficient funds in the appropriate allotment of the District
22 of Columbia.
23 (d) An application for a grant or loan guarantee under
24 this Act with respect to any project may not be approved
25 unless an opportunity to review the application has been

1 afforded to a body found by the Secretary to be a responsible
2 metropolitan areawide planning body, and any recommenda-
3 tions of such body that were timely made have been consid-
4 ered by the appropriate State agency or the District of
5 Columbia and have been submitted to the Secretary in con-
6 nection with the application.

7 PAYMENTS OF GRANTS

8 SEC. 5. (a) Payments under grants made under this
9 Act with respect to any project shall be made in the manner
10 provided under the applicable Medical Facilities Act for pay-
11 ment of the Federal share of the cost of projects for which
12 applications are approved under such Act; except that pay-
13 ments under grants made under this Act shall also be subject
14 to such reasonable conditions as the Secretary deems appro-
15 priate to safeguard the Federal interest.

16 (b) The total of the payments of grants made under
17 this Act with respect to any project, together with any pay-
18 ments made with respect thereto under a Medical Facilities
19 Act, may not exceed—

20 (1) in the case of a construction project for a long-
21 term care facility (including extended care facilities),
22 a diagnostic or treatment center, an outpatient facility,
23 or a rehabilitation facility, $66\frac{2}{3}$ per centum of the cost
24 of such project; and

1 (2) in the case of any other project (including a
2 modernization project), 50 per centum of the cost of
3 such project.

4 RECOVERY OF PAYMENTS

5 SEC. 6. Payments of grants under this Act shall be
6 subject to recovery or recapture under the same conditions
7 and to the same extent as is provided under the applicable
8 Medical Facilities Act with respect to payments made
9 thereunder.

10 MEANING OF TERMS

11 SEC. 7. The terms used in this Act shall have the same
12 meaning as when such terms are used in the applicable
13 Medical Facilities Act.

92d CONGRESS
1st Session

S. J. RES. 133

IN THE SENATE OF THE UNITED STATES

July 19, 1971

Mr. McGovern introduced the following joint resolution; which was read twice and referred to the Committee on the District of Columbia

JOINT RESOLUTION

To provide for the acknowledgment of the generous gift of President George Washington.

Whereas the will of George Washington, first President of the United States of America contained the following: "I give and bequeath in perpetuity the fifty shares which I hold in the Potomac Company (under the aforesaid Acts of the Legislature of Virginia) [The stock was value at £5,000 sterling—approximately $25,000,000. Compounded at 6% interest its present value would exceed $200 million.] toward the endowment of a UNIVERSITY to be established within the limits of the District of Columbia, under the auspices of the General Government, if that government should incline to extend a fostering hand towards it."

II

Whereas through correspondence and congressional messages Washington spelled out his concern that the youth of our Nation avoid: "contracting, too frequently, not only habits of dissipation & extravagence, but principles unfriendly to Republican Government and to the true & genuine liberties of mankind; which, thereafter are rarely overcome. -- For these reasons, it has been my ardent wish to see a plan devised on a liberal scale which would have a tendency to spr. systemactic ideas through all parts of this rising Empire, thereby to do away local attachments and State prejudices, as far as the nature of things would, or indeed ought to admit, from our National Councils."

Whereas his message to the second session of the First Congress on July 8, 1970 stated: ". . . Knowledge is in every country the surest basis of happiness . . . Whether this desirable object will be best promoted by affording aids to seminaries of learning already established, by the institution of a National University or by other expedients will be well worthy of a place in the deliberations of the legislature."

Whereas he was so certain that the Congress and the Nation were in accord with his plans that a site for an institution had been surveyed and officially entered in the plan of the District of Columbia.

Whereas despite his abiding concern about the future of this Nation, there is no record of his gift ever having been formally acknowledged by the United States Government.

Whereas it was impossible for the gift to revert back to the estate because of the terms surrounding it.

Whereas eight Presidents have sent messages reminding Congress of its oversight. Over fifty bills have been introduced.

Whereas the State of Virginia through a joint resolution of its general assembly on March 2, 1968 memorialized "Congress to investigate and implement the provisions of President George Washington's will. . .": therefore, be it

1 *Resolved by the Senate and House of Representatives*
2 *of the United States of America in Congress assembled,*
3 That the Congress, hereby formally acknowledges the gen-
4 erous gift of our first President and will investigate and im-
5 plement the provisions of our first President's will.

71-274 O - 72 - 9

Senator TUNNEY. Our first witness is Mr. Louis MacKall, Director, Unemployment Compensation Board, District of Columbia. It is a pleasure having you appear before the subcommittee this morning.

STATEMENT OF LOUIS MacKALL, DIRECTOR, DISTRICT OF COLUMBIA UNEMPLOYMENT COMPENSATION BOARD

Mr. MACKALL. I wish to thank the subcommittee for giving me an opportunity to appear before it. A statement in detail which spells out each provision, section by section, of the bill has been delivered to the clerk.

Because of the large agenda I will attempt to address myself to only the high spots of S. 2429. S. 2429 contains many technical provisions to conform with Public Law 91–373 which requires the passage of this legislation during the present session of Congress.

The bill also contains two provisions recommended by the President through the Secretary of Labor to all of the Governors of the various States and in our case to the Commissioner of the District of Columbia.

It contains one provision in connection with coverage recommended by the Interstate Conference of Employment Security Agencies in order to try to make the coverage of the various State laws more uniform.

It contains one provision recommended by the District of Columbia government and numerous provisions considered desirable by the Board itself. Most of the provisions in connection with Public Law 91–373 are mandatory, although a few are permissive.

In addition, I want to recommend three changes not included in the legislation. One is brought about by a recent U.S. Supreme Court case known as *California Department of Human Resources Development* v. *Java et al.*, 402 U.S. 121.

The second is brought about by a decision of the District of Columbia Court of Appeals, now the final appellate authority for Board action, which is directly contrary to a longstanding decision of the U.S. Court of Appeals for the District of Columbia government. The third is to clarify existing legislation that has been questioned by a number of claimants.

Together with this statement, I am handing a document which spells out each provision, section by section, and preceding the provision there is a comment as to whether or not it is required by Public Law 91–373 or what reason the Board had for including it in its legislation.

I wish to note at this point that all of the proposals required by Public Law 91–373 were drafted from legislative language prepared by the Department of Labor and accordingly will be considered by it to conform with Public Law 91–373.

The provisions of section 1(b)(1) extensively modify the coverage provisions of existing law. It brings in more nonprofit organizations than are presently covered by the law. The principal groups to be covered are charitable institutions, State hospitals, and employees of certain American employers performing services abroad.

This is a superior provision to the one now in our law which has been extremely hard to administer and was brought about by a last minute compromise in a conference meeting. I wish to note that there is no specific exemption for humane societies and that they will be covered under the charitable provisions.

Primarily, the organizations now covered which will no longer be covered are religious institutions now covered because they carry on some educational functions.

It has been estimated that this bill will bring in some 100 organizations employing 4,500 individuals. At the same time, approximately 22 organizations employing 2,200 individuals now covered will be exempted.

If the bill is passed it is my intention to write each of these newly exempted organizations inviting them to come to our office to analyze their accounts and to try to persuade them to elect coverage of their entire organization or at least certain classes of them.

Section 1(b)(1)(F) will cover certain employers who now hire domestics and was recommended by the President. At the present time only two States have any coverage of domestic services; they are Hawaii and New York.

We have taken the New York provisions as being the better starting point in this field. At the present time I do not have better than a guesstimate as to the volume. It is estimated that this provision will affect approximately 2,000 employers and about 3,000 domestic workers.

The Board has entered into a contract with the Social Security Administration to receive certain reports, and it is anticipated that when received these reports will allow us to give a very firm figure on the number of employers and indivuidals involved.

As soon as this information is available it will be submitted to this committee. Section 1(b)(5)(A) is part and parcel of the foregoing provision.

Section 1(b)(2) is included in order to have more uniform language on the coverage of multistate workers.

Section 1(b)(5)(E) is an exception required by Public Law 91–373 to the coverage under section 1(b)(1)(B).

Section 1(b)(5)(G) is deleted. It is no longer needed as it is now covered in the proposed provisions of section 1(b)(1)(C).

Section 1(b)(5)(I)(1)(c) is to conform our act with a change made some time ago in the Internal Revenue Code. This limits the exemption of a student working for an institution exempted from Federal income tax to the institution in which the individual is studying.

Section 1(b)(7) contains additional language recommended by the Department of Labor in connection with certification under the Social Security Act.

Section 1(b)(8)(i) contains a few extra words in order to make the language uniform with other State language.

Section 1(c)(3), which pertains to dismissal payments, is deleted to conform with the change in the Federal Unemployment Compensation Tax Act which considers dismissal payments as wages.

Section 1(d) spells out that all individuals who are reinstated by their employer and receive back pay for the period that they were receiving unemployment compensation, that the back pay must be treated as earnings thereby forcing them to make a refund out of the back pay to this Board.

This concept has been carried on for many years pursuant to an opinion of the Corporation Counsel, D.C. No. 173, approved August 29, 1946, because of the Supreme Court decision in *Social Security Board* v. *Nierotko*.

During the many years that this concept has been in effect, we have had no one to contest it. It is believed that a claimant should not receive his unemployment compensation as well as the back pay awarded him.

Section 1(q) the definition of State is amended to include Puerto Rico and the Virgin Islands. Puerto Rico is mandatory under Public Law 91–373. The Virgin Islands is also included since it has an on-going unemployment insurance system and is a territory of the United States. This will permit this Board to enter into interstate agreements with the Virgin Islands as is done by many States.

Section 1(r) is an editing provision to make the section more specific.

Section 1(t) is likewise an editing provision to make the section more specific.

Sections 1(w) and 1(x) are definitions in connection with section 1(b)(1).

Section 3(c)(2) is amended so as not to charge benefits being drawn by individuals undergoing training and individuals drawing extended benefits after exhausting regular benefits. Normally, I am opposed to noncharging of benefits, but these two provisions seem desirable to me.

When an individual goes into training he is tentatively out of the labor market. His former employer cannot protect himself by offering reemployment. Often it appears that the training programs mushroom up like the old story, "Along came a locust and got a grain of corn."

I find that an employee, working for a specific employer, enters a program and lets other employers know about it and they do likewise. This could have a drastic effect on many employers' future rates. The noncharging of extended benefits is permissive under Public Law 91–373.

Section 3(c)(3) is a permissive provision under Public Law 91–373. It provides that all new employers shall have the average rate of employers in the District of Columbia for the preceding calendar year or 1 percent, whichever is the higher.

But this rate shall not exceed 2.7 percent. The employer would maintain this rate until he is eligible for consideration for a reduced rate, when he would be rated as any other employer in that category. This is desirable to encourage new employment in the District of Columbia and thus broaden the income tax base.

Section 3(c)(4)(i) eliminates a provision enacted to help with employers brought in by the right of elective provisions of 1(b)(5)(G) of the act of March 1962, as it will no longer be necessary because of the provision immediately preceding and because the proposed amendments allow the newly covered nonprofits to be self-insurers if they desire.

Section 3(c)(4) (ii) and (iii) lowers the two peril points in the law to make them more realistic and adds language to cover newly subject employers.

Section 3(c)(5) is amended so as to exclude new employers from the classification and rating until eligible.

Section 3(c)(8)(i) is amended so as to lower the requirements for a reduced rate by three-tenths of a percent in each rate step. This is done because later on there is a required provision to increase the $3,000 limitation on an employee's wages to $4,200.

Unless some adjustment is made, because of the rate formula, the increase to $4,200 will automatically drive employers' rates upward and this is designed to try to hold the line.

Section 3(c)(11) abolishes employers reserve accounts after they have been out of business in the District of Columbia for 3 years. This will be a tremendous help administratively as the Board will have less accounts to administer and an individual who has been out of business that long has been doing nothing to stabilize employment.

Section 3(e) is amended in two respects: it increases the wage limitation on an individual by employers from $3,000 to $4,200 which is mandatory under Public Law 91–373; it also allows a successor employer to count any wages paid by a predecessor in determining the $4,200 limitation.

The successor employer takes over all the advantages and disadvantages of his predecessor's account except this provision under existing law. Practically all of the other States allow the successor employer to take this credit and the employee is protected because he is not losing his prior wages in any case and any wages paid by the successor employer, although not taxable wages, are used in the computation of a claim if filed.

Section 3(f) is required by Public Law 91–373, It would only become effective should the District of Columbia cancel its election to cover employees and this would bring in certain required instrumentalities.

Section 3(g) places a liability for contributions (taxes) if the employer has in good faith paid contributions to another State in error. The 3-year period is used as most States have a 3-year statute of limitations on refunds. The employee has been protected under a State law and will not suffer and this Board has had some very unfortunate cases in which it has had to hold employers liable all the way back to January 1, 1936, the effective date of the original law.

Section 3(h) is required by Pulbic Law 91–373, and contains lengthy provisions made up primarily of draft language by the Department of Labor which permits the nonprofits, whether new or old, to elect to become self-insurers or to file and pay taxes as any other employer. The Board has certain safeguards in order to protect the fund and may terminate this right if in its judgment the employers action may endanger the fund or in lieu thereof, may require the nonprofit to post a suitable bond. These safeguards are permissive under Public Law 91–373.

Section 3(1) allows employers already covered who elect to become self-insurers to use their reserve accounts before any reimbursement is required of them. This is a transition provision to equalize the treatment of nonprofits previously covered and those newly covered and is permissive under Public Law 91–373.

Section 4 (a) and (b) are necessary to make language consistent with the proposed section 3(n).

Section 4(c) (1) and (2) provide for the payment of interest and penalties by self-insurers who do not make their payments on time. It also permits the Board to waive the payment of penalties. The existing law provides that they must be waived by both the Commissioner and the Board and this has proved to be cumbersome.

Section 4 (d) and (e) are amended to take care of the collection of payments due from self-insurers.

Section 4(h) was not amended when the penalty provision was placed in our act and is now being amended so that penalties may be collected the same as contributions and interest.

Section 4(i) amends the refund provision so as to permit refunds to self-insurers when applicable. Also, heretofore, refunds had to be approved by the District of Columbia Finance and Revenue Department as well as the Board. This has been found to be cumbersome and unnecessary and this permits refunds strictly by the Board.

Section 4(l) compromises must be approved by the Corporation Counsel and the District of Columbia Finance and Revenue Department as well as the Board. This procedure has been found to be cumbersome and the proposed amendment will allow the Board to enter into compromises on its own. Language was also added to make it consistent with section 3(h).

Section 7(b). This provision was recommended by the President and makes the maximum weekly benefit amount for any calendar year 66⅔ percent of the average weekly wage paid to employees in insured work during the preceding fiscal year. This changes the percentage from 50 to 66⅔ percent. At the present time, 44.8 percent of our claimants are drawing maximum benefits. If the 66⅔ percent was now in effect, it is estimated that only about 17 percent of the claimants would draw the maximum benefits. Every President starting with President Eisenhower has recommended this provision so that 80 percent of the covered workers would draw approximately 50 percent of their average weekly wage. Of those presently drawing $73 some would still draw $73; others would draw varying amounts up to the maximum.

Section 7(c) contains substantially the same qualifying provisions with the exception that the minimum qualifying wages have been raised to $300 in one quarter and $450 in not less than two quarters. This is designed to increase the maximum weekly benefit amount from $8 to $14. It is believed that anyone receiving benefits as low as $8 is not truly in the labor market and belongs in another program such as welfare where he might receive an adequate income.

At the present time existing law only eliminates wages received by a claimant from base period employers prior to his initial claim from being used in a subsequent claim unless he receives remuneration for personal services in an amount equal to 10 times the weekly benefit amount in the first benefit year.

Public Law 91–373 requires this provision to apply to all wages and not only to base period employers. Accordingly this section is so amended.

This section is also amended in connection with the definition of pension to add after "received" the words "or applied for" and it fully eliminates the exemption of a disability pension. This means that a disability pension will be deducted from a benefit in the same fashion as a regular pension as recommended by the District of Columbia Government.

Section 7(g) is a provision for extended benefits required by Public Law 91–373 and is substantially draft legislation by the Department of Labor.

It provides individual workers with extended benefits (equal to the weekly benefit amount they received under the regular program) for half the number of weeks of his regular entitlement up to a maximum

of 13 weeks and with an overall limit on regular-plus-extended benefits of 39 weeks. The costs thereof are shared equally by the Federal Government and the District Fund. As previously explained, the District employer will not be charged for extended benefits unless he is a self-insurer. This is required by Public Law 91–373, principally based upon the concept that the self-insurer has deposited no money in the fund.

Section 9(g) is required by Public Law 91–373 and eliminates certain specified individuals from receiving benefits.

Section 11(f) presently requires all hearings be taken by a stenographer. Actually in usage in the District as well as in many of the States, a recording device is used. In a few instances a question has been raised regarding the use of recording devices. This would permit the use of recording devices.

Section 13(e) amends provision on Federal-State cooperation to bring up to date references to Federal laws.

Section 14 is amended to increase the amount allowed to investigators from $40 to $65 for the use of their privately owned automobiles. Of course, they are limited to mileage in accordance with the figure used for the District of Columbia, which is 10 cents per mile. It is believed that the $40 is not realistic as a study showed that all individuals expend in excess of that amount.

Section 14(b) establishes a special administrative fund into which the Board deposits all interest and penalties and may be used for necessary expenses approved by the Board but not financed by the Federal Government.

Section 15(c) raises the remuneration of the employer and employee representatives on the Board from $25 to $50 for each active day of service. It is believed that this amount is more realistic and often these representatives have to study long transcripts of testimony in connection with appeals to the Board.

Section 16(c) formerly section 16(a)(3), was amended primarily to conform with Public Law 91–373, that this Board shall participate in combined wage arrangements. The other subsection amendments are editorial.

It is requested that this bill be passed with the substantive and typographical changes listed below. The typographical changes are to correct errors or other minor but important editorial omissions that crept in between the time our draft legislation was submitted and the bill was introduced. Each substantive change is followed by the reason as to why such change in recommended.

Page 2, line 15, substitute the word "an" for the word "any".

Page 3, line 23, strike out the words "located in the District." This deletion is recommended because the Government of the District of Comumbia has two of its hospitals located in Maryland, and it is believed that they should be covered under the District law as all other employees of the District are protected.

Page 4, line 12, place an "s" on the word "purpose".

Page 9, lines 1, 4, and 6, place the capital letter "I" in parenthesis.

On page 9, line 8, substitute "(II)" for "(III)".

Page 10, line 20, delete "by striking out paragraph (3)." and inserting in lieu thereof a dash and add the following: (A) by striking out "; or" at the end of paragraph (2) and inserting in lieu thereof a period; and (B) by striking out paragraph (3).

Page 10, line 25, substitute the word "earnings" for the word "wages".

Page 11, line 14, change the comma to a semicolon.

Page 12, between lines 9 and 10, add the following sentence: "All colleges and universities in the District are institutions of higher education for purposes of this section."

Page 17, line 13, following the word "section", delete the period.

Page 18, line 22, delete "3308" and insert in lieu thereof "3311".

Page 19, lines 9 and 10, delete lines 9 and 10 and substitute the following: 46–303(f) is amended: (A) by striking out the first sentence "(i)" and inserting in lieu thereof "(A), or in the event any of its instrumentalities are required to be covered under this Act,"; and (B) by adding at the end of the second paragraph thereof the following: "The District of Columbia shall be liable only for 50 percent of any extended benefits paid."

Page 25, line 6, delete "paragraph" and insert in lieu thereof "section".

Page 25, line 14, change "it selection," to read "its election,".

Page 25, line 22, insert "(1)" between "(b)(C)".

Page 30, line 19, place closing quotation marks following period at end of sentence.

Page 35, line 3, strike the word "for" and substitute therefor the words "actually received in".

This change is recommended to clarify a provision that has been recently misinterpreted by a number of claimants. The existing language was loosely drafted, probably by me, but has for many years been interpreted like it will have to be interpreted if the change is made.

Since 1942, our wages and benefits paid have been on a wages paid basis so that if an employer's records with the Board are current it would not be necessary to go back to him to obtain additional information. For a number of years our benefit scale was on a fixed table which was updated from time to time, whereby no one could misinterpret it.

By 1962, benefits were placed on an escalator basis so that the maximum benefits would be increased each year based on the average wage in the District of Columbia for the preceding fiscal year.

There was no intention in Congress to change this concept, and having an escalator clause knocked out the table. However, there was no intention to change the concept of wages paid.

Page 39, line 19, add the letter "s" to the word "week".

Page 40, line 13, after the semicolon, insert "or".

Page 44, between lines 8 and 9, add the following: (39) section 10(d) of such Act (D.C. Code, sec. 46–310(d)) is amended by adding the following new paragraph: "(3) Notwithstanding any other provision of this Act, compensation shall not be denied or reduced to an individual solely because he files a claim in another State (or a contiguous country with which the United States has an agreement with respect to unemployment compensation) or because he resides in another State (or such a contiguous country) at the time he files a claim for unemployment compensation."

Page 44, lines 9 through 15, amends section 11. This section should be further amended by adding the following: (A) by striking out the

fifth sentence in subsection (b) and inserting in lieu thereof "The Board shall promptly notify the claimant and any party to the proceeding of its determination, and such determination shall be final within ten days after the mailing of notice thereof to the party's last known address or in the absence of such mailing, within ten days of actual delivery of such notice."

(B) by striking out the sixth sentence in subsection (b); by striking out the seventh sentence through the words "*Provided*, That" in subsection (b) and capitalize the word "if" immediately thereafter.

(C) by striking out "after the date of notification or" in the fourth sentence of subsection (e) and inserting in lieu thereof "of".

(A) and (C) above, are recommended because of the difference mentioned in the body of my testimony between a decision of the District of Columbia Court of Appeals and the U.S. Court of Appeals for the District of Columbia Circuit. If the language remains unchanged under the District of Columbia Court of Appeals interpretation in the case of mailing, the Board could never have any certainty about the finality of any of its determinations, as all an interested party has to do is testify that he did not receive the decision until a date within 10 days of the mailing of his appeal.

(B) above, is included as a must to put the act in conformity with the Social Security Act under the *Java* decision.

Page 44, line 9, delete "(39)" and insert in lieu thereof "(40)".

Page 44, line 16, delete "(40)" and insert in lieu thereof "(41)".

Page 44, line 17, add "(A)" after the word "amended".

Page 45, line 4, insert before the period at the end thereof the following: ", or other Federal Manpower Acts".

Page 45, between lines 14 ad 15, add the following: and (B) by striking out "the District of Columbia" in the third sentence of subsection (f) and inserting in lieu thereof "any State".

This change is recommended because under much of the modern legislation, particularly that sponsored by HEW, it is necessary for a State welfare organization to ascertain whether or not an individual has unemployment rights in another State.

Page 45, line 15, delete "(40)" and insert in lieu thereof "(42)".

Page 48, line 4, substitute the word "or" for the first "of".

Page 48, line 7, delete "(41)" and insert in lieu thereof "(43)".

Page 48, line 10, delete "(42)" and insert in lieu thereof "(44)".

Page 51, line 6, add the letter "s" to the word "power".

Of course, it is understood that if these recommendations are accepted, the affected portions of the bill would require editorial changes.

Senator TUNNEY. Thank you very much, Mr. MacKall.

Mr. MACKALL. We have a worksheet for your staff, and I have offered to your general counsel to be available myself and have anybody available to help him because it is a very comprehensive bill.

Senator TUNNEY. It is very technical and comprehensive. I appreciate that fact. I have just one question I would like to ask so that we understand the importance of expediting the consideration of this bill.

It is my understanding that the Employment Security Amendment Act requires that certain provisions be included in State unemployment compensation laws by January 1, 1972 in order to receive the Federal share contribution to the unemployment insurance that is paid—is that correct?

Mr. MacKall. It is almost correct. Unless the bill is passed, the employers in the District of Columbia would not get credit for the taxes paid to the District Unemployment Compensation Board which amounts to 2.7 percent which is the greater portion of the Federal unemployment tax and it would be very distressing to the employers if we could not get this bill through.

Then there is a possibility that they could also cut off our administrative expenses.

Senator Tunney. So we are talking about how much money?

Mr. MacKall. I am just making a guesstimate now, but I would think probably it would mean $15 million or more to the employers.

Senator Tunney. $15 million to the employers if we don't get this legislation through the Congress by January 1, 1972?

Mr. MacKall. And it may be higher than that. I think it is because most of our employers have a reduced rate, and that would blow it up.

Senator Tunney. I appreciate your statement.

Mr. MacKall. It would probably be $30 million.

Senator Tunney. Thank you very much, Mr. MacKall.

I think we will proceed with the other witnesses so we can get it out before January 1, 1972.

Thank you very much.

I now place your worksheets in the record.

(The worksheets follow:)

OTE: Sections cited refer to the District of Columbia Unemployment Compensation Act and pages cited refer to pages of the Act as printed by this Board.

SEC.	PG.	P. L. 91-373 REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
l(b)(1)	1	X		(DEFINITION OF "EMPLOYMENT")

COMMENTARY

This definition specifically includes the service covered by the 1970 amendments and avoids the need to refer to the Federal statutes1/. The 1970 amendments2/ cover:

(a) Non-profit organizations
(b) State hospitals
(c) Institutions of higher education
(d) Employees for American employers abroad

1/ See commentary, page 20, 1970 draft legislation

2/ With specified exclusions, see page (iv), Table of Contents 1970 draft legislation

"Employment" means:

(A) Any service performed prior to January 1, 1972 which was employment as defined in this subsection prior to such date and, subject to the other provisions of this subsection, service performed after December 31, 1971, including service in interstate commerce, by

(i) any officer of a corporation; or

(ii) any individual who, under the usual common law rules applicable in determining the employer-employee relationship, has the status of an employee; or

(iii) any individual other than an individual who is an employee under subdivision (i) or (ii) who performs services for remuneration for any person--

(I) as any agent-driver or commission-driver engaged in distributing meat products, vegetable products, fruit products, bakery products, beverages (other than milk), or laundry or dry-cleaning services, for his principal;

(II) as a traveling or city salesman, other than as an agent-driver or commission-driver, engaged upon a full-time basis in the solicitation on behalf of, and the transmission to, his principal (except for side-line sales activities on behalf of some other person) of orders from wholesalers, retailers, contractors, or operators of hotels, restaurants, or other similar establishments for merchandise for resale or supplies for use in their business operations;

Provided, That for purposes of subparagraph (A)(iii), the term "employment" shall include services described in (I) and (II) above performed after December 31, 1971 only if:

1. The contract of service contemplates that substantially all of the services are to be performed personally by such individual;

2. The individual does not have a substantial investment in facilities used in connection with the performance of the services (other than in facilities for transportation); and

3. The services are not in the nature of a single transaction that is not part of a continuing relationship with the person for whom the services are performed.

(B) service performed after December 31, 1971 by an individual in the employ of this

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
			(DEFINITION OF "EMPLOYMENT")	
1(b)(1) (continued)	1	X	See Mr. Mackall's Statement, page 12 for deletion from S. 2429.	State or any of its instrumentalites (or in the employ of this State and one or more other States or their instrumentalites) for a hospital or institution of higher education ~~located in this State~~-provided that such service is excluded from "employment" as defined in the Federal Unemployment Tax Act solely by reason of section 3306(c)(7) of that Act and is not excluded from "employment" under section 1(b)(1)(D) of this Act;

(C) Service performed after March 30, 1962, by an individual in the employ of an educational organization, and service performed after December 31, 1971, by an individual in the employ of a religious, charitable, or other organization which is excluded from the term "employment" as defined in the Federal Unemployment Tax Act solely byreason of section 3306(c)(8) of that Act, except as provided in section 1(b)(1)(D) of this Act;

(D) For the purposes of paragraphs (B) and (C) the term "employment" does not apply to service performed--

(i) in the employ of (I) a church or convention or association of churches, or (II) an organization which is operated primarily for religious purposes and which is operated, supervised, controlled, or principally supported by a church or convention or association of churches; or

(ii) by a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry or by a member of a religious order in the exercise of duties required by such order; or

(iii) in a facility conducted for the purpose of carrying out a program of rehabilitation for individuals whose earning capacity is impaired by age or physical or mental deficiency or injury or providing remunerative work for individuals who because of their impaired physical or mental capacity cannot be readily absorbed in the competitive labor market by an individual receiving such rehabilitation or remunerative work; or

(iv) as part of an unemployment work-relief or work-training program assisted or financed in whole or in part by any Federal agency or an agency of a State or political subdivision thereof, by an individual receiving such work relief or work training; or

(v) for a hospital in a State prison or other State correctional institution, by an inmate of the prison or correctional institution.

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
1(b)(1) (Continued)	1	X		(DEFINITION OF "EMPLOYMENT")

(E) The term "employment" shall include the service of an individual who is a citizen of the United States, performed outside the United States (except in Canada or the Virgin Islands) after December 31, 1971, in the employ of an American employer (other than service which is deemed "employment" under the provisions of section 1(b)(2) of this Act or the parallel provisions of another States's law), if:

(i) the employer's principal place of business in the United States is located in this State; or

(ii) the employer has no place of business in the United States, but

(I) the employer is an individual who is a resident of this State; or

(II) the employer is a corporation which is organized under the laws of this State or the laws of the United States; or

(III) the employer is a partnership or a trust and the number of the partners or trustees who are residents of this State is greater than the number who are residents of any one other State; or

(iii) none of the criteria of divisions (i) and (ii) of this subparagraph are met but the employer has elected coverage in this State or, the employer having failed to elect coverage in any State, the individual has filed a claim for benefits, based on such service, under the law of this State.

(iv) An "American employer," for purposes of this paragraph, means a person who is

(I) an individual who is a resident of the United States; or

(II) a partnership if two-thirds or more of the partners are residents of the United States; or

(III) a trust, if all of the trustees are residents of the United States; or

(IV) a corporation organized under the laws of the United States or of any State.

(v) As used in this subparagraph the term 'United States' includes the States, the District of Columbia and the Commonwealth of Puerto Rico."

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
1(b)(1)(F)			X Cover certain personal and domestic service	The term "employment" shall include personal or domestic service in a private home for an employer who paid cash remuneration of $500 or more in any calendar quarter. "Personal or domestic service " for the purpose of this subparagraph shall include all persons employed by an employer in his capacity as a householder, as distinguished from a person employed by the employer in the pursuit of a trade, occupation, profession, enterprise or vocation.
1(b)(5)(A)			Exclusion if above provision is adopted	Service performed by an individual as a babysitter under 18 years of age.

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
1(b)(2)	2		X Resolution of ICESA recommended adoption of uniform language to cover multi-state workers.	(SCOPE OF "EMPLOYMENT") "(2) The term 'employment' shall include an individual's entire service, performed with, both within and without or entirely without the District if—......... *** "(C) the service is performed anywhere within the United States, the Virgin Islands or Canada: Provided, That -- "(i) such service is not covered under the unemployment-compensation law of any other State, the Virgin Islands or Canada, and "(ii) the place from which the service is directed or controlled is in the District."

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
				(EXCEPTION FOR STATE HOSPITALS & INSTUTIONS OF HIGHER EDUCATION)
1(b)(5)(E)	3,4	X	Amended for conformity with Section 1(b)(1)(B)	"(E) service performed in the employ of the District, or of any other State, or any political subdivision thereof, or any instrumentality of any one or more of the foregoing which is wholly owned by the District or by one or more States or political subdivisions; and any service performed in the employ of any instrumentality of the District or of one or more States or political subdivisions to the extent that the instrumentality is, with respect to such service, exempt under the Constitution of the United States from the tax imposed by section 3301 of the Federal Internal Revenue Code, except for service performed after December 31, 1971, as provided in section 1(b)(1)(B) of this Act;

COMMENTARY

Underscored-add language

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
1(b)(5)(G)	4	X	Deleted this subparagraph because now covered under Sec. 1(b)(1)(C). All following subparagraphs renumbered accordingly.	(No Text)

SEC.	PG.	REQUIRED H.S. 14705	DESIRABLE (Reason)	AMENDMENT
1(b)(5)(I)(c)	4		X To limit exclusion to a student working at a college at which he is enrolled.	(c) such service is performed by a student who is enrolled and is regularly attending classes at such school, college, or university;

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
			X	
1(b)(7)	8		To extend automatic coverage even when not taxable under FUTA	"(7) Notwithstanding any of the provisions of subsection 1(b)(5) of this Act, services shall be deemed to be in employment if with respect to such services a tax is required to be paid under any Federal law imposing a tax against which credit may be taken for contributions required to be paid into a State unemployment compensation fund or which as a condition for full tax credit against the tax imposed by the Federal Unemployment Tax Act are required to be covered under this Act.

COMMENTARY

Underscored additional language recognizes that the 1970 amendments achieved State law coverage for certain services for nonprofit organizations by making such coverage under State laws a condition for certification of such State law even though the services continue to be exempt from FUTA. (See Commentary, page 35)

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
			X	
1(b)(8)(i)	8		To make language consistent with Sec. 1(b)(2) (ICESA resolution) & broaden right of election of coverage	Any localized service performed for an employing unit, which is excluded under the definition of employment in section 1(b) and with respect to which no payments are required under the employment security law of another State or of the Federal Government may be deemed to constitute employment for all purposes of this Act: Provided, That the Board has approved a written election to that effect filed by the employing unit for which the service is performed, as of the date stated in such approval. No election shall be approved by the Board unless it (A) includes all the service of the type specified in each establishment or place of business for which the election is made, and (B) is made for not less than two calendar years.

COMMENTARY

Underscored-added or amended language

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
1(c)(3)	9		X Deleted "3" dismissal payments - because of change in FUTA - consider dismissal payments as wages.	(No Text)

COMMENTARY

See Commentary, page C-22, Manual of State Employment Security Legislation, Revised September 1950.

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
1(d)	10		X Adds "back pay" to definition pursuant to Opinion of the Corporation Counsel, No. 173, approved August 29, 1946 (Social Security Board v. Joseph Nierotko).	(d) "Earnings" means all remuneration payable for personal services, including wages, commissions, and bonuses, and the cash value of all remuneration payable in any medium other than cash whether received from employment, self-employment, or any other work. <u>After August 29, 1946, back pay awarded under any statute of the District or of the United States shall be treated as wages.</u> Gratuities received by an individual in the course of his work shall be treated as earnings. The reasonable cash value of any remuneration payable in any medium other than cash, and a reasonable amount of gratuities shall be estimated and determined in accordance with the regulation prescribed by the Board.

COMMENTARY

Underscored-additional language

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
1(q)	12	X	Added Puerto Rico (Mandatory) Desirable to add Virgin Islands	'State' includes, in addition to the States of the United States of America, the District of Columbia (herein referred to as the 'District'), Puerto Rico, and the Virgin Islands.

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SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
(r)	12		X Desirable to include reference to State government and its instrumentalities.	'Employing unit' means any individual or type of organization, including the State government and any of its instrumentalities (only as specified in paragraph 1(b)(1)(B)), any partnership, association, trust, estate, joint-stock company, insurance company, or corporation, whether domestic or foreign, or the receiver, trustee in bankruptcy, trustee or successor thereof, or the legal representative of a deceased person, which has, or subsequent to January 1, 1936, had, in its employ one or more individuals performing services for it within the District.

COMMENTARY

Underscored-additional language

SEC.	PG.	REQUIRED H.S. 14705	DESIRABLE (Reason)	AMENDMENT
1(t)	12		X To expand definition to include "American aircraft" consistent with expanded section 1(b)(4).	***; and the term "American aircraft" means an aircraft registered under the laws of the United States.

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)
1(w)	12	X	
1(x)	12	X	

Added new subsections (w)&(x) to this Section. Definitions of "Institution of Higher Education" & "Hospital"

AMENDMENT

(w) "Institution of higher education," for the purposes of this section, means an educational institution which

(1) admits as regular students only individuals having a certificate of graduation from a high school, or the recognized equivalent of such a certificate;

(2) is legally authorized in this District to provide a program of education beyond high school;

(3) provides an educational program for which it awards a bachelor's or higher degree, or provides a program which is acceptable for full credit toward such a degree, a program of post-graduate or post-doctoral studies, or a program of training to prepare students for gainful employment in a recognized occupation; and

(4) is a public or other nonprofit institution.

(5) Notwithstanding any of the foregoing provisions of this subsection, all colleges and universities in this District are institutions of higher education for purposes of this section.

(x) "Hospital" means an institution which has been licensed by the Commissioner of the District as a hospital.

SEC.	PG.	REQUIRED H.R. 14705	DESIREABLE (Reason)	AMENDMENT
3(c)(2)	14		X Excludes employer charging of benefits for UI claimants undergoing training; also, noncharging extended benefits for exhaustees of regular benefits.	Benefits paid to an individual with respect to any week of unemployment which was based on an initial claim filed after June 30, 1939, and before July 1, 1940, shall be charged against the account of his most recent employer; Provided, That, after December 31, 1971, benefits paid to an individual for any week during which he is attending a training or retraining course under the provisions of section 10(d)(2) of this Act or extended benefits paid to an exhaustee under the provisions of section 7(g) of this Act shall not be charged against such employer accounts. The amount of benefits so chargeable against each base period employer's account shall bear the same ratio to the total benefits paid to an individual as the base period wages paid to the individual by such employer bear to the total amount of the base period wages paid to the individual by all of his base period employers. The principal base period employer shall be notified of each payment of benefits to a claimant at the time of such payment.

COMMENTARY

Underscored-additional language. See Commentary, page 140, 1970 draft legislation for recommendation for non-charging of extended benefits paid to an exhaustee.

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
3(c)(3)	14		X Permits reduced rates for newly covered employers but not less than 1%. This will provide new employers with a tax break.	The standard rate of contributions shall be 2.7 percent, except that after December 31, 1971, each employer newly subject to this Act shall pay contributions at a rate equal to the average rate on taxable wages of all employers for the preceding calendar year (rounded to the next higher one-tenth of one per centum), or one percent, whichever is higher [(not exceeding 2.7 percentum)], until he has been an employer for a sufficient period to meet the requirement to qualify for a reduced rate as provided in paragraph (4) of this subsection; thereafter, his contribution rate shall be determined in accordance with the provisions of such paragraph (4).

COMMENTARY

Underscored-added language. See Commentary, page 90, 1970 legislation for justification.

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
(c)(4)(i)	15		X Provision terminates when current amendments take effect for all newly covered employers after December 31, 1971, the tax rate of 1.0 per centum will apply until eligible for a reduced rate.	***For the calendar year 1963 to 1971, inclusive, any employer who is subject to this Act by virtue of the amendment of former section 1(b)(5)(G), of this Act by the Act of March 1962, ***

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
5(c)(4)(ii) & (iii)	15		X Peril point changed from "5" to "4".	If the amount of the Fund as of June 30 of any year is less than 4 per centum of the total payrolls subject to contributions under this Act for the twelve-consecutive-month period ending on the preceding December 31, the contribution rate for each employer (including newly subject employers) shall be increased by the percentage differential between said 4 percent of such total payrolls and said Fund's percentage of such total payrolls, but in no event shall the contribution rate for any employer be more than 2.7 per centum. Said percentage differential for each employer shall be computed to the next higher one-tenth of 1 per centum.
		COMMENTARY Underscored-amended language. See Mr. Verta's paper.	Peril point changed from "2.4" to "2".	If on December 20 of any year, the amount in the Fund becomes less than 2 per centum of the total annual payrolls subject to contributions under the Act for the twelve-consecutive-month period ending on the preceding June 30, the Board shall make a declaration to that effect. Effective the quarter following such announcement, each employer's (including each newly subject employer's) rate of contribution shall be the standard rate.

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
3(c)(5)	16		X. Added language to provide for reduced rate for new employers to make it consistent with 3(c)(3).	The Board shall for any uncompleted portion of the calendar year beginning with July 1, 1943, and for each calendar year thereafter classify employers in accordance with their actual experience in the payment of contributions and with respect to benefits charged against their accounts <u>except as provided in section 3(c)(3) of this Act</u>. Each employer's contribution rate for each subsequent year or part thereof shall be calculated on the basis of his records filed with the Board and benefit payments disbursed through the applicable computation date. The Board shall compute rates for the second six months of 1963 for all employers first acquiring the necessary twelve months' benefit experience under section 3(c)(4)(i) on the computation date June 30, 1963. Such rates shall be based upon such employer's experience in the payment of contributions and benefits charged against his account through June 30, 1963, prior to the crediting of his account with trust fund interest. All employers issued a rate for the second six months of 1963, under this subsection, shall have a computation date of September 30, 1963, for the calendar year 1964.

COMMENTARY

Underscored-additional language

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
3(c)(8)(i)	20		X Change reserve ratio so as not to build up fund too high.	If as of the computation date the total of all contributions credited to any employer's account, with respect to employment since May 31, 1939, is in excess of the total benefits paid after June 30, 1939, then chargeable or charged to his account, such excess shall be known as the employer's reserve, and his contribution rate for the ensuing calendar year or part thereof shall be—

(A) 2.7 per centum if such reserve is less than 0.5 per centum of his average annual payroll;

(B) 2 per centum if such reserve equals or exceeds 0.5 per centum but is less than 1.0 per centum of his average annual payroll;

(C) 1.5 per centum if such reserve equals or exceeds 1.0 per centum but is less than 1.5 per centum of his average annual payroll;

(D) 1 per centum if such reserve equals or exceeds 1.5 per centum but is less than 2.5 per centum of his average annual payroll;

(E) 0.5 per centum if such reserve equals or exceeds 2.5 per centum but is less than 3.0 per centum of his average annual payroll;

(F) 0.1 per centum if such reserve equals or exceeds 3.0 per centum of his average annual payroll.

COMMENTARY

See Mr. Verta's paper. Lowered by 0.3 percent of average annual payroll in each step.

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
3(c)(8)(ii)	20		X Added exception for newly covered employers to make consistent with section 3(c)(3).	If as of the computation date the total amount of benefits paid and chargeable to an employer's account for the periods after June 30, 1939, is more than the total contributions credited to his account with respect to employment since May 31, 1939, then his contribution rate for the ensuing calendar year or part thereof shall be 2.7 per centum, except as provided in subsection (c)(3) of this section.

COMMENTARY
Underscored-added language

SEC.	PG.	REQUIRED H.S. 14705	DESIRABLE (Reason)	AMENDMENT
3(c)(11)	22		X To abolish an employer's reserve account after being out of business three years. Would eliminate crediting of interest indefinitely to positive reserve accounts.	After December 31, 1971, the separate account established for an employer under the provisions of paragraph (1) of this subsection shall be discontinued effective the calendar quarter next succeeding three calendar years after the employer has been determined out of business. Thereafter no employer shall have any right to or interest in such discontinued account.

SEC.	PG.	REQUIRED H.S. 14705	DESIRABLE (Reason)	AMENDMENT
3(e)	23	X	Taxable wages $4,200 X To allow a successor to count as taxable wages the wages paid by a predecessor.	From December 31, 1939, to January 1, 1955, wages, for the purpose of section 3, shall not include any amount in excess of $3,000 paid by an employer to any person arising out of his or her employment during any calendar year. From January 1, 1955, to December 31, 1971, wages shall not include any amount in excess of $3,000 actually paid by an employer to any person during any calendar year. After December 31, 1971, wages shall not include any amount in excess of $4,200 (or in excess of the limitation on the amount of taxable wages fixed by the Federal Unemployment Tax Act (26 U.S.C. 3301 - 3304), whichever is greater) actually paid by an employer to any person during any calendar year. After December 31, 1954, the term "employment" for the purpose of this subsection shall include services constituting employment under any employment security law of another State or of the Federal Government. After December 31, 1971, the term "employment" for the purpose of this subsection shall include services constituting employment performed in the employ of a transferor as determined under the provisions of section 3 (c)(7) of this Act.

COMMENTARY

Underscored-additional or amended language

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
3(f)	23	X	For Conformity	"(f) In the event the District of Columbia should elect to cover employees under the provisions of section 1(b)(8)(A), or in the event any of its instrumentalities are required to be covered under this Act, ..."
3(f)	23		*To conform with the requirement that self-insurers must be charged with one-half of the amount of extended benefits paid.	"(f) ...... "The amount of payment required under this section shall be ascertained by the Board quarterly and shall be paid from the general funds of the District at such time and in such manner as the Commissioners of the District of Columbia may prescribe except that to the extent that benefits are paid on wages by the District from special administrative funds, the payment by the District into the unemployment fund shall be made from such special funds. The District of Columbia shall be liable only for 50 percentum of its share of any extended benefits paid.

COMMENTARY

Underscored-added or amended language

*Recommended addition to S. 2429 (See Mr. Mackall's statement, page 13.)

SEC.	PG.	REQUIRED H.S. 14705	DESIRABLE (Reason)	AMENDMENT
3(g)	23		X To limit employer liability to last 3 years when he has paid contributions to another State erroneously but in good faith.	... interests: Provided, That liability to the fund shall not exceed contributions for the three calendar years next preceding the quarter in which liability was determined.

COMMENTARY

Underscored-added language

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
3(h)	new	X	Option for nonprofits to pay contributions or reimbursements of benefits paid.	(h) Notwithstanding any other provisions of this section, benefits paid to employees of nonprofit organizations shall be financed in accordance with the provisions of this subsection. For the purpose of this subsection (i) a nonprofit organization is an organization (or group of organizations) described in section 501(c)(3) of the U.S. Internal Revenue Code which is exempt from income tax under section 501(a) of such Code.

COMMENTARY

All new language. See page 95 for Commentary. See Commentary, page 99 for "bond or other security".

plus one-half of the amount of extended benefits

(1) Any nonprofit organization which, pursuant to section 1(b)(1)(C), is, or becomes, subject to this Act on or after January 1, 1972 shall pay contributions under the provisions of subsection (c), unless it elects, in accordance with this paragraph to pay to the Board for the District Unemployment fund an amount equal to the amount of regular benefits that is attributable to service in the employ of such nonprofit organization, to individuals for weeks of unemployment which begin during the effective period of such election.

(A) Any nonprofit organization which is, or becomes, subject to this Act on January 1, 1972 may elect to become liable for payments in lieu of contributions for a period of not less than one taxable year beginning with January 1, 1972, provided it files with the Board a written notice of its election within the 30-day period immediately following such date or within a like period immediately following the date of enactment of this subparagraph whichever occurs later.

(B) Any nonprofit organization which becomes subject to this Act after January 1, 1972 may elect to become liable for payments in lieu of contributions for a period of not less than the remainder of that and the next year befinning with the date on which such liability begins by filing a written notice of its election with the Board not later than 30 days immediately following the date of the determination of such liability.

(C) Any nonprofit organization which makes an election in accordance with subparagraph (A) or subparagraph (B) of this paragraph will continue to be liable for payments in lieu of contributions until it files with the Board a written notice terminating its election not later than 30 days prior to the beginning of the taxable year for which such termination shall first be effective.

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT

3(h)

(Continued)

(D) Any nonprofit organization which has been paying contributions under this Act for a period subsequent to January 1, 1972 may change to a reimbursable basis by filing with the Board not later than 30 days prior to the beginning of any taxable year a written notice of election to become liable for payments in lieu of contributions. Such election shall not be terminable by the organization for that and the next year.

(E) The Board may for good cause extend the period within which a notice of election, or a notice of termination, must be filed and may permit an election to be retroactive but not any earlier than with respect to benefits paid after December 31, 1969.

(F) The Board, in accordance with such regulations as it may prescribe, shall notify each nonprofit organization of any determination which the Board may make of its status as an employer and of the effective date of any election which it makes and of any termination of such election. Such determinations shall be subject to reconsideration, appeal and review in accordance with the provisions of subsection (c).

(2) Payments in lieu of contributions shall be made in accordance with the provisions of this paragraph including either subparagraph (A) or subparagraph (B).

(A) At the end of each calendar quarter, or at the end of any other period as determined by the Board, the Board shall bill each nonprofit organization (or group of such organizations) which has elected to make payments in lieu of contributions for an amount equal to the full amount of regular benefits [plus one-half of the amount of extended benefits paid] that is attributable to service in the employ of such organization.

(B)(i) Each nonprofit organization that has elected payments in lieu of contributions may request permission to make such payments as provided in this subparagraph. Such method of payment shall become effective upon approval by the Board.

(ii) At the end of each calendar quarter, or at the end of such other period as determined by the Board, the Board shall bill each nonprofit organization for an amount representing one of the following:

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
3(h) (Continued)				(I) For 1972, one-fourth of one percent of its total payroll for 1971.
				(II) For years after 1972, such percentage of its total payroll for the immediately preceding calendar year as the Board shall determine. Such determination shall be based each year on the average benefit costs attributable to service in the employ of nonprofit organizations during the preceding calendar year.
				(III) For any organization which did not pay wages throughout the four calendar quarters of the preceding calendar year, such percentage of its payroll during such year as the Board shall determine.
				(iii) At the end of each taxable year, the Board may modify the quarterly percentage of payroll thereafter payable by the nonprofit organization in order to minimize excess or insufficient payments.
			plus one-half of the amount of extended benefits	(iv) At the end of each taxable year, the Board shall determined whether the total of payments for such year made by a nonprofit organization is less than, or in excess of, the total amount of regular benefits paid to individuals during such taxable year based on wages attributable to service in the employ of such organization. Each nonprofit organization whose total payments for such year are less than the amount so determined shall be liable for payment of the unpaid balance to the fund in accordance with subparagraph (C). If the total payments exceed the amount so determined for the taxable year, all or a part of the excess may, at the discretion of the Board, be refunded from the fund or retained in the fund as part of the payments which may be
				(C) Payment of any bill rendered under subparagraph (A) or subparagraph (B) shall be made not later than 30 days after such bill was mailed to the last known address of the nonprofit organization or was otherwise delivered to it, unless there has been an application for review and redetermination in accordance with subparagragh (E)
				(D) Payments made by an nonprofit organization under the provisons of this subsection shall not be deducted or deductible, in whole or in part, from the remuneration of individuals in the employ of the organization.

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT

3(h)

(Continued)

(E) The amount due specified in any bill from the Board shall be conclusive on the organization unless, not later than 15 days after the bill was mailed to its last known address or otherwise delivered to it, the organization files an application for redetermination by the Board, setting forth the grounds for such application or appeal. The Board shall promptly review and reconsider the amount due specified in the bill and shall thereafter issue a redetermination in any case in which such application for redetermination has been filed. Any such redetermination shall be conclusive on the organization unless the organization files an appeal as set forth in paragraph 3(c)(10), setting forth the grounds for the appeal.

(F) Past due payments of amounts in lieu of contributions shall be subject to the same interest and penalties that, pursuant to section 4(c) apply to past due contributions.

(3) In the discretion of the Director, any nonprofit organization that elects to become liable for payments in lieu of contribtuions shall be required within 30 days after the effective date of its election, to execute and file with the Board a surety bond approved by the Director or it may elect instead to deposit with the Board money. The amount of such bond or deposit shall be determined in accordance with the provisions of this paragraph.

(A) The amount of the bond or deposit required by this paragraph shall be equal to one-fourth of one percent of the organization's total wages paid for employment as defined in section 1(b)(1)(C) for the four calendar quarters immediately preceding the effective date of the election, the renewal date in the case of a bond, or the biennial anniversary of the effective date of election in the case of a deposit of money, whichever date shall be most recent and applicable. If the nonprofit organization did not pay wages in each of such four calendar quarters, the amount of the bond or deposit shall be as determined by the Director.

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
3(h) (Continued)				

(B) Any bond deposited under this paragraph shall be in force for a period of not less than two taxable years and shall be renewed with the approval of the Director at such times as the Director may prescribe, but not less frequently than at two year intervals as long as the organization continues to be liable for payments in lieu of contributions. The Director shall require adjustments to be made in a previously filed bond as he deem appropriate. If the bond is to be increased, the adjusted bond shall be filed by the organization within 15 days of the date notice of the required adjustment was mailed or otherwise delivered to it. Failure by any organization covered by such bond to pay the full amount of payments in lieu of contributions when due, together with any applicable interest and penalties provided for in section 4(c) of this Act shall render the surety liable on said bond to the extent of the bond, as though the surety was such organization.

(C) Any deposit of money in accordance with this paragragh shall be retained by the Board in an escrow account until liability under the election is terminated, at which time it shall be returned to the organization, less any deductions as hereinafter provided. The Director may deduct from the money deposit under this paragraph by a nonprofit organization to the extent necessary to satisfy any due and unpaid payments in lieu of contributions and any applicable interest and penalties provided for in section 4(c). The Director shall require the organization within 15 days following any deduction from a money deposit under the provisions of this subparagraph to deposit sufficient additional money to make whole the organization's deposit at the prior level. The Director may, at any time, review the adequacy of the deposit made by any organization. If, as a result of such review, he determines that an adjustment is necessary, he shall require the organization to make additional deposit within 15 days of written notice of his determination or shall return to it such portion of the deposit as he no longer considers necessary, whichever action is appropriate.

(D) If any nonprofit organization fails to file a bond or make a deposit or to file a bond in an increased amount or to increase or make whole the amount of a previously made deposit, as provided under this paragraph, the Director may terminate such organization's election to make payments in lieu of contributions and such termination shall continue for not less than the four-consecutive-calendar-quarter period beginning with the quarter in which such termination becomes effective; Provided, That the Director may extend for good cause the applicable filing, deposit or adjustment period by not more than 15 days.

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
3(h) (Continued)				(4) If any nonprofit organization is delinquent in making payments in lieu of contributions as required under paragraph (2) of this subsection, the Board may terminate such organization's election to make payments in lieu of contributions as of the beginning of the next taxable year, and such termination shall be effective for that and the next taxable year.
			plus one-half of the amount of extended benefits	(5) Each employer that is liable for payments in lieu of contributions shall pay to the Board for the fund the amount of regular benefits paid that are attributable to service in the employ of such employer. If benefits paid to an individual are based on wages paid by more than one employer and one or more of such employers are liable for payments in lieu of contributions, the amount payable to the fund by each employer that is liable for such payments shall be determined in accordance with the provisions of subparagraph (A) or subparagraph (B).
				(A) If benefits paid to an individual are based on wages paid by one or more employers that are liable for payments in lieu of contributions and on wages paid by one or more employers who are liable for contributions, the amount of benefits payable by each employer that is liable for payments in lieu of contributions shall be an amount which bears the same ratio to the total benefits paid to the individual as the total base-period wages paid to the individual by such employer bear to the total base-period wages paid to the individual by all of his base-period employers.
				(B) If benefits paid to an individual are based on wages paid by two or more employers that are liable for payments in lieu of contributions, the amount of benefits payable by each such employer shall be an amount which bears the same ratio to the total benefits paid to the individual as the total base-period wages paid to the individual by such employer bear to the total base-period wages paid to the individual by all of his base-period employers.

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
3(h) Continued)				(6) Two or more employers that have become liable for payments in lieu of contributions, in accordance with the provisions of subsection (f)(1) and section 3(f), may file a joint application to the Board for the establishment of a group account for the purpose of sharing the cost of benefits paid that are attributable to service in the employ of such employers. Each such application shall identify and authorize a group representative to act as the group's agent for the purposes of this paragraph. Upon approval of the application, the Board shall establish a group account for such employers effective as of the beginning of the calendar quarter in which it receives the application and shall notify the group's representative of the effective date of the account. Such account shall remain in effect for not less than 2 years and thereafter until terminated at the discretion of the Board or upon application by the group. Upon establishment of the account, each member of the group shall be liable for payments in lieu of contributions with respect to each calendar quarter in the amount that bears the same ratio to the total benefits paid in such quarter that are attributable to service performed in the employ of all members of the group as the total wages paid for service in employment by such member in such quarter bear to the total wages paid during such quarter for service performed in the employ of all members of the group. The Board shall prescribe such regulations as it deems necessary with respect to applications for establishment, maintenance and termination of group accounts that are authorized by this paragraph, for addition of new members to, and withdrawal of active members from, such accounts, and for the determination of the amounts that are payable under this paragraph by members of the group and the time and manner of such payments.

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
3(i)			X Gives option to nonprofits already covered to exhaust balance before making reimbursements.	(i) Notwithstanding any provisions in subsection (h) any nonprofit organization that prior to January 1, 1969, paid contributions required by subsection (c) of this section, and, pursuant to subsection (h) of this section, elects, within 30 days after the effective date of such subsection (h), to make payments in lieu of contributions, shall not be required to make any such payment on account of any benefits paid, on the basis of wages paid by such organization to individuals for weeks of unemployment which begin on or after the effective date of such election until the total amount of such benefits equals the amount of the positive balance in the experience rating account of such organization.

COMMENTARY

All new language, see Commentary, page 105

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
4(a)&(b)	24	X	X To make language consistent with section 3(h).	"Sec. 4. (a) The contributions and payments in lieu of contributions required by section 3 shall be paid to and collected by the Board, and shall, immediately upon collection, be deposited in the clearing account of the fund. All moneys so required to be paid to and collected by the Board shall be subject to audit by the District. "(b) Not later than the last day of the following month after the close of each calendar quarter, or at such other time as the Board may by regulations prescribe, every employer shall make a return of, and shall pay the contributions which shall have accrued with respect to, wages paid during such quarter with respect to employment, except as provided in section 3(h) of this Act. Wages unpaid solely because of a court order appointing a fiduciary shall be deemed constructively paid when due. Each such return shall be filed with the Board, and shall contain such information and be made in such manner as the Board may by regulation prescribe. No extension of time for filing the return or for payment of the contributions shall be allowed to any employer, except as herein provided.

COMMENTARY

Underscored-additional language

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
4(c)(1)&(2)	24	X	To make language consistent with section 3(h).	"(c)(1) If contributions, or payments in lieu of contributions under section 3(h), are not paid when due, there shall be added interest at the rate of one-half of 1 per centum per month or fraction thereof from the date they became due until paid: Provided, That interest shall not run against a court appointed fiduciary when the contributions or payments in lieu of contributions are not paid timely because of a court order.
			X Deletes, on waivers, required approval of D.C. Commissioner.	"(2) If contributions or wage reports are not filed on or before the fifteenth day of the second month following the close of the calendar quarter for which they are due or contributions, or payments in lieu of contributions under section 3(h), are not paid by that time, there shall be added a penalty of 10 per centum of the contributions, or payments in lieu of contributions under section 3(h), but such penalty shall not be less than $5 nor more than $25 and for good cause such penalty may be waived by the Board.

COMMENTARY

Underscored-additional language

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SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
4(d)&(e)	25	\	x To make language consistent with section 3(h).	"(d) In the event of the death, dissolution, insolvency, receivership, bankruptcy, composition, or assignment for benefit of creditors of any employer, contributions, or payments in lieu of contributions under section 3(h), then or thereafter due from such employer under this section shall have priority over all other claims, except taxes due the United States or the District, and wages (not exceeding $600 with respect to any individual) due for services performed within the three months preceding such event. "(e) If any employer liable to pay the contribution, or payment in lieu of contributions under section 3(h), imposed by section 3 of this Act neglects and refuses to pay the same after demand, the amount (including any interest) shall be a lien upon all of the property and rights to property whether real or personal belonging to such person.***

COMMENTARY

Underscored-additional language

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
4(h)	28		X To add "or penalty" to be consistent with section 4(c)(2).	"(h) Collections.--If, after due notice, any employer defaults in any payment of contributions or interest or penalty thereon, the amount due may be collected by the Board or its designated agent in the manner provided by law for the collection of taxes due the District on personal property in force at the time of such collection (including collection thereof by distraint), or by civil action in the name of the Board, and the employer adjudged in default shall pay the costs of such action. Civil actions brought under this section to collect contributions or interest or penalty thereon from an employer shall be heard by the court at the earliest possible date and shall be entitled to preference upon the calendar of the court over all other civil actions except petitions for judicial review of this Act. This subsection shall not be construed to mean that the Board shall be required to use only this means of collecting delinquent contributions but it may use any other legal method which it deems advisable.

COMMENTARY

Underscored-additional language

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
4(i)	28	X	To make language consistent with section 3(h).	"(i) Refunds.--If not later than three years after the date on which any contributions (or payments in lieu of contributions under section 3(h)) or interest thereon were paid, an employing unit which has paid such contributions (or payments in lieu of contributions under section 3(h)) or interest thereon shall make application for an adjustment thereof in connection with subsequent contribution payments (or payments in lieu of contributions under section 3(h)) or for a refund thereof because such adjustment cannot be made, and the Board shall determine that such contributions (or payments in lieu of contributions under section 3(h)) or interest on any portion thereof was erroneously collected, the Board shall allow such employing unit to make an adjustment thereof, without interest, in connection with subsequent contribution payments (or payments in lieu of contributions under section 3(h)) by it, or if such adjustment cannot be made the Board shall refund said amount, without interest, from the clearing account or benefit account upon checks issued by the Board or its duly authorized agent. ***

COMMENTARY

Underscored-additional language

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
4(i)	29		X Refunds are refunded without regard as to whether they can be used against future contributions. D.C. Finance Office indicated by telephone (Mr. W. W. Welch) that they had no objection if provision is deleted.	Last sentence of first paragraph, delete "All refunds paid pursuant to this subsection shall be subject to a prior audit by the District Auditor."

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
4(1)	30	X	To make language consistent with section 3(h). Deletes need for approval of Corporation Counsel and District Auditor.	"(1) The Board may compromise any civil case arising under this Act. Whenever a compromise is made by the Board in each such case, there shall be placed in the minutes of the Board the opinion of an attorney of the Board with the reasons therefor, including a statement of (1) the amount of the contributions, or payments in lieu of contributions under section 3(h), due, (2) the amount of interest due on the same, and (3) the amount actually paid in accordance with the terms of the compromise.***

COMMENTARY

Underscored-additional language

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
7(b)	31		X To comply with President Nixon's request to set the maximum WBA from 50% to 66 2/3% of the average weekly wage of covered workers in D. C.	The Director shall determine annually a maximum weekly benefit amount by computing sixty six and two-thirds per centum of the average weekly wage paid to employees in insured work***.

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
7(c)	32		X Qualifying wages changed from not less than $130 in not less than one quarter and not less than $276 in not less than two quarters to underscored language. To pay benefits only to claimants who are attached to the labor force. The new minimum monetary requirements are more realistic under current wage levels. The previous minimum WBA of $8 is too low for current living costs. Current minimum WBA would be $14.	(c) "To qualify for benefits, an individual must have (1) been paid wages for employment of not less than $300 in one quarter in his base period, (2) been paid wages for employment of not less than $450 in not less than two quarters in such period, and ..." (If above is adopted, in 7(b), page 31, delete "If an individual's weekly benefit amount is less than $8, it shall be $8.")
7(c)	32		See Mr. Mackall's Statement, page 14 for this change to S. 2429.	(c)(3) received during such period wages the total amount of which is equal to at least one and one-half times the amount of his wages ~~for~~ actually received in the quarter in such period in which his wages were the highest.* * *

COMMENTARY

Underscoring—
added language

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
7(c)	33	X	Makes "double dip" requirement in conformity with new legislation.	***Wages received by an individual in the period intervening between the end of his last base period and the beginning of his last benefit year during which he received benefits shall not be available for benefit purposes in a subsequent benefit year unless he has, subsequent to the commencement of such last benefit year, performed services for which he received remuneration for personal services, whether or not such services were performed in employment as defined in this Act, in an amount equal to at least ten times the weekly benefit amount for which he qualifies in such last benefit year.***

COMMENTARY

Underscored-additional language. Language deleted "and paid by employers who were his base period employers in such last base period". (See Commentary, page 47)

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
7(c)	33		X To deduct pensions to be received as well as those applied for. To equalize deductions of disability and nondisability pensions.	*** Benefits payable to an individual with respect to a week shall be reduced, under regulations prescribed by the Board, by any amount received or applied for with respect to such week as a retirement pension or annuity under a public or private retirement plan or system provided, or contributed to, by any base period employer. An amount received with respect to a period other than a week shall be prorated by weeks. No reduction shall be made under the preceding two sentences for any amount received under title II of the Social Security Act.

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
7(g)	34	x (new) (Extended Benefits)		EXTENDED BENEFITS PROGRAM

(g) Notwithstanding any other provisions of this section, this subsection provides a program of extended benefits on and after January 2, 1972.

(1) Definitions.--As used in this subsection, unless the context clearly requires otherwise--

(A) "Extended benefit period" means a period which

(i) begins with the third week after whichever of the following weeks occurs first: (I) a week for which there is a national "on" indicator, or (II) a week for which there is a State "on" indicator; and

(ii) ends with either of the following weeks, whichever occurs later: (I) the third week after the first week for which there is both a national "off" indicator and a State "off" indicator; or (II) the thirteenth consecutive week of such period; Provided, That no extended benefit period may begin by reason of a State "on" indicator before the fourteenth week following the end of a prior extended benefit period which was in effect with respect to this State.

(B) There is a "national'on' indicator" for a week if the U.S. Secretary of Labor determines that for each of the three most recent completed calendar months ending before such week, the rate of insured unemployment (seasonally adjusted) for all States equaled or exceeded 4.5 percent.

(C) There is a "national 'off' indicator" for a week if the U.S. Secretary of Labor determines that for each of the three most recent completed calendar months ending before such week, the rate of insured unemployment (seasonally adjusted) for all States was less than 4.5 percent.

(D) There is a "State 'on' indicator" for this State for a week if the Board determines, in accordance with the regulations of the U.S. Secretary of Labor, that for the period consisting of such week and the immediately preceding twelve weeks, the rate of insured unemployment (not seasonally adjusted) under this Act--

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
7(g) (continued)	34	X(new) (Extended Benefits)		(i) equaled or exceeded 120 percent of the average of such rates for the corresponding 13-week period ending in each of the preceding two calendar years, and (ii) equaled or exceeded 4 percent. (E) There is a "State 'off' indicator" for this State for a week if the Board determines, in accordance with the regulations of the U.S. Secretary of Labor, that for the period consisting of such week and the immediately preceding twelve weeks, the rate of insured unemployment (not seasonally adjusted) under this Act-- (i) was less than 120 percent of the average of such rates for the corresponding 13-week period ending in each of the preceding two calendar years, or (ii) was less than 4 percent. (F) "Rate of insured unemployment," for purposes of paragraphs (D) and (E) of this subsection, means the percentage derived by dividing (I) the average weekly number of individuals filing claims in this State for weeks of unemployment with respect to the most recent 13-consecutive-week period, as determined by the Board on the basis of its reports to the U.S. Secretary of Labor, by (II) the average monthly employment covered under this Act for the first four of the most recent six completed calendar quarters ending before the end of such 13-week period. (G) "Regular benefits" means benefits payable to an individual under this Act or under any other State law (including benefits payable to Federal civilian employees and to ex-servicemen pursuant to 5 U.S.C. chapter 85) other than extended benefits. (H) "Extended benefits" means benefits (including benefits payable to Federal civilian employees and to ex-servicemen pursuant to 5 U.S.C. chapter 85) payable to an individual under the provisions of this subsection for weeks of unemployment in his eligibility period. (I) "Eligibility period" of an individual means the period consisting of the weeks in his benefit year which begin in an extended benefit period and, if his benefit year ends within such extended benefit period, any weeks thereafter which begin in such period.

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
7(g) (continued)	34	X (new) (Extended Benefits)		(J) "Exhaustee" means an individual who, with respect to any week of unemployment in his eligibility period: (i) has received, prior to such week, all of the regular benefits that were available to him under this Act or any other State law (including dependents' allowances and benefits payable to Federal civilian employees and ex-servicemen under 5 U.S.C. chapter 85) in his current benefit year that includes such week; Provided, That, for the purposes of this subparagraph, an individual shall be deemed to have received all of the regular benefits that were available to him although as a result of a pending appeal with respect to wages that were not considered in the original monetary determination in his benefit year, he may subsequently be determined to be entitled to added regular benefits; (ii) his benefit year having expired prior to such week, has no, or insufficient, wages on the basis of which he could establish a new benefit year that would include such week; and (iii) (I) has no right to unemployment benefits or allowances, as the case may be, under the Railroad Unemployment Insurance Act, the Trade Expansion Act of 1962, the Automotive Products Trade Act of 1965 and such other Federal laws as are specified in regulations issued by the U.S. Secretary of Labor; and (II) has not received and is not seeking unemployment benefits under the unemployment compensation law of the Virgin Islands or of Canada; but if he is seeking such benefits and the appropriate agency finally determines that he is not entitled to benefits under such law he is considered an exhaustee. (K) "State law" means the unemployment insurance law of any State, approved by the U.S. Secretary of Labor under section 3304 of the Internal Revenue Code of 1954.

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
7(g) (Continued)	34	X (New) (EXTENDED BENEFITS)		(2) Effect of State law provisions relating to regular benefits on claims for, and the payment of, extended benefits.--Except when the result would be inconsistent with the other provisions of this subsection, as provided in the regulations of the Board, the provisions of this Act which apply to claims for, or the payment of, regular benefits shall apply to claims for, and the payment of, extended benefits. (3) Eligibility requirements for extended benefits.--An individual shall be eligible to receive extended benefits with respect to any week of unemployment in his eligibility period only if the Board finds that with respect to such week: (A) he is an "exhaustee" as defined in paragraph (g)(1)(J), (B) he has satisfied the requirements of this Act for the receipt of regular benefits that are applicable to individuals claiming extended benefits, including not being subject to a disqualification for the receipt of benefits. (4) Weekly extended benefit amount.--The weekly extended benefit amount payable to an individual for a week of total unemployment in his eligibility period shall be an amount equal to the weekly basic or augmented benefit amount, whichever is appropriate, payable to him during his applicable benefit year. (5) Total extended benefit amount.--The total extended benefit amount payable to any eligible individual with respect to his applicable benefit year shall be the least of the following amounts:

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
7(g) (Continued)	34	X (New) (EXTENDED BENEFITS)		(A) fifty percent of the total amount of regular benefits (including dependents' allowances) which were payable to him under this Act in his applicable benefit year; (B) thirteen times his weekly benefit amount (including dependents' allowances) which was payable to him under this Act for a week of total unemployment in the applicable benefit year; or (C) thirty-nine times his weekly benefit amount (including dependents' allowances) which was payable to him under this Act for a week of total unemployment in the applicable benefit year, reduced by the total amount of regular benefits which were paid (or deemed paid) to him under this Act with respect to the benefit year. (D) For purposes of this paragraph, the total regular benefit amount shall be that amount (including dependents' allowances) provided in the individual's monetary determination or the amount of regular benefits (including dependents' allowances) actually received, whichever is the greater. (6) (A) Beginning and termination of extended benefit period.--Whenever an extended benefit period is to become effective in this State (or in all States) as a result of a State or a national "on" indicator, or an extended benefit period is to be terminated in this State as a result of State and national "off" indicators, the Director shall make an appropriate public announcement as provided in the regulations of the Board. (B) Computations required by the provisions of paragraph (1)(F) of this subsection shall be made by the Board in accordance with regulations prescribed by the U. S. Secretary of Labor.

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
9(g)	35	X (new)	Provides exception on payment of benefits to institutions of higher education.	Benefits based on service in employment defined in section 1(b)(1)(B) and (C) shall be payable in the same amount, on the same terms and subject to the same conditions as compensation payable on the basis of other service subject to this Act; except that benefits based on service in an instructional, research, or principal administrative capacity in an institution of higher education (as defined in section 1(w)) shall not be paid to an individual for any week of unemployment which begins during the period between two successive academic years, or during a similar period between two regular terms, whether or not successive, or during a period of paid sabbatical leave provided for in the individual's contract, if the individual has a contract or contracts to perform services in any such capacity for any institution or institutions of higher education for both such academic years or both such terms.

COMMENTARY

See Commentary, page 55

SEC.	PG.	P.L. 91-373 REQUIRED	DESIRABLE (Reason)	AMENDMENT
11(b)	39		X Necessary because of the decisions of the District of Columbia Court of Appeals and the U.S. Court of Appeals for the District of Columbia Circuit. The other change is necessary because of the "Java" decision. See Mr. Mackall's statement, page 15 on S. 2429, to add these changes and also the language change to 11(e), page 15.	"(b) *** as hereinafter otherwise provided. The Board shall promptly notify the claimant and any party to the proceeding of its determination, and such determination shall be final within 10 days after the mailing of notice thereof to the party's last known address or in the absence of such mailing, within 10 days of [actual delivery of] such notice. If an appeal tribunal affirms an initial determination allowing benefits such benefits shall be paid regardless of any appeal...."
11(e)				"(e) *** different appeal tribunal. Unless a petition for such appeal is filed within ten days of mailing of the decision***

COMMENTARY

Underscored—amended language

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
11(f)	41		X Adds recording device as a means of making a hearing record to avoid restriction to stenographer.	"(f) A full and complete record shall be kept of all proceedings in connection with an appealed claim. All testimony at every hearing on any such claim shall be taken down by a stenographer or recording device, but shall not be transcribed except upon order of the Board or in the event of an appeal pursuant to section 12. Upon any such appeal, a copy of all the testimony and of the findings of fact upon which the Board's decision was based shall be filed with the court, and the facts so found shall, if supported by evidence, be binding on the court.

COMMENTARY

Underscored-additional language

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
13(e)	43 & 44	X	Replaces existing (e) i.e. it provides up-to-date references to existing Federal laws.	(e) Federal-State cooperation.--(1) In the administration of this Act, the Board shall cooperate with the Department of Labor to the fullest extent consistent with the provisions of this Act, and shall take such action, through the adoption of appropriate rules, regulations, administrative methods and standards, as may be necessary to secure to this State and its citizens all advantages available under the provisions of the Social Security Act that relate to unemployment compensation, the Federal Unemployment Tax Act, the Wagner-Peyser Act, and the Federal-State Extended Unemployment Compensation Act of 1970. (2) In the administration of the provisions in section 7(g) of this Act, which are enacted to conform with the requirements of the Federal-State Extended Unemployment Compensation Act of 1970, the Board shall take such action as may be necessary (A) to ensure that the provisions are so interpreted and applied as to meet the requirements of such Federal Act as interpreted by the U.S. Department of Labor, and (B) to secure to this State the full reimbursement of the Federal share of extended and regular benefits paid under this Act that are reimbursable under the Federal Act.

SEC.	PG.	REQUIRED	DESIRABLE (Reason)	AMENDMENT
13(f)	44		X To permit disclosure to all State welfare agencies. (See Mr. Mackall's Statement on S. 2429, page 16.)	"(f) ......public employment offices, or the Department of Public Welfare of the government of <u>any State,</u> or the United States Accounting Office.....

COMMENTARY

Underscoring— amended language

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
14	46		X Raises travel for investigators from $40 to $65 which is a more realistic amount. $40 has been in effect since Aug. 1954.	(No Text) (Renumbered to 14(a))

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
14(b)	47		X To establish a special administrative expense fund into which interest and penalties will be paid and used for administrative expenses not financed by the Federal Government.	(1) There is hereby created a special deposit fund in the Treasury of the United States, separate and apart from the District Unemployment Fund, to be known as the Special Administrative Expense Fund. Notwithstanding any contrary provisions of the Act (A) interest and penalties collected from employers, dishonored check penalties authorized by P. L. 89-208, shall after January 31, 1972, be deposited into the clearing account in the District Unemployment Fund in the Treasury of the United States for clearance only and shall not, except as provided in paragraph (4) of this subsection, be deemed a part of the District Unemployment Fund; (B) thereafter, during each calendar quarter, there shall be transferred from the clearing account to such Special Administrative Expense Fund all monies described in subparagraph (A) of this subsection collected during the preceding calendar quarter; and (C) refunds of such monies paid into the Special Administrative Expense Fund shall be made from such fund. (2) Said moneys shall not be expended or available for expenditure in any manner which would permit their substitution for , or a corresponding reduction in, Federal funds which would, in the absence of said moneys, be available to finance expenditures for the administration of the Act. Nothing in this subsection shall prevent said moneys from being used as a revolving fund to cover expenditures, necessary and proper under the law, for which Federal funds have been duly requested but not yet received, subject to the charging of such expenditures against such funds when received. The moneys in this fund shall be used by the Board for the payment of costs of administration which are found by the Board not to be proper and valid charges payable out of Federal grants or other funds received for the administration of this Act. All such payments of expenses shall be made by checks drawn by the Board and shall be subject to audit by the District in the same manner as are payments of other expenses of the District.. (3) No expenditure of this fund shall be made unless and until the Board by resolution duly entered in its minutes finds that no other funds are available or can properly be used to finance such expenditure. Vouchers drawn to pay expenditures of this fund shall, among other things, include a duly certified copy of the resolution of the Board hereinbefore referred to.

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
14(b) continued	47			(4) The moneys in this fund shall be continuously available to the Board for expenditures and refunds in accordance with the provisions of this subsection and shall not lapse at any time or be transferred to any other fund or account except as herein provided. If, on June thirtieth of any calendar year, the balance in this fund exceeds two hundred and fifty thousand dollars by one thousand dollars or more, the Board shall transfer such excess to the Unemployment Trust Fund. It shall be the duty of the Secretary of the Treasury to invest such portion of this fund in excess of ten thousand dollars at the end of each month. Such investments shall be made in the same manner as provided in section 904 of the Social Security Act. The interest on, and the proceeds from, the sale of redemptions of any obligations held in this fund shall be credited to and form a part of this fund.

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	AMENDMENT
15(c)	48		X Raises employer and employee representatives on the Board from $25 to $50 for each day of active service which is a more realistic amount. $25 has been in effect since Aug. 1954.	(No Text)

SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	(RECIPROCAL ARRANGEMENTS) AMENDMENT
16(a)(1)	48		Renumbered to 16(a)	(SAME TEXT)
16(a)(2)	48		Renumbered to 16(b)	(b) The Board is hereby authorized to enter into reciprocal arrangements with appropriate and duly authorized agencies of other States or of the Federal Government, or both, whereby potential rights to benefits accumulated under the unemployment- compensation laws of one or more States or under one or more such laws of the Federal Government, or both, may constitute the basis for the payment of benefits through a single appropriate agency under terms which the Board finds will be fair and reasonable as to all affected interests and will not result in any substantial loss to the fund.
16(a)(3)	49	X	Renumbered to 16(c)	(c) The Board shall participate in any arrangements for the payment of compensation on the basis of combining an individual's wages and employment covered under this Act with his wages and employment covered under the unemployment compensation laws of other States which are approved by the United States Secretary of Labor in consultation with the State unemployment compensation agencies as reasonably calculated to assure the prompt and full payment of compensation in such situations and which include provisions for (1) applying the base period of a single State law to a claim involving the combining of an individual's wages and employment covered under two or more State unemployment compensation laws, and (2) avoiding the duplicate use of wages and employment by reason of such combining.
16(a)(4)	49		Renumbered to 16(d)	(d) The Board is hereby authorized to enter into reciprocal arrangements with appropriate and duly authorized agencies of other States or of the Federal Government, or both, whereby contributions due under this Act with respect to wages for employment shall for the purposes of section 4 of this Act be deemed to have been paid to the fund as of the date payment was made as contributions therefor under another State or Federal unemployment-compensation law, but no such arrangement shall be entered into unless it contains provisions for such reimbursement to the fund of such contributions and the actual earnings thereon as the Board finds will be fair and reasonable as to all affected interests.

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SEC.	PG.	REQUIRED H.R. 14705	DESIRABLE (Reason)	(RECIPROCAL ARRANGEMENTS) AMENDMENT
(Continued)				
16(b)	49		Renumbered to 16(e)	(e) Reimbursements paid from the fund pursuant to subsection (c) of this section shall be deemed to be benefits for the purpose of sections 6, 7, and 8 of this Act. The Board is authorized to make to other State or Federal agencies and to receive from such other State or Federal agencies reimbursements from or to the fund, in accordance with arrangements entered into pursuant to this section.
16(c)	50		Renumbered to 16(f)	(SAME TEXT)
16(d)	50		Renumbered to 16(g)	(SAME TEXT)

Senator TUNNEY. Our next witness is Mr. William Robinson Assistant Corporation Counsel.

Mr. Robinson, it is my understanding that you will be testifying on three bills.

STATEMENT OF WILLIAM A. ROBINSON, ASSISTANT CORPORATION COUNSEL, DISTRICT OF COLUMBIA

Mr. ROBINSON. That is correct.

Senator TUNNEY. The Interstate Compact on Mental Health, Teacher Annunity Contracts, and Teacher Personnel Act.

You may proceed.

Mr. ROBINSON. Thank you, Mr. Chairman.

S. 1995 and H.R. 10344

Mr. Chairman, I am pleased to appear today to urge, on behalf of the Commissioner of the District of Columbia, favorable consideration by this committee of S. 1995 and H.R. 10344, identical bills which will authorize the District of Columbia to enter into the Interstate Compact on Mental Health.

This is identical to the transmittal submitted by the Commissioner, which I would ask be included in the record.

Senator TUNNEY. Without objection, it is so ordered.

(The letter of transmittal follows:)

DISTRICT OF COLUMBIA,
Washington, D.C., May 14, 1971.

THE PRESIDENT,
U.S. Senate,
Washington, D.C.

MY DEAR MR. PRESIDENT: The Commissioner of the District of Columbia has the honor to submit for consideration by the 92nd Congress a bill "To authorize the District of Columbia to enter into the Interstate Compact on Mental Health."

The purpose of the compact is fourfold. First, it guarantees that any person found to be mentally ill or mentally deficient within a party State will receive care and treatment in that State regardless of legal residence or domicile. Second, it permits the transfer of a mentally ill patient to an institution in another State when such transfer is found to be in the best interests of the patient. Third, it provides for interstate cooperation with regard to after-care, and supervision of patients on convalescent status or conditional release. And finally, the compact encourages supplementary agreements between two or more party States for the furnishing of care and treatment of patients on a cooperative basis.

Forty States are currently participating in the Interstate Compact on Mental Health. The District of Columbia is one of the few remaining jurisdictions in which eligibility for care and treatment of mental illness is based on the legal and technical definitions of residence or domicile, rather than on what is determined to be best for the patient from a medical and humanitarian point of view. The Commissioner is of the view that participation in the compact is necessary in order to update the District's approach to the problems of care and treatment, institutionalization and interstate transfer of mentally ill persons and to bring the District in step with the forty States already joined in this important example of interstate cooperation.

The Commissioner of the District of Columbia strongly urges favorable consideration of the attached draft legislation.

Sincerely yours,

GRAHAM W. WATT,
Assistant to the Commissioner.
For: WALTER E. WASHINGTON,
Commissioner.

Attachment.

A BILL To authorize the District of Columbia to enter into the Interstate Compact on Mental Health

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Interstate Compact on Mental Health Act".

SEC. 2. The Commissioner of the District of Columbia is hereby authorized to enter into and execute on behalf of the District of Columbia an agreement with any State or States legally joining therein in the form substantially as follows:

"THE INTERSTATE COMPACT ON MENTAL HEALTH

"ARTICLE I—PURPOSE AND FINDINGS

"The party states find that the proper and expeditious treatment of the mentally ill and mentally deficient can be facilitated by cooperative action, to the benefit of the patients, their families, and society as a whole. Further, the party states find that the necessity of and desirability for furnishing such care and treatment bears no primary relation to the residence or citizenship of the patient but that, on the contrary, the controlling factors of community safety and humanitarianism require that facilities and services be made available for all who are in need of them. Consequently, it is the purpose of this compact and of the party states to provide the necessary legal basis for the institutionalization or other appropriate care and treatment of the mentally ill and mentally deficient under a system that recognizes the paramount importance of patient welfare and to establish the responsibilities of the party states in terms of such welfare.

"ARTICLE II—DEFINITIONS

"As used in this compact:

"(a) 'Sending state' shall mean a party state from which a patient is transported pursuant to the provisions of the compact or from which it is contemplated that a patient may be so sent.

"(b) 'Receiving state' shall mean a party state to which a patient is transported pursuant to the provisions of the compact or to which it is contemplated that a patient may be so sent.

"(c) 'Institution' shall mean any hospital or other facility maintained by a party state or political subdivision thereof for the care and treatment of mental illness or mental deficiency, and shall include Saint Elizabeth's Hospital in the District of Columbia.

"(d) 'Patient' shall mean any person subject to or eligible as determined by the laws of the sending state, for institutionalization or other care, treatment, or supervision pursuant to the provisions of this compact.

"(e) 'After-care' shall mean care, treatment and services provided a patient, as defined herein, on convalescent status or conditional release.

"(f) 'Mental illness' shall mean mental disease to such extent that a person so afflicted requires care and treatment for his own welfare, or the welfare of others, or of the community.

"(g) 'Mental deficiency' shall mean mental deficiency as defined by appropriate clinical authorities to such extent that a person so afflicted is incapable of managing himself and his affairs, but shall not include mental illness as defined herein.

"(h) 'State' shall mean any state, territory or possession of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

"ARTICLE III—ELIGIBILITY AND PLACEMENT OF PATIENTS

"(a) Whenever a person physically present in any party state shall be in need of institutionalization by reason of mental illness or mental deficiency, he shall be eligible for care and treatment in an institution in that state irrespective of his residence, settlement or citizenship qualifications.

"(b) The provisions of paragraph (a) of this article to the contrary notwithstanding, any patient may be transferred to an institution in another state whenever there are factors based upon clinical determinations indicating that the care and treatment of said patient would be facilitated or improved thereby. Any such institutionalization may be for the entire period of care and treatment or for any portion or portions thereof. The factors referred to in this paragraph shall include the patient's full record with due regard for the location of the patient's family, character of the illness and probable duration thereof, and such other factors as shall be considered appropriate.

"(c) No state shall be obliged to receive any patient pursuant to the provisions of paragraph (b) of this article unless the sending state has given advance notice of its intention to send the patient; furnished all avialable medical and other pertinent records concerning the patient; given the qualified medical or other appropriate clinical authorities of the receiving state an opportunity to examine the patient if said authorities so wish; and unless the receiving state shall agree to accept the patient.

"(d) In the event that the laws of the receiving state establish a system of priorities for the admission of patients, an interstate patient under this compact shall receive the same priority as a local patient and shall be taken in the same order and at the same time that he would be taken if he were a local patient.

"(e) Pursuant to this compact, the determination as to the suitable place of institutionalization for a patient may be reviewed at any time and such further transfer of the patient may be made as seems likely to be in the best interest of the patient.

"ARTICLE IV—AFTER-CARE OR SUPERVISION IN THE RECEIVING STATE

"(a) Whenever, pursuant to the laws of the state in which a patient is physically present, it shall be determined that the patient should receive after-care or supervision, such care or supervision may be provided in a receiving state. If the medical or other appropriate clinical authorities having responsibility for the care and treatment of the patient in the sending state shall have reason to believe that after-care in another state would be in the best interest of the patient and would not jeopardize the public safety, they shall request the appropriate authorities in the receiving state to investigate the desirability of affording the patient such aftercare in said receiving state, and such investigation shall be made with all reasonable speed. The request for investigation shall be accompanied by complete information concerning the patient's intended place of residence and the identity of the person in whose charge it is proposed to place the patient, the complete medical history of the patient, and such other documents as may be pertinent.

"(b) If the medical or other appropriate clinical authorities having responsibility for the care and treatment of the patient in the sending state and the appropriate authorities in the receiving state find that the best interest of the patient would be served thereby, and if the public safety would not be jeopardized thereby, the patient may receive after-care or supervision in the receiving state.

"(c) In supervising, treating, or caring for a patient on after care pursuant to the terms of this article, a receiving state shall employ the same standards of visitation, examination, care, and treatment that it employs for similar local patients.

"ARTICLE V—ESCAPE OF DANGEROUS OR POTENTIALLY DANGEROUS PATIENTS

"Whenever a dangerous or potentially dangerous patient escapes from an institution in any party state, that state shall promptly notify all appropriate authorities within and without the jurisdiction of the escape in a manner reasonably calculated to facilitate the speedy apprehension of the escapee. Immediately upon the apprehension and identification of any such dangerous or potentially dangerous patient, he shall be detained in the state where found pending disposition in accordance with law.

"ARTICLE VI—TRANSPORTING PATIENTS THROUGH PARTY STATES

"The duly accredited officers of any state party to this compact, upon the establishment of their authority and the identity of the patient, shall be permitted to transport any patient being moved pursuant to this compact through any and all states party to this compact, without interference.

"ARTICLE VII—PAYMENT OF COSTS

"(a) No person shall be deemed a patient of more than one institution at any given time. Completion of transfer of any patient to an institution in a receiving state shall have the effect of making the person a patient of the institution in the receiving state.

"(b) The sending state shall pay all costs of and incidental to the transportation of any patient pursuant to this compact, but any two or more party states may, by making a specific agreement for that purpose, arrange for a different allocation of costs as among themselves.

"(c) No provision of this compact shall be construed to alter or affect any internal relationships among the departments, agencies and officers of and in the government of a party state, or between a party state and its subdivisions, as to the payment of costs, or responsibilities therefor.

"(d) Nothing in this compact shall be construed to prevent any party state or subdivision thereof from asserting any right against any person, agency or other entity in regard to costs for which such party state or subdivision thereof may be responsible pursuant to any provision of this compact.

"(e) Nothing in this compact shall be construed to invalidate any reciprocal agreement between a party state and a non-party state relating to institutionalization, care or treatment of the mentally ill or mentally deficient, or any statutory authority pursuant to which such agreements may be made.

"ARTICLE VIII—GUARDIANS

"(a) Nothing in this compact shall be construed to abridge, diminish, or in any way impair the rights, duties, and responsibilities of any patient's guardian on his own behalf or in respect of any patient for which he may serve, except that where the transfer of any patient to another jurisdiction makes advisable the appointment of a supplemental or substitute guardian, any court of competent jurisdiction in the receiving state may make such supplemental or substitute appointment and the court which appointed the previous guardian shall upon being duly advised of the new appointment, and upon the satisfactory completion of such accounting and other acts as such court may by law require, relieve the previous guardian of power and responsibility to whatever extent shall be appropriate in the circumstances; provided, however, that in the case of any patient having settlement in the sending state, the court of competent jurisdiction in the sending state shall have the sole discretion to relieve a guardian appointed by it or continue his power and responsibility, whichever it shall deem advisable. The court in the receiving state may, in its discretion, confirm or reappoint the person or persons previously serving as guardian in the sending state in lieu of making a supplemental or substitute appointment.

"(b) The term 'guardian' as used in paragraph (a) of this article shall include any guardian, trustee, legal committee, conservator, or other person or agency however denominated who is charged by law with power to act for or responsibility for the person or property of a patient.

"ARTICLE IX—INAPPLICABILITY OF COMPACT TO PERSONS SUBJECT TO PENAL SENTENCE; POLICY AGAINST PLACEMENT OF PATIENTS IN PRISONS OR JAILS

"(a) No provision of this compact except Article V shall apply to any person institutionalized while under sentence in a penal or correctional institution or while subject to trail on a criminal charge, or whose institutionalization is due to the commission of an offense for which, in the absence of mental illness or mental deficiency, said person would be subject to incarceration in a penal or correctional institution.

"(b) To every extent possible, it shall be the policy of states party to this compact that no patient shall be placed or detained in any prison, jail or lockup, but such patient shall, with all expedition, be taken to a suitable institutional facility for mental illness or mental deficiency.

"ARTICLE X—COMPACT ADMINISTRATORS

"(a) Each party state shall appoint a 'compact administrator' who, on behalf of his state, shall act as general coordinator of activities under the compact in his state and who shall receive copies of all reports, correspondence, and other documents relating to any patient processed under the compact by his state either in the capacity of sending or receiving state. The compact administrator or his duly designated representative shall be the official with whom other party states shall deal in any matter relating to the compact or any patient processed thereunder.

"(b) The compact administrators of the respective party states shall have power to promulgate reasonable rules and regulations to carry out more effectively the terms and provisions of this compact.

"ARTICLE XI—SUPPLEMENTARY AGREEMENTS

"The duly constituted administrative authorities of any two or more party states may enter into supplementary agreements for the provision of any service

or facility or for the maintenance of any institution on a joint or cooperative basis whenever the states concerned shall find that such agreements will improve services, facilities, or institutional care and treatment in the fields of mental illness or mental deficiency. No such supplementary agreement shall be construed so as to relieve any party state of any obligation which it otherwise would have under other provisions of this compact.

"ARTICLE XII—EFFECTIVE DATE OF COMPACT

"This compact shall enter into full force and effect as to any state when enacted by it into law and such state shall thereafter be a party thereto with any and all states legally joining therein.

"ARTICLE XIII—WITHDRAWAL FROM COMPACT

"(a) A state party to this compact may withdraw therefrom by enacting a statute repealing the same. Such withdrawal shall take effect one year after notice thereof has been communicated officially and in writing to the governors and compact administrators of all other party states. However, the withdrawal of any state shall not change the status of any patient who has been sent to said state or sent out of said state pursuant to the provisions of the compact.

"(b) Withdrawal from any agreement permitted by Article VII(b) as to costs or from any supplementary agreement made pursuant to Article XI shall be in accordance with the terms of such agreement.

"ARTICLE XIV—CONSTRUCTION AND SEVERABILITY

"This compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this compact shall be severable and if any phrase, clause, sentence or provision of this compact is declared to be contrary to the constitution of any party state or of the United States or the applicability thereof to any government, agency, person or circumstance is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person or circumstance shall not be affected thereby. If this compact shall be held contrary to the constitution of any state party thereto, the compact shall remain in full force and effect as to the remaining states and in full force and effect as to the state affected as to all severable matters."

SEC. 3. Pursuant to this compact, the Commissioner of the District of Columbia is hereby authorized and empowered to designate an officer who shall be the compact administrator and who, acting jointly with like officers of party States, shall have power to promulgate rules and regulations to carry out more effectively the terms of the compact. The compact administrator is hereby authorized, empowered and directed to cooperate with all departments, agencies, and officers of and in the government of the District of Columbia in facilitating the proper administration of the compact or of any supplementary agreement or agreements entered into by the District thereunder.

SEC. 4. The compact administrator is hereby authorized and empowered to enter into supplementary agreements with appropriate officials of party States pursuant to Articles VII and XI of the compact. In the event that such supplementary agreements shall require or contemplate the use of any institution or facility of the District of Columbia or require or contemplate the provision of any service by the District of Columbia, no such agreement shall have force or effect until approved by the head of the department or agency under whose jurisdiction said institution or facility is operated or whose department or agency will be charged with the rendering of such service.

SEC. 5. The compact administrator, subject to the approval of the Commissioner or his designated agent, may make or arrange for any payments necessary to discharge any financial obligations imposed upon the District of Columbia by the compact or by any supplementary agreement entered into thereunder.

SEC. 6. The compact administrator is hereby directed to consult with the immediate family of any proposed transferee and, in the case of a proposed transferee from an institution in the District of Columbia to an institution in a party State, to take no final action without approval of the Superior Court of the District of Columbia.

SEC. 7. Duly authorized copies of this Act shall, upon its approval, be transmitted by the Commissioner or his designated agent to the governor of each State, the Attorney General and the Administrator of General Services of the United States, and the Council of State Governments.

Mr. Robinson. The Interstate Compact on Mental Health has four basic purposes: First, it guarantees that any person found to be mentally ill or mentally deficient within a party State will receive care and treatment in that State regardless of legal residence or domicile.

Second, it permits the transfer of a mentally ill patient to an institution in another State when such transfer is found to be in the best interests of the patient.

Third, it provides for interstate cooperation with regard to after-care, and supervision of patients on convalescent status or conditional release.

Finally, the compact encourages supplementary agreements between two or more party States for the furnishing of care and treatment of patients on a cooperative basis.

Forty-two States are currently participating in the Interstate Compact on Mental Health. The District of Columbia is one of the few remaining jurisdictions in which eligibility for care and treatment of mental illness is based on the legal and technical definitions of residence or domicile, rather than on what is determined to be best for the patient from a medical and humanitarian point of view.

Participation in the compact is necessary in order to update the District's approach to the problems of care and treatment, institutionalization and interstate transfer of mentally ill persons, and to bring the District in step with the 42 States already joined in this important example of interstate cooperation.

Although it is not possible to estimate the effect of S. 1995 or H.R. 10344 in terms of cost to the District government, since it cannot be determined with any accuracy how many patients in other jurisdictions may be transferred for treatment to the District of Columbia, or how many of those hospitalized in the District will be returned to their home States, it is anticipated that the cost to the District, if any, will not be significant.

As a progressive step toward improved care and treatment for the mentally ill, the Commissioner of the District of Columbia strongly urges favorable consideration of either S. 1995 or H.R. 10344.

Thank you.

Senator Tunney. Thank you very much.

I don't have any questions on the testimony on S. 1995, but I should state that we have had concern raised over the extent to which a patient must consent to his own transfer.

Do you have testimony that you want to give on the other bills?

Mr. Robinson. With respect to all three of these bills other witnesses are available for such questions as the chairman may wish to ask in explanation of the various bills.

S. 1982 and H.R. 9395

I am pleased to appear before the committee to present the views of the Commissioner of the District of Columbia with respect to S. 1982 and H.R. 9395.

These bills authorize the Commissioner to enter into agreements with teachers, officers, and other educational employees of the District public school system whereby the salary of a participating teacher or employee would be reduced by an amount to be paid into a tax-sheltered annuity plan and used to supplement retirement incomes.

Section 403(b) of the Internal Revenue Code of 1954 and the regulations applicable thereto provide special tax treatment for contributions made on behalf of employees of State public school systems and educational institutions toward the purchase of annuity contracts.

Because the purchase of the annuity is made pursuant to the salary reduction, the amount of the reduced salary or contribution is not currently taxable for Federal income tax purposes, and payment of taxes are deferred until benefits are actually received subsequent to the retirement of the employee.

At the present time, over 200 school districts in at least 43 jurisdictions provide tax-sheltered annuity plans for their educational employees, including Maryland and Virginia, with whom the District competes for educational personnel.

The enactment of the proposed legislation would, therefore, assist the District of Columbia in its recruitment of educational personnel who might be interested in taking advantage of the benefits offered by this type of program.

In order to give the District authority to enter into salary reduction agreements with eligible educational employees who desire to participate in a tax-sheltered annuity program, the Commissioner recommends enactment of either H.R. 9395 or S. 1982. He suggests, however, that inasmuch as the language contained in H.R. 9395 is more clear in its intent, it is for this reason preferable to S. 1982.

Senator TUNNEY. As a matter of information, California provides tax-sheltered plans for the education of its employees and I do not see any reason why the employees of the District of Columbia should not receive the same consideration.

I favor this legislation as well as the legislation on which you testified a few moments ago.

I just might say, Mr. Robinson, that because of the press of time, I think that there is no question but that we will report out H.R. 9395 so that we do not have to go to conference with the House on this legislation.

Please proceed.

S. 1346

Mr. ROBINSON. Mr. Chairman, the Commissioner of the District of Columbia urges the favorable consideration by this committee of S. 1346.

I would ask that a copy of that transmittal and the Commissioner's accompanying letter be made a part of the record at this point.

Senator TUNNEY. Without objection, it is so ordered.

(The letter of transmittal follows:)

THE DISTRICT OF COLUMBIA,
Washington, D.C., January 26, 1971.

THE PRESIDENT,
U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: The Commissioner of the District of Columbia has the honor to submit herewith a draft bill "Relating to benefits for employees of the Government of the District of Columbia, and for other purposes."

The proposed legislation, entitled the "District of Columbia Personnel Act," contains five titles respectively (1) authorizing designated District employees to administer oaths of office; (2) authorizing the set-off of annuity payments, or refunds, payable from the civil service retirement fund in order to liquidate debts

owed to the District or Federal Government; (3) authorizing the waiver by the District of claims for overpayment of pay; (4) authorizing the District Government to provide transportation for District employees working in municipal facilities outside the District of Columbia; and (5) amending the Hatch Act to remove the exemption for the District of Columbia Recorder of Deeds.

The purposes of these proposals are stated in the attached "Summary and Justification of the Provisions of the District of Columbia Personnel Act." For the reasons stated therein the Commissioner believes that each of the proposals would be a benefit either to District employees or to the Government of the District of Columbia, or both. The Commissioner accordingly recommends favorable consideration of these proposals by the Congress.

Sincerely yours,

GRAHAMN W. WATT,
Assistant to the Commissioner.
For WALTER E. WASHINGTON,
Commissioner.

Attachments.

SUMMARY AND JUSTIFICATION OF THE PROVISIONS OF THE DISTRICT OF COLUMBIA PERSONNEL ACT

TITLE I—AUTHORIZE DISTRICT OF COLUMBIA EMPLOYEES TO ADMINISTER OATHS OF OFFICE

Under existing law (section 85 of the Revised Statutes relating to the District of Columbia; D.C. Code, sec. 1–308) oaths of office of all District employees must be taken and subscribed, certified, and recorded in such manner and form as may be prescribed by law. This necessitates the administration of the oath of office only by those persons authorized by District law to administer oaths, such as judicial officers and notaries public. This requirement has been an increasing administrative bottleneck with the Government of the District of Columbia in recent years, particularly with respect to the District's special hiring programs. During the 1969 summer season, over 10,000 special hiring and regular summer appointments were made by the District Government. Each required the administration of the oath of office and certification of the appointment by a notary public. All of these appointments were in addition to the appointments made as the result of turnover in the normal course of day-to-day operations. The District Government does not have a sufficient number of notaries public in its employ to effectively handle this number of appointments, nor does the District believe that apporntment of a large number of notaries for this purpose is necessary or desirable.

Under a provision of the Act approved June 26, 1943 (57 Stat. 196), now contained in section 2903(b) of title 5, United States Code, an employee of an Executive agency designated in writing by the head of the agency is authorized to administer oaths of office. The District believes that a similar provision should be made applicable to District employees and recommends an amendment of section 85 of the Revised Statutes relating to the District of Columbia to accomplish this purpose.

TITLE II—SETOFF OF ANNUITY PAYMENTS OR REFUNDS PAYABLE FROM THE CIVIL SERVICE RETIREMENT FUND TO LIQUIDATE DEBTS OWED THE DISTRICT OR FEDERAL GOVERNMENT

Title II would provide specific authority for the Government to set off annuity payments, or refunds, payable to former employees from the civil service retirement fund in order to liquidate debts owed the Government by such former employees of the United States or of the municipal government of the District of Columbia.

The rule is well settled, and has been recognized by judical precedents, that the amounts payable to a former employee of the Government may be applied in liquidation of an indebtedness of such former employee to the Government. There is no provision in the civil service retirement legislation specifically authorizing this procedure, but the rule is based on the common law right of every creditor to apply the moneys of his debtor in his possession to extinguish his claim against the debtor.

This rule was applied uniformly until 1956, in cases of former employees of the municipal government of the District of Columbia. In 1956, the Comptroller

General held—on the basis of a court case—that the rule no longer should be applied in cases of former District employees, because the District of Columbia is a legal entity separate and distinct from the United States, and, therefore, that the United States could not make setoffs requested by a separate legal entity—the municipal government of the District of Columbia.

This title will amend civil service retirement legislation to provide specific legislative authority for setoffs to be made to liquidate debts owed by former employees of the Government. Section 8331(7) of title 5, United States Code, defines the term "Government" as including the municipal government of the District of Columbia.

The District of Columbia Government estimates that it has approximately 300 cases annually which might be subject to setoff. The debts of former employees generally have been due to overdrawn leave, overpavment of salary, nonpayment of taxes, and failure to refund travel advances.

There is no additional cost involved in this legislative proposal. This title will authorize a procedure which will assist the municipal government of the District of Columbia in recovering amounts owed by the former employees.

TITLE III—WAIVER BY DISTRICT OF COLUMBIA GOVERNMENT OF CLAIMS FOR OVERPAYMENT OF PAY

Title III authorizes the Commissioner of the District of Columbia to waive repayment to the District of overpayments of salary to District employees in cases where such repayment would be against equity and good conscience and not in the best interest of the District of Columbia. This title is patterned after section 5584 of title 5, United States Code, as added by Public Law 90-616, approved October 21, 1968, authorizing the Comptroller General of the United States and the heads of executive agencies to waive overpayments with respect to Federal employees.

The Commissioner believes it desirable that he be authorized to waive repayment of overpayments of salary to District employees in appropriate cases where no fault of the employee is involved. Repayments are frequently a hardship to employees who, through administrative errors, may have received overpayments of salary for considerable periods of time before the errors are discovered. The District presently has claims for repayment of overpayments of pay totaling approximately $41,000 from 175 employees, an average of approximately $234 per employee—a considerable sum to be repaid to the District, particularly if the employee is in one of the lower salary grades.

TITLE IV—TRANSPORTATION FOR DISTRICT OF COLUMBIA EMPLOYEES WORKING IN MUNICIPAL FACILITIES OUTSIDE THE DISTRICT OF COLUMBIA

Title IV authorizes the Government of the District of Columbia to provide transportation for employees working in municipal facilities outside the District of Columbia in time of emergency, when transportation is inadequate, or when the location of the work site is such as to create problems in the recruitment and retention of District employees. The District Government has experienced difficulties in recruiting and retaining employees for its more remote facilities located outside the District of Columbia, such as, for example, the Children's Center at Laurel, Maryland. Travel time involved and the expense of traveling to these facilities undoubtedly play a part in recruitment difficulties. The District Government should have the authority, when the Commissioner deems it necessary to maintain adequate personnel at any of these facilities, to provide transportation to employees by such means as use of government owned or leased vehicles or reimbursement, in whole or in part, to employees for their travel expenses. No estimate of the cost of providing emergency transportation to any of the District facilities located outside the District of Columbia has been made, but it is not anticipated that such a cost would be substantial, as related to the anticipated benefit of aiding the recruitment and retention of personnel for these facilities.

TITLE V—REPEAL THE POLITICAL ACTIVITY EXEMPTION OF THE RECORDER OF DEEDS

Section 7324(a)(2) of title 5, United States Code, part of the so-called "Hatch Act", prohibits an individual employed by the Government of the District of Columbia from taking an active part in political management or in political campaigns. Subsection (d) of such section 7324, among other things, exempts

from the prohibition contained in subsection (a) the Recorder of Deeds of the District of Columbia.

The District of Columbia Recorder of Deeds is presently the only person in the District Government who is granted an exemption from the prohibition against participation in political activities. Though in earlier times a Presidential appointee, the Recorder of Deeds is now appointed by the Commissioner of the District of Columbia, pursuant to the authority contained in the first section of the Act approved June 9, 1952 (66 Stat. 129; D.C. Code, sec. 45-701), and vested in the Commissioner by Reorganization Plan No. 3 of 1967 (81 Stat. 948). Since it seems inappropriate that the present exemption from the Hatch Act granted to the Recorder of Deeds be continued, title V of the draft bill repeals this exemption.

A BILL Relating to benefits for employees of the Government of the District of Columbia, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "District of Columbia Personnel Act".

TITLE I—AUTHORIZE DISTRICT OF COLUMBIA EMPLOYEES TO ADMINISTER OATHS OF OFFICE

SEC. 101. Section 85 of the Revised Statutes Relating to the District of Columbia (D.C. Code, sec. 1-308) is amended by striking out "shall be taken and subscribed, certified and recorded, in such manner and form as may be prescribed by law", and inserting in lieu thereof "may be administered by such employees of the Government of the District of Columbia as the Commission in writing shall designate".

TITLE II—SETOFF OF ANNUITY PAYMENTS OR REFUNDS PAYABLE FROM THE CIVIL SERVICE RETIREMENT FUND TO LIQUIDATE DEBTS OWED THE DISTRICT OR FEDERAL GOVERNMENT

SEC. 201. Section 8346 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(c) Notwithdatnding any other provision of law, the Commission is authorized to take appropriate action on counterclaims filed by the Government as setoff against amounts otherwise due and payable from the Fund to the debtors concerned: *Provided,* That a tax indebtedness due the Government shall not be set off against retirement funds unless it has first been reduced to judgment through court procedures."

TITLE III—WAIVER BY DISTRICT OF COLUMBIA GOVERNMENT OF CLAIMS FOR OVERPAYMENT OF PAY

SEC. 301. (a) A claim of the Government of the District of Columbia (hereinafter, "District") against a person arising out of an erroneous payment of pay made to an employee of the District before or after enactment of this title, the collection of which would be against equity and good conscience and not in the best interests of the District, may be waived in whole or in part by the Commissioner of the District of Columbia (hereinafter, "Commissioner") or his designated agent in accordance with standards which the Commissioner shall prescribe.

(*b*) The Commissioner may not exercise his authority under this title to waive any claim—

(1) if, in his opinion, there exists, in connection with the claim, an indication of fraud, misrepresentation, fault, or lack of good faith on the part of the employee or any other person having an interest in obtaining a waiver of the claim; or

(2) after the expiration of three years immediately following the date on which the erroneous payment of pay was discovered or three years immediately following the effective date of this title, whichever is later.

(*c*) In the audit and settlement of the accounts of any accountable official, full credit shall be given for any amounts with respect to which collection by the District is waived under this title.

(*d*) An erroneous payment, the collection of which is waived under this title, is deemed a valid payment for all purposes.

(e) This title shall not affect any authority under any other statute to litigate, settle, compromise, or waive any claim of the District.

TITLE IV.—TRANSPORTATION FOR DISTRICT OF COLUMBIA EMPLOYEES WORKING IN MUNICIPAL FACILITIES OUTSIDE THE DISTRICT OF COLUMBIA

SEC. 401. The Commissioner of the District of Columbia or his designated agent, is hereby authorized to provide transportation for persons employed by the Government of the District of Columbia in any District facility located outside the District of Columbia upon his determination that (1) an emergency exists requiring the provision of such transportation; or (2) other means of transportation to such facility are inadequate; or (3) the location of the work site is such as to adversely affect recruitment and retention of personnel; or (4) for other good cause the furnishing of transportation for employees to a District of Columbia facility outside the District of Columbia is necessary. Such transportation may be furnished by reimbursement, in whole or in part, to employees for their expenses in traveling to and from District facilities located outside the District of Columbia, by the providing of vehicles for such transportation by the Government of the District of Columbia, or by any other appropriate means, as determined by the Commissioner or his designated agent.

TITLE V—REPEAL THE POLITICAL ACTIVITY EXEMPTION OF THE RECORDER OF DEEDS

SEC. 501. Subsection (d) of section 7324 of title 5 of the United States Code is amended (a) by inserting "or" immediately after the semicolon at the end of clause (3); (b) by striking out the semicolon and "or" at the end of clause (4) and inserting a period in lieu thereof; and (c) striking out clause (5).

Mr. ROBINSON. The bill, which may be cited as the "District of Columbia Personnel Act," is designed to improve existing laws relating to employees of the District and to effect improvements in the administration of the District government.

S. 1346 contains five titles. In brief, title I authorizes District employees designated by the Commissioner to administer oaths of office. Under existing law, only those persons specifically authorized by statute, primarily judicial officers and notaries public, may administer oaths and make certifications of appointments. This requirement has become an increasing administrative bottleneck to the District government in recent years, particularly with respect to the District's special hiring programs and in District-owned institutions and facilities located in Maryland and Virginia where officials authorized to take oaths are not readily available. The authority contemplated by title I of the bill is similar to that presently possessed by employees of Federal agencies, who are selected by the head of the agency to administer oaths of office.

Title II of S. 1346 provides specific authority for the setoff of annuity payments or refunds, payable to former employees from the Civil Service Retirement Fund, in order to liquidate debts owed by such former employees to the District or Federal governments.

The term "government" is defined by section 8331(7) of title V of the United States Code to include the municipal government of the District of Columbia.

Therefore, title II of S. 1346, among other things, places the District on a par with the Federal Government, which enjoys the common law right of a creditor, with respect to liquidating debts owed it by former employees.

This title will restore to the District government rights with respect to setoffs which were available to it for over 30 years. In 1956, the Comptroller General ruled in 36 Comp. Gen. 457, a decision based in part upon the 1955 case of *Sedgwick* v. *Young*, that the Civil Service

Commission could no longer honor claims by the District of Columbia for the setoff of moneys in the retirement fund in liquidation of debts due the District government.

Approximately 300 cases annually may probably be subject to the setoff authority provided by title II. The debts of former employees generally have been due to overdrawn leave, overpayment of salary, nonpayment of taxes, and failure to refund travel advances. The bill provides, however, that a tax indebtedness must first be reduced to judgment through the courts before being subjected to setoff.

There is no additional cost involved in this proposal. It will, however, rectify a situation of long standing and assist the municipal government in recovering moneys owed by former employees.

Title III authorizes the Commissioner to waive repayment to the District of overpayments of salary to District employees in those cases where it is determined that such repayment would be against equity and good conscience and not in the best interest of the District of Columbia. This discretionary authority to waive overpayments is presently vested by law in the Comptroller General and the heads of executive agencies with respect to Federal employees. It appears desirable that the Commissioner be similarly authorized to waive repayment of overpayments of salary to District employees in appropriate cases where no fault of the employee is involved and there does not exist any indication of fraud, misrepresentation, or lack of good faith on the part of the employee. Repayments are frequently a hardship to employees who, through administrative errors, may have received overpayments of salary for considerable periods of time before the errors are discovered.

Under title IV of S. 1346 the Commissioner is authorized to provide transportation for the District employees working in municipal facilities outside the District of Columbia when an emergency exists, when other means of transportation are inadequate, when the location of the work site is such as to create problems in the recruitment and retention of District employees, and for other good cause.

The District government has experienced difficulties in recruiting and retaining employees for its more remote facilities located outside the District of Columbia, such as, for example, the Children's Center at Laurel, Md. The time involved and the expense of traveling to these facilities undoubtedly play a significant part in recruitment difficulties.

The Commissioner believes it is highly desirable that he be authorized, when necessary to maintain adequate personnel at any of these facilities and institutions, to provide transportation to employees by such means as use of government-owned or leased vehicles or by reimbursement, in whole or in part, to employees for their travel expenses. No estimate of the cost of providing transportation outside the District of Columbia has been made, but it is not anticipated that such a cost would be substantial, in relationsh p to the anticipated benefit of aiding the recruitment and retention of personnel at these locations.

Title V of S. 1346 amends existing law to remove the exemption granted the Recorder of Deeds of the District of Columbia from the prohibitions of the Hatch Act. This act, codified to section 7324 of title V of the United States Code generally prohibits most employees of the District of Columbia Government from participating in political

management or in in political campaigns. The Recorder of Deeds is the only named exemption of a District official from the restrictions against political activities. Though in earlier times a Presidential appointee, the Recorder of Deeds is now appointed by the Commissioner. Since it seems inappropriate that the present exemption from the Hatch Act held by the Recorder of Deeds be continued, title V of the bill repeals this exemption.

The Commissioner believes all five of the titles of S. 1346 are necessary in order to improve certain deficiences in existing practices and procedures and he recommends favorable consideration by the committee of this bill.

Senator TUNNEY. When do you anticipate, Mr. Robinson, there will be an estimate of the cost for providing transportation for employees outside the District of Columbia?

Mr. ROBINSON. I am unable to provide an estimate of the anticipated costs, Mr. Chairman. It is not known at the present time how many employees would be involved, or what institutions would make use of the authority granted by the Congress.

If you wish, for the record, we could submit an estimate.

Senator TUNNEY. I would like to have it for the record.

Mr. ROBINSON. We will furnish that, Mr. Chairman.

(Information requested follows:)

THE DISTRICT OF COLUMBIA,
Washington, D.C., December 27, 1971.

Hon. JOHN V. TUNNEY,
Chairman, Public Health, Education, Welfare, and Safety Subcommittee, Committee on the District of Columbia, U.S. Senate, Washington, D.C.

DEAR SENATOR TUNNEY: At the hearing of November 24, 1971 on S. 1346, the proposed "District of Columbia Personnel Act", you requested additional comments on two aspects of the legislation.

With respect to title II of the bill, relating to setoffs, you asked that the District Government amplify on the provision requiring that a tax indebtedness first be reduced to judgment through the courts before being subjected to setoff against annuity payments to an employee, whereas the bill authorizes other claims to be setoff without a court decision. The basis for this distinction is that in non-tax claims, such as overdrawn leave, overpayment of salary, or failure to refund travel advances, there is virtually never a controversy between the parties involved since detailed records are kept for these types of expenditures and it becomes merely a matter of checking such records against the amount due an employee in order to determine whether the employee has been overcompensated. In contrast, debts arising from alleged deficiencies in tax payments are almost always contested by either the individual involved, the government, or both. Accordingly, the bill requires that a tax indebtedness first be reduced to judgment through court procedures before being subjected to setoff in order to protect an employee against any unfounded claims.

Title IV of S. 1346 would authorize the Commissioner of the District of Columbia to provide transportation to District employees who are employed at District facilities located outside the city. This is merely authorizing legislation and subsequent determinations would have to be made, on a case by case basis, as to the merits of seeking funds to provide transportation to employees. The two District agencies most directly affected by this proposal are the Department of Human Resources and the Department of Corrections. The Department of Human Resources has approximately 700 District residents working at its Forest Haven and Glen Dale facilities in Maryland and approximately 50 District residents employed at its Occoquan facility in Virginia. The Department of Corrections has approximately 250 District residents employed in its Lorton, Virginia institutions. Preliminary estimates indicate that bus transportation could be arranged at a cost of approximately $3.00 per person per day to the Forest Haven and Glen Dale locations and at approximately $4.00 per person per day at the Occoquan and Lorton facilities. It is, however, difficult to estimate the total costs of transportation to these sites at this time since it is not known how many employees may wish

to take advantage of District-provided transportation and under what circumstances it would be most appropriate to provide the transportation. Should authority be granted to provide such transportation, the District Government will carefully review the total working situation for employees at the various sites before making any funding proposal for purposes of transportation.

Thank you for the opportunity to provide these additional comments for the record on S. 1346.

Sincerely yours,

GRAHAM W. WATT,
Assistant to the Commissioner.
FOR WALTER E. WASHINGTON,
Commissioner.

Senator TUNNEY. In your statement you said:

> The bill provides, however, that a tax indebtedness first be reduced to judgments through the courts before being subjected to setoff.

Why do you treat tax indebtedness differently from overpayment of salary and failure to refund travel and advances and overdrawn leave for the purpose of having a court decision before you are able to get the setoff?

Mr. ROBINSON. Probably because in most cases of controversy over tax payments due, there is a possibility that there may be two sides to the argument.

It was felt desirable that the person involved, before having a final decision made as to the amount of taxes owed especially in cases of controversy that the matter be litigated in courts to make a determination as to the exact amount owed in order that the District may then comply with the requested setoff procedures.

Senator TUNNEY. Isn't that same thing true with respect to the refunding of travel advances? I can imagine that you could have tremendous controversy over that point as to what constituted an overpayment.

Would you supply for the record an answer to this question because I don't know any reason why we should treat tax indebtedness separately from the others. There may be very good reason but it escapes me at the moment.

There ought to be at least some opportunity for adjudication independent of the person who is making the claim that there was no payment.

If you could supply that reason for the record for the separate treatment of tax claims, we might be able to move this legislation as rapidly as we move the others.

Thank you very much, Mr. Robinson.

(Information requested appears on p. 187.)

Senator TUNNEY. I would like to say to those who were here when the committee heard testimony on the District of Columbia Unemployment Compensation Act amendments, becuase of the amount of money that is involved, $30 million plus, and because of the fact that we have a January 1, 1972, deadline to pass the bill through the Congress and in order that Federal contributions are not lost, I can assure those of you in the audience who are interested that we will, on this side on the Congress, get this bill through the committee and through the Senate before we adjourn sine die.

It would be my hope that the House would be able to do the same thing, but we will hold an executive session of this committee when we return from the Thanksgiving recess and get the bill through.

Our next witness is Mr. Donald Weinberg, District of Columbia Personnel Office.

STATEMENT OF DONALD H. WEINBERG, DISTRICT OF COLUMBIA PERSONNEL OFFICE

Mr. WEINBERG. Mr. Chairman and members of the committee, I am pleased to appear before your committee to testify on S. 1998 and H.R. 8407.

I will briefly summarize the District government's position on these bills and I would ask that the District's more detailed reports and analyses of the legislation be made a part of the record.

Senator TUNNEY. Without objection, it is so ordered.

(The material follows:)

THE DISTRICT OF COLUMBIA,
Washington, D.C., May 14, 1971.

THE PRESIDENT,
U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: The Commissioner of the District of Columbia has the honor to submit herewith a draft bill entitled the "District of Columbia Educational Personnel Act". The purposes of this proposed legislation, which are more fully set out in the attached summary and justification of the various titles of the bill, can be stated briefly as follows:

Title I authorizes the Commissioner to enter into on behalf of the District of Columbia the Interstate Agreement on Qualification of Educational Personnel.

Title II authorizes the advancing of emergency leave to temporary teachers and attendance officers. Such advancement of leave is presently available only to permanent and probationary teachers and attendance officers.

Title III amends the District of Columbia Teachers' Leave Act of 1949 to increase from ten days to thirteen days the amount of cumulative sick and emergency leave available for use by school teachers during the school year.

Title IV allows temporary teachers in the District public school system to voluntarily apply for Federal life insurance and health benefits coverage after completion of one year's service, rather than after service of two years as required at present.

Title V amends existing law to transfer coverage of temporary teachers in the District public school system from the Civil Service Retirement System to the system established under the District of Columbia Public School Teachers Retirement Act. This title would also authorize the transfer of all retirement deductions from the salaries of such teachers and all matching funds made by the District Government from the Civil Service Retirement and Disability Fund to the District of Columbia Teachers Retirement and Annuity Fund.

Title VI authorizes summer employment of District school teachers in Congressional offices. This title negates a restrictive provision of law that the Commissioner believes was not intended by the Congress.

For the various reasons stated in the attached justification, the Commissioner of the District of Columbia believes that the enactment of each of the titles of the proposed legislation will be of substantial benefit to personnel employed in educational activities of the public school system and will contribute to the advancement of education in the District. He therefore urges favorable consideration of the bill by the Congress.

The Office of Management and Budget has advised that, from the standpoint of the Administration's program, there is no objection to the submission of this proposed legislation to the Congress.

Sincerely yours,

GRAHAM W. WATT,
Assistant to the Commissioner.
For WALTER E. WASHINGTON,
Commissioner.

Attachments.

71-274—72——13

Summary and Justification of Provisions of the District of Columbia Educational Personnel Act

TITLE I—INTERSTATE AGREEMENT ON QUALIFICATION OF EDUCATIONAL PERSONNEL

Title I of the bill authorizes the Commissioner to enter into on behalf of the District of Columbia the Interstate Agreement on Qualification of Educational Personnel. This title is designed to provide an efficient means of bridging differences in substantive and procedural arrangements for qualifications of teachers and other educators, without affecting the autonomy of individual State educational systems.

Each State and the District of Columbia now has its own system of law and administrative practice governing the process of licensing or certifying teachers. In varying degrees, the systems are based on detailed descriptions of course requirements attached to teacher-training programs and a miscellaneous list of other statutory and administrative requirements. While many of these requirements vary there is a large body of generally agreed upon principles utilized in determining satisfactory teacher certification. In brief, with only very rare and limited exceptions, a person who is well prepared as a teacher or other school professional in one State can also function well in other States.

The enactment of title I will allow the District to enter into contracts which should reduce or eliminate duplication of administrative effort in checking teacher records already evaluated by competent authorities in the States. This should result in faster processing of teacher applications, improve teacher morale, permit rapid identification of qualified teachers, and increase the supply of qualified educational personnel. As many of the District's educational personnel come from without the District, the bill will facilitate the certification process and thereby improve recruitment procedures.

Title I is in the nature of enabling legislation. It provides the necessary legal authority whereby the Board of Education of the District may institute procedures to permit the recognition of decisions on teacher qualifications already made in party States. At the same time safeguards are provided to assure each participating State that such procedures will not produce interstate acceptance of substandard educational personnel. This legislation requires no new administrative body and requires no appropriations to become effective.

The heart of the Interstate Agreement is in its provisions authorizing the making of contracts by designated State educational officials. These contracts would have the force of law and would prescirbe the methods under which teacher qualifications of a signatory State could be accepted by party States without the necessity for re-examination of such qualifications. The Agreement specifies the minimum contents of such contracts in such a way as to assure the contracting States that standards employed for passing on qualifications will remain at a high professional level.

The Interstate Agreement has received national recognition as a means of overcoming the problem of reciprocity in the certification of educational personnel. At present the legislatures of 17 States have adopted the Interstate Agreement on Qualification of Educational Personnel, and this legislation would authorize the District to do likewise.

The Commissioner believes that the enactment of title I will contribute to the advancement of education in the District, and also bring the District further in line with the prevailing policy of interstate coordination and cooperation.

TITLE II—EMERGENCY LEAVE FOR TEMPORARY TEACHERS AND ATTENDANCE OFFICERS

Section 4 of the District of Columbia Teachers' Leave Act of 1949, as amended (D.C. Code, sec. 31–694) provides:

"In cases of serious disability or ailments, and when required by the exigencies of the situation, and in accordance with such rules and regulations as the Board of Education may prescribe, the Superintendent of Schools may advance additional leave with pay not to exceed thirty days to *every probationary or permanent teacher or attendance officer* who may apply for such advanced leave." (Emphasis supplied.)

The Government of the District of Columbia, with the concurrence of the Board of Education, is recommending that this provision be expanded to include teachers and attendance officers classified as temporary employees. In view of the fact that some teachers or attendance officers may remain in a temporary status

for some time while earning their accreditation for probationary status, while others classified as temporary teachers or attendance officers cannot for various reasons qualify for permanent appointment, the authority to advance emergency leave to permanent or probationary teachers or attendance officers should, in all fairness, be extended to temporary teachers and attendance officers. The amendment of section 6 of the Teachers' Leave Act proposed by title II would make temporary teachers and temporary attendance officers eligible for the advancement of emergency leave by the Superintendent of Schools, under the same rules as apply to other public school teachers and attendance officers.

TITLE III—INCREASE IN SICK AND EMERGENCY LEAVES FOR TEACHERS

Under existing law, teachers and other educational employees in class 15 of the teachers' salary schedule receive one day of cumulative sick and emergency leave with pay for each month from September through June, or ten days a year The employee may use three days of such cumulative leave during the school year for any purpose, and unused leave may be accumulated without limitation.

In actual practice, the yearly leave entitlement of ten days represents only seven days of sick leave, since an estimated 75 percent of the teachers, by necessity, use all three days of general or emergency leave each school year. The latest available nation-wide study of paid leave provisions for teachers indicates that ten days is the prevalent annual allowance for sick leave alone.

Title III of the bill would increase to thirteen days the annual allowance for cumulative leave to which teachers are entitled. After subtracting the three days of emergency leave that the majority of teachers use each year, ten days would remain for sick leave credit. This increase in the amount of allowable annual sick leave is justified not only in view of prevailing practices in other school systems, but in the need to provide a more reasonable sick leave reserve for teachers who become ill. In 1969 most teachers at the time of retirement had accumulated an average of only 23 days of sick leave. It is anticipated that enactment of title III will double the accumulation of sick leave, thereby giving teachers a greater sense of security in the event of frequent or lengthy loss of time because of illness.

The cost of the benefits provided by title III for a fiscal year is estimated at $200,000, based upon an assumed ten percent increase in the use of sick leave by teachers and the resultant added need for substitute teachers. The following additional annual costs, projected from fiscal year 1973 through fiscal year 1980, reflect the financial impact of the propose increase in sick leave on the District's share of funding liberalized retirement benefits provided by the District of Columbia Teachers' Retirement Amendments of 1970 (Public Law 91-263) approved May 22, 1970:

Fiscal year:	*Cost*
1973	$2, 800
1974	5, 400
1975	8, 000
1976	10, 700
1977	13, 400
1978	16, 000
1979	18, 600
1980	21, 300

Section 1 of the Teachers' Retirement Amendments of 1970 provides that unused sick leave credited to a teacher at the time of eligibility for retirement shall be used in determining length of service for purposes of computing his annuity. Since, as previously indicated, the average accumulation of 23 days of sick leave is expected to double, the above additional yearly costs are anticipated.

TITLE IV—LIFE AND HEALTH INSURANCE BENEFITS FOR TEMPORARY TEACHERS

The purpose of title IV is to permit temporary teachers in the District public school system to elect coverage under the Federal life insurance and health insurance programs after completion of one school year of service. At present, temporary teachers may not apply for coverage under these programs until after the completion of two school years of service.

Section 9 of the District of Columbia Teachers Salary Act of 1955 (D.C. Code, sec. 31-1534) authorizes the Board of Education to appoint temporary employees for periods that do not extend past June 30 of the fiscal year in which the employee is appointed. However, temporary teachers can be and are reemployed in subse-

quent school years and constitute a substantial portion of the teaching force in District public schools. Of approximately 8,000 teachers employed in tne school system, 1,020 are classified as temporary teachers. Of the 1,020 temporary teachers, approximately 637 or almost two-thirds have served for periods of time totaling two years and are thus eligible for coverage under the life insurance and and health benefits programs.

Temporary employees in other positions in the Federal and District Governments are not eligible for life or health insurance coverage when employed for periods of less than one year regardless of how many such periods they serve. The amendment proposed by title IV recognizes the unique status of temporary teachers who, in contrast to other temporary employees, are not hired to fill positions which are expected to be of short duration. Temporary teachers do not possess all of the qualifications needed to receive probationary appointments, but nevertheless fill continuing positions in the school system in the absence of fully qualified teachers. Title IV does not, therefore, establish a new principle of law but expands an existing exception for temporary teachers who, by completing one school year and commencing a second one, indicate their intention to enter into a continuing employment relationship.

Presently 145 temporary teachers with more than one year but less than two years of service in the public schools would become eligible for life insurance and health benefits coverage upon enactment of title IV. Although participation in both plans is voluntary, should all of the eligible temporary teachers elect coverage, costs to the District of Columbia for the first full fiscal year is estimated as follows:

	Average annual cost per teacher	Number of teachers	Full fiscal year cost
Health insurance	$90	145	$13,000
Life insurance	36	145	5,200
Total			18,200

This cost figure has not been adjusted to reflect the fact that temporary teachers in the group who attain two years of school service during the fiscal year would become eligible for coverage under existing law. Nor has it been determined how many of the 238 temporary teachers with less than one year's service who would attain eligibility upon enactment of title IV after completion of service of one year will be employed during ensuing school years.

TITLE V—TRANSFER OF RETIREMENT COVERAGE FOR TEMPORARY TEACHERS

Title V of the bill amends existing law by striking references to "probationary" and "permanent" teachers and employees of the Board of Education, thereby effecting the inclusion of "temporary" teachers (i.e., those teachers whose employment contracts do not exceed periods of one year) in the teachers' retirement system. Pursuant to provisions of section 19 of the District of Columbia Teachers' Salary Act of 1955 (D.C. Code, sec. 31–1548), the teachers' retirement system is made applicable only to permanent and probationary employees of the public schools and thus excludes temporary teachers who do not fall within either of these classes. Temporary teachers are presently subject to coverage under the Civil Service retirement program, pursuant to paragraph (ii) of section 8331(1) of title 5 of the U.S. Code, since they are employees not subject to another retirement system for Government employees.

Section 502 of the bill would authorize the transfer of all retirement deductions and deposits from the salaries of temporary teachers and all matching funds contributed by the District Government for such teachers from the Civil Service Retirement and Disability Fund to the credit of the District of Columbia Retirement and Annuity Fund. The transfer of funds would be made only with respect to deductions and contributions affecting those temporary teachers on the rolls of the public schools as of the effective date of such section 502.

The replacement of Civil Service retirement coverage with the system established for teachers in the public schools will result in a reduction of an estimated $1,000,000 annually in the amount now paid by the District Government into the Civil Service retirement system. Upon receiving a probationary or permanent appointment, or upon leaving the employment of the District Government, most temporary teachers withdraw their contributions to the Civil Service retirement

fund, a practice which causes a loss of the matching amounts contributed by the District for each such employee. Coverage under the teachers' retirement system does not require the contribution of matching amounts by the District of Columbia.

In addition to the monetary savings, the proposed transfer of retirement coverage will reduce the administrative paper work involved in transferring retirement monies between the respective funds when a temporary teacher qualifies for a probationary appointment. It is estimated that the transfer of coverage from the Civil Service system to the teachers' retirement system will eliminate one thousand paper transactions a year.

Section 503 of title V is designed to correct an inequity caused by current salary placement provisions in the District of Columbia Teachers' Salary Act as applied to educational personnel employed at the District of Columbia Teachers College who, pursuant to an agreement consumated under the authority of the District of Columbia Public Education Act (D.C. Code, sec. 31–1603(a)(12)), were transferred from the control of the Board of Education to that of the Board of Higher Education. Teachers currently above step 10 in salary class 15 of the Teachers' Salary Act who wish to accept appointment in the public schools without a break in service can only be reappointed at step 10. Section 503 provides that these employees will be treated for salary placement and retirement purposes as if they had never left the employ of the Board of Education.

Section 504 provides an effective date for sections 501 and 502 of the bill with the first pay period which begins on or after 60 days after enactment of title V.

TITLE VI—SUMMER EMPLOYMENT OF DISTRICT TEACHERS IN CONGRESSIONAL OFFICES

Title VI would amend section 5533 of title 5 of the United States Code, as amended by section 477(d) of the Legislative Reorganization Act of 1970 (84 Stat. 1195), so as to negate a restrictive provision contained in subsection (c) of such section which has the effect of precluding the employment of District public school teachers in Congressional offices during the summer months of the school year.

Section 5533(c) of title 5 of the United States Code provides in pertinent part as follows:

> "(c)(1) Unless otherwise authorized by law . . . appropriated funds are not available for payment to an individual of pay from more than one position if the pay of one of the positions is paid by the Secretary of the Senate or the Clerk of the House of Representatives, or one of the positions is under the Office of the Architect of the Capitol, and if the aggregate gross pay from the positions exceeds $7,724 a year,
>
> * * * * *
>
> "(3) For the purposes of this subsection 'gross pay' means the annual rate of pay (or equivalent thereof in the case of an individual paid on other than an annual basis) received by an individual.".

A position is defined by section 5531(2) of title 5, as a civilian office or position in the legislative, executive, or judicial branch of the United States Government or in the municipal government of the District of Columbia. Inasmuch as the basic annual pay of District school teachers exceeds the limitation contained in section 5533(c), this latter provision effectively precludes their employment in positions in the offices listed in paragraph (1) of such subsection (c) during the summer vacation period, at a time when many such teachers are not drawing salary from the District Government and are not actually engaged in teaching in the school system.

It would appear that this is not one of the results intended or anticipated by Congress, especially in view of the fact that under paragraph (c) of section 5533(d) of title 5, the Congress specifically excepted pay received by teachers for employment in a position during the summer from the prohibition in section 5533(a) against the receipt of basic pay from more than one position for more than an aggregate of forty hours of work in one calendar week. The anomaly of existing law, therefore, is that District teachers may, during the summer months, work anywhere in the District Government and in the executive or judicial branches of the Federal Government, but may not work for the legislative branch.

Under the temporary authority provided in annual District of Columbia Appropriation Acts, public school teachers working for Congress during the summer months are now exempted from the provisions of section 5533(c) of title 5.

In view of the matters recited above, the Commissioner believes it is fair and equitable to provide permanent authority for District school teachers to obtain employment in Congressional offices during the summer vacation period when they are not engaged in teaching activities, and, therefore, recommends the amendment of section 5533 of title 5, United States Code, as provided by title VI.

TITLE VII—EFFECTIVE DATE

Title VII provides an effective date for sections 401, 501, and 502 of the bill on the first day of the first pay period which begins on or after sixty days after the date of enactment.

A BILL Relating to educational personnel in the District of Columbia

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "District of Columbia Educational Personnel Act".

TITLE I—INTERSTATE AGREEMENT ON QUALIFICATION OF EDUCATIONAL PERSONNEL

SEC. 101. The Commissioner of the District of Columbia is authorized to enter into and execute on behalf of the District of Columbia an agreement with any State or States legally joining therein in the form substantially as follows:

"The Interstate Agreement on Qualification of Educational Personnel

"ARTICLE I—Purpose, Findings, and Policy

"1. The States party to this Agreement, desiring by common action to improve thier respective school systems by utilizing the teacher or other professional educational person wherever educated, declare that it is the policy of each of them, on the basis of cooperation with one another, to take advantage of the preparation and experience of such persons wherever gained, thereby serving the best interests of society, of education, and of the teaching profession. It is the purpose of this Agreement to provide for the development and execution of such programs of cooperation as will facilitate the movement of teachers and other professional educational personnel among the States party to it, and to authorize specific interstate educational personnel contracts to achieve that end.

"2. The party States find that included in the large movement of population among all sections of the Nation are many qualified educational personnel who move for family and other personal reasons but who are hindered in using their professional skill and experience in their new locations. Variations from State to State in requirements for qualifying educational personnel discourage such personnel from taking the steps necessary to qualify in other States. As a consequence, a significant number of professionally prepared and experienced educators is lost to our school systems. Facilitating the employment of qualified educational personnel, without reference to their States of origin, can increase the available educational resources. Participation in this Agreement can increase the availability of educational manpower.

"ARTICLE II—Definitions

"As used in this Agreement and contracts made pursuant to it, unless the context clearly requires otherwise:

"1. 'Educational personnel' means persons who must meet requirements pursuant to State law as a condition of employment in educational programs.

"2. 'Designated State official' means the education official of a State selected by that State to negotiate and enter into, on behalf of his State, contracts pursuant to this Agreement.

"3. 'Accept', or any variant thereof, means to recognize and give effect to one or more determinations of another State relating to the qualifications of educational personnel in lieu of making or requiring a like determination that would otherwise be required by or pursuant to the laws of a receiving State.

"4. 'State' means a State, territory, or possession of the United States; the District of Columbia; or the Commonwealth of Puerto Rico.

"5. 'Originating State' means a State (and the subdivision thereof, if any) whose determination that certain educational personnel are qualified to be employed for specific duties in schools is acceptable in accordance with the terms of a contract made pursuant to Article III.

"6. 'Receiving State' means a State (and the subdivisions thereof) which accept educational personnel in accordance with the terms of a contract made pursuant to Article III.

"ARTICLE III—Interstate Educational Personnel Contracts

"1. The designated State official of a party State may make one or more contracts on behalf of his State with one or more other party States providing for the acceptance of educational personnel. Any such contract for the period of its duration shall be applicable to and binding on the States whose designated state officials enter into it, and the subdivisions of those States, with the same force and effect as if incorporated in this Agreement. A designated state official may enter into a contract pursuant to this Article only with States in which he finds that there are programs of education, certification standards or other acceptable quallfications that assure preparation or qualification of educational personnel on a basis sufficiently comparable, even though not identical to that prevailing in his own State.

"2. Any such contract shall provide for:

(*a*) Its duration.

(*b*) The criteria to be applied by an originating State in qualifying educational personnel for acceptance by a receiving State.

(*c*) Such waivers, substitutions, and conditional acceptances as shall aid the practical effectuation of the contract without sacrifice of basic educational standards.

(*d*) Any other necessary matters.

"3. No contract made pursuant to this Agreement shall be for a term longer than five years but any such contract may be renewed for like or lesser periods.

"4. Any contract dealing with acceptance of educational personnel on the basis of their having completed an educational program shall specify the earliest date or dates on which originating State approval of the program or programs involved can have occurred. No contract made pursuant to this Agreement shall require acceptance by a receiving State of any persons qualified because of successful completion of a program prior to January 1, 1954.

"5. The certification or other acceptance of a person who has been accepted pursuant to the terms of a contract shall not be revoked or otherwise impaired because the contract has expired or been terminated. However, any certificate or other qualifying document may be revoked or suspended on any ground which would be sufficient for revocation or suspension of a certificate or other qualifying document initially granted or approved in the receiving State.

"6. A contract committee composed of the designated state officials of the contracting States or their representatives shall keep the contract under continuous review, study means of improving its administration, and report no less frequently than once a year to the heads of the appropriate education agencies of the contracting States.

"ARTICLE IV—Approved and Accepted Programs

"1. Nothing in this Agreement shall be construed to repeal or otherwise modify any law or regulation of a party State relating to the approval of programs of educational preparation having effect solely on the qualification of educational personnel within that State.

"2. To the extent that contracts made pursuant to this Agreement deal with the educational requirements for the proper qualification of educational personnel, acceptance of a program of educational preparation shall be in accordance with such procedures and requirements as may be provided in the applicable contract.

"ARTICLE V—Interstate Cooperation

"The party States agree that:

"1. They will, so far as practicable, prefer the making of multi-lateral contracts pursuant to Article III of this Agreement.

"2. They will facilitate and strengthen cooperation in interstate certification and other elements of educational personnel qualification and for this purpose shall cooperate with agencies, organizations, and associations interested in certification and other elements of educational personnel qualification.

"ARTICLE VI—AGREEMENT EVALUATION

"The designated State officials of any party States may meet from time to time as a group to evaluate progress under the Agreement, and to formulate recommendations for changes.

"ARTICLE VII—OTHER ARRANGEMENTS

"Nothing in this Agreement shall be construed to prevent or inhibit other arrangements or practices of any party State or States to facilitate the interchange of educational personnel.

"ARTICLE VIII—EFFECT AND WITHDRAWAL

"1. This Agreement shall become effective when enacted into law by two States. Thereafter it shall become effective as to any State upon its enactment of this Agreement.

"2. Any party State may withdraw from this Agreement by enacting a statute repealing the same, but no such withdrawal shall take effect until one year after the Governor of the withdrawing State has given notice in writing of the withdrawal to the Governors of all other party States.

"3. No withdrawal shall relieve the withdrawing State of any obligation imposed upon it by a contract to which it is a party. The duration of contracts and the methods and conditions of withdrawal therefrom shall be those specified in their terms.

"ARTICLE IX—CONSTRUCTION AND SEVERABILITY

"This Agreement shall be liberally construed so as to effectuate the purposes thereof. The provisions of this Agreement shall be severable and if any phrase, clause, sentence, or provision of this Agreement is declared to be contrary to the constitution of any State or of the United States, or the application thereof to any Government, agency, person, or circumstance is held invalid, the validity of the remainder of this Agreement and the applicability thereof to any Government, agency, person, or circumstance shall not be affected thereby. If this Agreement shall be held contrary to the constitution of any State participating therein, the Agreement shall remain in full force and effect as to the State affected as to all severable matters."

SEC. 102. The "designated State official" for the District of Columbia shall be the Superintendent of Schools of the District of Columbia. The Superintendent shall enter into contracts pursuant to Article III of the Agreement only with the approval of the specific text thereof by the Board of Education of the District of Columbia.

SEC. 103. True copies of all contracts made on behalf of the District of Columbia pursuant to the Agreement shall be kept on file in the office of the Board of Education of the District of Columbia and in the office of the Commissioner of the District of Columbia. The Superintendent of Schools shall publish all such contracts in convenient form.

SEC. 104. As used in the Interstate Agreement on Qualification of Educational Personnel, the term "Governor" when used with reference to the District of Columbia shall mean the Commissioner of the District of Columbia.

TITLE II—EMERGENCY LEAVE FOR TEMPORARY TEACHERS AND ATTENDANCE OFFICERS

SEC. 201. Section 4 of the District of Columbia Teachers' Leave Act of 1949 (63 Stat. 843), as amended (D.C. Code, sec. 31–694), is amended by striking out "probationary or permanent.".

TITLE III—INCREASE IN SICK AND EMERGENCY LEAVE FOR TEACHERS

SEC. 301. The second sentence of the first section of the District of Columbia Teachers' Leave Act of 1949 (63 Stat. 842), as amended (D.C. Code, sec. 31–691), is amended by striking out "one day" and inserting in lieu thereof "one and three-tenths days.".

TITLE IV—LIFE AND HEALTH INSURANCE BENEFITS FOR TEMPORARY TEACHERS

Sec. 401. Title 5 of the United States Code is amended as follows:

(a) Section 8716(b)(2) of such title is amended by striking out "two school years" and inserting in lieu thereof "one school year".

(b) Section 8913(b)(2) of such title is amended by striking out "two school years" and inserting in lieu thereof "one school year".

TITLE V—TRANSFER OF RETIREMENT COVERAGE FOR TEMPORARY TEACHERS

SEC. 501. (a) The first sentence of section 8 of the Act entitled "An Act for the retirement of public-school teachers in the District of Columbia", approved August 7, 1946 (D.C. Code, sec. 31–728), is amended by striking out "probationary".

(b) The first sentence of section 13 of such Act (D.C. Code, sec. 31–733) is amended by striking out "permanently".

(c) The first sentence of section 19 of the District of Columbia Teachers' Salary Act of 1955 (D.C. Code, sec. 31–14548) is amended by striking out "probationary and permanent".

SEC. 502. All deductions from the salaries of temporary teachers on the rolls of the public schools of the District of Columbia on the effective date of this title and all deposits made by such temporary teachers by virtue of their service as temporary teachers, together with all matching contributions made by the Government of the District of Columbia on account of such deductions to the Civil Service Retirement and Disability Fund for annuity and retirement purposes are hereby transferred from such fund to the credit of the District of Columbia Teachers' Retirement and Annuity Fund. The teacher shall be deemed to consent and agree to the transfer provided for herein. The transfer of such funds shall be a complete discharge and acquittance of all claims and demands against the Civil Service Retirement and Disability Fund on account of service rendered prior to the effective date of such transfer.

SEC. 503. (a) Section 7 of the District of Columbia Teachers' Salary Act of 1955 (D.C. Code, sec. 31–1532) is amended by adding the following new subsection:

"(d) Notwithstanding the provisions of subsection (a)(1) of this section, any educational employee who was employed by the Board of Education at the District of Columbia Teachers College and who was transferred to the Board of Higher Education pursuant to the authority conferred by section 103(a)(12) of the District of Columbia Public Education Act (D.C. Code, sec. 31–1603(a)(12)), and who wishes to be reappointed to a position under the Board of Education shall receive salary placement credit for the intervening years of service at the District of Columbia Teachers College as if he had had continuous service with the Board of Education: *Provided*, That there is no break in service between the termination of employment by the Board of Higher Education and the reappointment by the Board of Education: *Provided further*, That such service is credited to the District of Columbia Teachers' Retirement and Annuity Fund, either by deductions made for such retirement system or by the purchase of credit for such service for deposit in said fund."

(b) Section 8 of the Act entitled "An Act for the retirement of public-school teachers in the District of Columbia" (D.C. Code, sec. 31–728) is amended by adding the following new paragraph:

"Notwithstanding the provisions of this section, any teacher who is entitled to purchase service credit under the provisions of section 7(d) of the District of Columbia Teachers' Salary Act of 1955 [as added by section 503(a) of this Act] shall purchase such credit based on the salary received from the Board of Higher Education during the period of service to be credited."

TITLE VI—SUMMER EMPLOYMENT OF DISTRICT TEACHERS IN CONGRESSIONAL OFFICES

SEC. 601. Subsection (e) of section 5533 of title 5, United States Code, is amended (a) by inserting "(1)" immediately following "(e)"; and (b) by adding the following new paragraph:

"(2) Subsection (c) of this section does not apply to pay received by a teacher of the public schools of the District of Columbia for employment in a position during the summer vacation period.".

TITLE VII—EFFECTIVE DATE

SEC. 701. Sections 401, 501, and 502 of this Act shall become effective on the first day of the first pay period which begins on or after 60 days after the date of enactment of this Act.

Mr. WEINBERG. Title I of S. 1998 and H.R. 8407, a bill passed by the House of Representatives on July 12, 1971, are virtually identical. Both would authorize the District of Columbia government to participate in the Interstate Agreement on Qualification of Educational Personnel. The interstate agreement has received national recognition as a means of overcoming the problem of reciprocity in the certification of education personnel, and at present the legislatures of 28 States have adopted the agreement.

The heart of the interstate agreement is its provisions authorizing the making of contracts by designated State educational officials. These contracts would have the force of law and would prescribe the methods under which teacher qualifications of a signatory State could be accepted by party States without the necessity for reexamination of such qualifications. The agreement specifies the minimum contents of such contracts in such a way as to assure the contracting States that standards employed for passing on qualifications will remain at a high professional level.

The proposal before you is in the nature of enabling legislation. It provides the necessary legal authority whereby the Board of Education of the District may institute procedures to permit the recognition of decisions on teacher qualifications already made in party States. At the same time, safeguards are provided to assure each participating State that such procedures will not produce interstate acceptance of substandard educational personnel. This legislation requires no new administrative body and requires no appropriations to become effective.

The Commissioner believes that the enactment of H.R. 8407 or title I of S. 1998 will contribute to the advancement of education in the District, and also bring the District further in line with the prevailing policy of interstate coordination and cooperation.

Title II of S. 1998 provides that the advance additional leave provisions of the District of Columbia Teachers Leave Act be expanded to include teachers and attendance officers classified as temporary employees. At present, this provision applies only to probationary and permanent teachers and attendance officers. In view of the fact that some teachers or attendance officers may remain in a temporary status for some time while earning their accreditation for probationary status, while others classified as temporary teachers or attendance officers cannot for various reasons qualify for permanent appointment, the authority to advance up to 30 days of emergency leave to permanent or probationary teachers or attendance officers should, in all fairness, be extended to temporary teachers and attendance officers.

The amendment of section 4 of the Teachers Leave Act proposed by title II would make temporary teachers and temporary attendance officers eligible for the advancement of emergency leave by the Superintendent of Schools, under the same rules as apply to other public school teachers and attendance officers. Temporary teachers and attendance officers, incidentally, are currently entitled to the same cumulative sick and emergency paid leave benefits as their permanent and probationary counterparts.

Title III of S. 1998 would provide for an increase in sick and emergency leave for teachers. The board of education has indicated that it has taken no action with respect to this proposal. In the absence of board action and in light of the potential budgetary implications of

title III, it is requested that your committee withhold further consideration of the proposal at this time.

The purpose of title IV of S. 1998 is to permit temporary teachers in the District public school system to elect coverage under the Federal life insurance and health insurance programs after completion of 1 school year of service.

At present, temporary teachers may not apply for coverage under these programs until after the completion of 2 years of service. Of approximately 8,000 teachers employed in the school system, 1,020 are classified as temporary teachers. Of the 1,020 temporary teachers, approximately 637 or almost two-thirds have served for periods of time totaling 2 years and are thus eligible for coverage under the life insurance and health benefits programs.

The amendment proposed by title IV recognizes the unique status of temporary teachers who, in contrast to other temporary employees, are not hired to fill positions which are expected to be of short duration.

As you are aware, temporary teachers do not possess all of the qualifications needed to receive probationary appointments, but nevertheless fill continuing positions in the school system in the absence of fully qualified teachers. Title IV does not, therefore, establish a new principle of law but expands an existing exception for temporary teachers who, by completing 1 school year and commencing a second one, indicate their intention to enter into a continuing employment relationship.

Presently, 145 temporary teachers with more than 1 year but less than 2 years of service in the public schools, would become eligible for life insurance and health benefits coverage upon enactment of title IV. Although participation in both plans is voluntary, should all of the eligible temporary teachers elect coverage, cost to the District of Columbia for the first full fiscal year is estimated to be $18,200.

Title V of S. 1998 would greatly facilitate the administration of the teacher's retirement system. Presently, temporary teachers are subject to coverage under the civil service retirement program, since they are not eligible for coverage under the Teachers Retirement Act. Having this dual system is neither administratively sound nor financially prudent.

Section 502 of the bill would authorize the transfer of all retirement deductions and deposits from the salaries of temporary teachers and all matching funds contributed by the District government for such teachers from the civil service retirement and disability fund to the credit of the District of Columbia teachers retirement and annuity fund. The transfer of funds would be made only with respect to deductions and contributions affecting those temporary teachers on the rolls of the public schools as of the effective date of such section 502.

The replacement of civil service retirement coverage with the system established for teachers in the public schools will result in a savings to the District of Columbia of more than $1 million annually. Upon receiving a probationary or permanent appointment, or upon leaving the employment of the District government, most temporary teachers withdraw their contributions to the civil service retirement fund, a practice which causes a loss of the matching amounts contributed by the District for each such employee. Coverage under the teachers' retirement system does not require the contribution of matching amounts by the District of Columbia.

In addition to the monetary savings, the proposed transfer of retirement coverage will reduce the administrative paperwork involved in transferring retirement moneys between the respective funds when a temporary teacher qualifies for a probationary appointment. It is estimated that the transfer of coverage from the civil service system to the teachers' retirement system will eliminate 1,000 paper transactions a year.

Title VI of S. 1998 would amend section 5533 of title V of the United States Code, which precludes the employment of District public school teachers in congressional offices during the summer months of the school year. Inasmuch as the basic annual pay of District school teachers exceeds the limitations contained in section 5533(c), $7,724 per annum, this statutory restriction precludes teachers working in congressional offices. Title VI remedies the anomaly of existing law whereby District teachers may, during the summer months, work anywhere in the District government and in the executive or judicial branches of the Federal Government, but may not work for the legislative branch.

Subject to the comments regarding title III, the Commissioner of the District of Columbia strongly recommends enactment of S. 1998. With respect to H.R. 8407, while the Commissioner favors enactment of the bill, he prefers enactment of S. 1998 since it contains the additional provisions previously discussed.

Representatives of the Office of the Corporation Counsel, the Board of Education, and the Department of Finance and Revenue are present today and we are available to answer any questions which you may have.

Thank you, Mr. Chairman.

Senator TUNNEY. The committee has not decided yet whether we will go ahead with S. 1998 or whether we will report out H.R. 8407. Other members of the committee will have to be consulted. We will have to consider this matter in executive session, but I want to thank you for coming here today and making a very thorough and comprehensive statement and abbreviating your statement so that we will hear all witnesses who are present.

Thank you very much, Mr. Weinberg.

Mr. WEINBERG. Thank you, Mr. Chairman.

Senator TUNNEY. I leave a prepared statement on H.R. 8407 from Mr. Leslie E. Jones, associate superintendent, personnel services, District of Columbia Public Schools, which I now place in the record.

(The prepared statement follows:)

PREPARED STATEMENT OF LESLIE E. JONES, ASSOCIATE SUPERINTENDENT, PERSONNEL SERVICES, DISTRICT OF COLUMBIA PUBLIC SCHOOLS

Mr. Chairman and Members of the Subcommittee:

My name is Leslie E. Jones, and I am Associate Superintendent in charge of Personnel Services for the District of Columbia Public Schools. I appreciate the opportunity to testify on H.R. 8407, a bill that would allow the District of Columbia to enter into the Interstate Agreement on Qualification of Educational Personnel.

Certification and licensing of teachers already licensed or certified in other jurisdictions has always been a time consuming, complicated, and cumbersome process both for the teacher and the certification officer. The reevaluation of teacher records which have been evaluated already by competent authorities in other jurisdictions with similar standards is wasteful of the administrator's and teacher's time, energies and skills.

Each state has its own system of laws and administrative practices governing the training, licensing and certification of school personnel. As a result, all too often an experienced, fully certified teacher on moving to another state will find that he or she fails to meet some technical certification specification in the new state. For example, the course taken in state A's teachers college entitled "Teaching in the Elementary Schools" does not meet the state B's requirement of a course in "Methods of Teaching in the Elementary Schools" or the course is only a three instead of a four hour course.

When states have similar standards for certification or licensing these types of minor technicalities place unrealistic restraints on the mobility of teachers and on the ability of a jurisdiction to hire experienced teachers with licenses in other jurisdictions. This no doubt leads to a loss in the total available educational work force as fully certified teachers moving to a new state are discouraged by the new certification requirements. (This is particularly true for women who move because of the husband's change in employment location).

In concentrating on minor technicalities, the larger picture is overlooked. The fact that the potential teacher has ten years of experience and a master's degree in her field granted by a fully accredited teachers college cannot be considered. This makes little sense when generally speaking, teaching math in California or New York requires approximately the same skills as teaching math in Pennsylvania or the District of Columbia. A properly trained librarian in Virginia should be able to function well in Idaho or Winsconsin. In brief, with only very rare and limited exceptions, a person who is well prepared as a teacher or other school professional in one state should be able to meet the minimum skills and training required in another state.

Despite general agreement among professional educators that certification requirements for out-of-state educational personnel were unnecessarily cumbersome, prior attempts to ameliorate the situation had not been particularly successful.

However, in 1966 a nation-wide Interstate Certification Project was begun and a national plan was developed which would allow states, pursuant to enabling legislation, to enter into agreements with other states regarding the acceptance of the other state's license or certification. A model bill entitled "The Interstate Agreement on Qualification of Educational Personnel" was drafted for state legislature enactment.

The bill before you today is patterned directly from the Interstate Agreement. It is legally similar to many other enabling statutes allowing interstate agreements in other fields of state government responsibility. However, the provisions of this bill are less elaborate than those of many other interstate compacts. It sets up no new administrative body and requires no additional appropriations to become effective. Its sole function is to provide the necessary legal authority for District of Columbia officials to contract with other state public education agencies regarding the acceptance of out-of-state certification and licensing decisions. The Interstate Agreement includes safeguards to insure that it will not produce interstate acceptance of substandard educational personnal. Section 1 of Article 3 states that "A designated state official may enter into a contract pursuant to this Article only with states in which he finds that there are programs of education, certification standards or other acceptable qualifications that assure preparation or qualification of education personnel on a basis sufficiently comparable, even though not identical, to that prevailing in his own state."

I am informed that in the 3 years since its development, the Interstate Agreement on Qualification of Educational Personnel has been adopted by 28 State legislatures including Maryland and Virginia. The Interstate Agreement is also consistent with major recommendations contained in the Passow Report and the Executive Study Group Report "that the District should enter into reciprocal certification agreements with other states, expediting licensing and certification and encouraging teachers to move into the District schools on the basis of regional accreditation."[1]

We believe that enactment of this legislation will be beneficial to education and educational personnel. It will reduce or eliminate the

[1] **Toward Creating a Model Urban School System, A Study of the Washington, D.C. Public Schools, A. Harry Passow, Study Director, Teachers' College, Columbia University, New York, New York, p. 8.**

need of District education officials to evaluate teacher records which have already been evaluated and approved by competent authorities in other jurisdictions and thereby should help speed action on teacher applications, improve morale and increase the availability of education personnel. We therefore, urge swift passage of this bill.

Thank you for the opportunity to testify on this bill.

Senator TUNNEY. I also have a memorandum from the District of Columbia Citizens for Better Public Education which will be entered in the record.

(The memorandum follows:)

DISTRICT OF COLUMBIA CITIZENS FOR BETTER PUBLIC EDUCATION, INC.

MEMORANDUM

To Members of the Senate District Committee,
From Nancy Harrison, Executive Director

The D.C. Citizens for Better Public Education, a voluntary membership organization founded in 1964 and devoted to improving education in the District of Columbia, is filing this statement in support of S. 1998, a Bill which would authorize the District of Columbia to enter into the Interstate Agreement on Qualifications of Educational Personnel. The purpose of this bill is (1) to obviate the need for educational personnel who move from the state in which they were originally certificated to be recertificated, and (2) to permit school systems to accept automatically the credentials of educational personnel who have been certificated in another state. Persons who graduate from approved programs leading to certification in one state would automatically be eligible for similar certification in other states participating in the contract, or in the District of Columbia, if this legislation is approved.

To date twenty-seven states have entered into this agreement, including such nearby states from which the District of Columbia recruits school personnel as Delaware, Kentucky, Maryland, New Jersey, New York, North Carolina, Pennsylvania, Virginia, and West Virginia. Also Alaska, California, Florida, Hawaii, Idaho, Indiana, Minnesota, Ohio, Oklahoma, South Dakota, Washington and Wisconsin, and all of the New England states.

This legislation is in the nature of an enabling act which would require no new administrative body and would require no appropriations to become effective.

In our opinion, participation in the contract would contribute constructively to more efficient recruitment and administration of the school system.

We urge immediate action and Senate approval of S. 1998.

Senator TUNNEY. Our next witness is Mr. J. C. Turner, president of the Greater Washington Labor Council, AFL–CIO.

It is a pleasure having you here, Mr. Turner.

STATEMENT OF J.C. TURNER, PRESIDENT, GREATER WASHINGTON CENTRAL LABOR COUNCIL, AFL–CIO, ACCOMPANIED BY JAMES R. O'BRIEN, ASSISTANT DIRECTOR, AFL-CIO DEPARTMENT OF SOCIAL SECURITY

Mr. TURNER. Mr. Chairman, I am accompanied by James O'Brien of the Social Security Department of the AFL–CIO.

We appreciate the opportunity to appear before your committee.

Mr. Chairman, members of the committee, my name is J. C. Turner. As you stated, I am president of the Greater Washington Central Labor Council, AFL–CIO.

The Washington Central Labor Council represents approximately 150,000 workers in this metropolitan area including 75,000 residing in the District of Columbia. The Washington Central Labor Council appreciates this opportunity to present its views on S. 2429.

During the past year, I doubt if a week has passed without a notice to some of our membership concerning reductions in work forces.

Fortunately, unemployment levels in the District of Columbia have not increased at the same pace as national unemployment.

Under these circumstances, umemployment insurance becomes a matter of immediate and deep concern to many working people and their families. Unemployment insurance, as the committee knows, is usually the only form of income protection jobless workers have available. The program is designed to enable workers to maintain their home and families during brief periods of temporary unemployment.

Congress enacted legislation in 1970—Public Law 91-373—to extend and improve the protection this program provides for jobless workers. The bill before the committee, S. 2429, would amend the District of Columbia Unemployment Compensation Act to conform with the Federal law. It also incorporates additional recommendations made by the President concerning State programs.

Mr. Chairman, the Greater Washington Central Labor Council, AFL-CIO, and its affiliated organizations wish to testify in support of the major provisions of S. 2429. There are one or two areas in which we will suggest improvements in the bill, but we hope the bill will be enacted without substantial change.

COVERAGE

The AFL-CIO has a long record of support for extending the protection of unemployment compensation to all wage and salary workers. The amendments before the committee would extend coverage as required by Federal law to:

Agent-drivers engaged in the distribution of meats, vegetables, fruits, bakery products, beverages (other than milk), and laundry and drycleaning services, traveling or city salesmen, American citizens employed outside the United States by American employers, workers employed by the District of Columbia or any of its instrumentalities in a District of Columbia hospital or a District of Columbia institution of higher education.

The amendments provide broader coverage than required by Federal law for workers employed by nonprofit organizations. This is consistent with past practice under the District of Columbia Act in that coverage for many years has been broader than required by the Federal program.

The amendments would also broaden coverage by extending the protection of the act for the first time to domestic workers. This initial coverage of domestic workers would be limited. A payroll limit of earnings of $500 or more in a calendar quarter is required before this type of employment can be credited as covered employment.

The AFL-CIO certainly supports this proposed amendment, but we would suggest it can be improved. This could be accomplished by reducing its payroll limit of earnings to $200 in a calendar quarter. New York and Hawaii presently cover domestic workers under their unemployment compensation programs.

New York covers personal or domestic service in private homes if their employer's payroll for their combined services is at least $500 in any calendar quarter.

Hawaii covers a domestic worker if they are paid at least $225 in a calendar quarter. In New York the entire payroll is used to determine coverage, and in Hawaii a much lower individual payroll limit has been established.

The lower payroll limit, then, in our opinion, would be more meaningful in terms of extending the protection of the program to domestic workers. According to the June 1970 issue of the Social Security Bulletin the average annual wages of these workers are extremely modest.

The average annual taxable wages of these workers for social security purposes in 1965 was only $1,090 in New York, $900 in Hawaii, and $770 in Maryland and D.C. areas.

The Maryland and D.C. figure is reported as a single figure because of consolidation of Internal Revenue districts.

However, this figure of $770 in annual wages is below the average reported for all areas combined, $800, and it indicates that a $200 payroll limit would assure the protection of the program to a larger number of domestic workers.

DISMISSAL PAYMENTS

This bill would amend the definition of wages in the District of Columbia Unemployment Compensation Act to include dismissal payments within the term wages. The AFL–CIO is not opposed to the change if clarifying language is added to make certain the District of Columbia Unemployment Compensation Board must regard this type of earnings as a payment for prior service.

Severance, termination, or dismissal payments should properly be considered a payment for former service and worker rights earned during the former period of service. These payments should not be treated as wages in the week they are paid or prorated as future weekly wages.

REDUCED TAX RATES FOR NEW AND NEWLY COVERED EMPLOYERS

The amendments would permit new and newly covered employers to contribute to the District Unemployment Fund at a reduced rate, but not less than 1.0 percent of taxable wages. These employers would be permitted to contribute at a reduced rate until they have been subject to the act for a sufficient period of time to qualify for a contribution rate based on their employment experience.

We support this amendment because it is consistent with AFL–CIO policy that reduced rates be permitted in State programs on a basis other than experience rating. We also feel reduced rates will not place an unnecessarily heavy financial burden on newly covered employers. Many of the newly covered employers—firms employing agent drivers and city salesmen—are small firms with stable work forces.

CHANGE OF PERIL POINTS

There are provisions in this bill to reduce the peril points presently specified in the act. These peril points are related to the Unemployment Trust Fund level and total covered payrolls. They are designed to trigger in higher tax schedules to protect the solvency of the fund.

The District of Columbia Unemployment Trust Fund, according to Department of Labor data, has reached a level of solvency far above the national average. The fund is also well above the minimum level of adequacy recommended by the Department as a guide for State administrators.

REDUCED TAX RATE STRUCTURE

In addition to lower peril points, this bill would also reduce employer tax rates for every classification within the tax schedule. The AFL–CIO has no desire to see employer tax rates imposed at higher levels than needed for adequate funding of the program. It is our view that the proposed tax rates applied to a higher taxable wage base—$4200—will adequately finance the program with an improved weekly benefit structure.

WEEKLY BENEFIT AMOUNT

The proposed amendments before the committee incorporate unemployment insurance weekly benefit recommendations favored by every recent administration. President Nixon, in his unemployment insurance message to Congress, on July 8, 1969, stated:

> . . . If the program is to fulfill its role, it is essential that the benefit maximum be raised. A maximum of two-thirds of the average wage in the State would result in benefits of 50 percent in wages to at least 80 percent of insured workers . .

He also referred to a similar recommendation made by President Eisenhower in 1954. Presidents Kennedy and Johnson both favored enactment of Federal legislation to establish this benefit concept as a minimum Federal standard for State programs. Today, the need for this benefit structure has been intensified.

The controlling principle in every State unemployment compensation program, since their inception, has been to replace approximately one-half—50 percent—of the individual worker's former weekly wage. This principle, although generally accepted, has not been meaningful to many jobless workers due to the maximum benefit level established in many State programs including the District of Columbia program. The maximum weekly benefit available under the District of Columbia program cannot exceed 50 percent of the average weekly wage in covered employment.

This limit effectively denies many individual workers a benefit equal to 50 percent of their former weekly wage. For these workers, the program has become a flat benefit system rather than an insurance program with weekly benefit entitlement geared to their past wages.

The intensified need for a modern benefit structure in the program has long been recognized by the AFL–CIO. Other interested groups have been made increasingly aware of this need in recent months. The nature of unemployment has changed. Many people—until a year ago, some perhaps still—mistakenly thought of unemployment only in terms of laborers and bluecollar workers.

The President of the Interstate Conference of Employment Security Agencies pointed to the error in this thinking, in his address to the last Annual Meeting of the State Administrators.

71-274—72——14

He described the unemployment compensation problem as follows:

> . . . We have a situation in which the $1.60-an-hour laborer is standing in the same unemployment insurance claim line with the $25,000-a-year—or more—physicist, space scientist, and aeronautical engineer . . .

The Department of Labor has been aware of this situation, and attempting to cope with it, for some time. The Department's latest efforts involve engineers. The Secretary of Labor, just a few months ago, announced the establishment of a national registry for unemployed engineers. The registry reflects an effort to provide employment opportunities for jobless engineers.

Similar registries have been operating since the mid-1960's for other jobless professional workers: librarians established 1965; economists established 1966; anthropologists established 1966; statisticians established 1966; philosophers established 1968.

It should also be noted that the last four registries listed are all located in the District of Columbia. These workers, in most cases, if entitled to unemployment compensation would be limited to the benefit levels of the District of Columbia program.

The maximum weekly benefit proposal contained in this bill would not provide a wage replacement of one half the former weekly wages of these individuals. Any unemployed federal worker formerly employed in the higher steps of grades four, five, or six and above will not receive a benefit equal to one-half their former weekly wage. In terms of employment in private industry this proposal will not even replace one half the former weekly wages of jobless skilled craftsmen or well paid production workers covered by the District of Columbia program.

Increasing the maximum weekly benefit amount, as the proposed amendment would do, to 66⅔ percent of the average weekly wage in covered employment, will merely assure a larger proportion of jobless workers a benefit equal to one-half their former weekly wage.

We urge you to approve this provision in the bill and modernize the benefit structure of the District of Columbia Unemployment Compensation Act in a manner which will help to make this program function adequately in the 1970's.

QUALIFYING REQUIREMENTS

We feel there is a need for limits to be set in defining individuals considered to be attached to the labor force, and individuals who should be considered for unemployment compensation protection. We are also convinced qualifying requirements should be reasonable. The proposed changes would tighten qualifying requirements considerably. Although we do not consider the proposal unreasonable, we would suggest the proposed qualifying requirements be modified to make certain large numbers of low wage earners are not deprived of the protection of the program. In our opinion, a tightening of the qualifying requirements to require wages of at least $200 in one quarter and not less than $300 in two quarters would minimize the impact of this change. It would also help to make certain low wage earners with firm labor force attachment are not left to seek the protection of public welfare when they are left jobless for brief periods.

REDUCTION OF WEEKLY BENEFIT AMOUNT

One of the provisions in the bill before the committee provides for the reduction of weekly unemployment compensation benefits. The reduction would be for any pension amount received or applied for, with respect to a week of unemployment, as a retirement pension or annuity under a public or private retirement plan or system provided, or contributed to, by any base period employer. In our opinion, this provision may create serious problems for some jobless individuals and it should be eliminated from the bill.

ELIGIBILITY FOR BENEFITS

Existing provisions of the District of Columbia Unemployment Compensation Act, section 9, specify an individual shall be eligible for benefits only under certain conditions. One of the conditions requires the individual be unemployed for a waiting period of 1 week. This condition requires the worker to pay the full cost of his first week of unemployment. This burden is placed upon the worker at an extremely difficult time.

The difficulties involve the shock of job loss, the uncertain consequences of an abrupt termination of regular paychecks, the problems of family adjustments to a reduced income level, and a changed pattern of daily living requiring jobseeking in place of job production. These changed circumstances quite often involve additional family expenditures at a time of great family need.

Many States have recognized these elements of unemployment, and they have tried to reduce the burden placed upon workers and their families. They have attempted to ameliorate this situation for jobless workers through the elimination of the waiting period in their unemployment compensation program, or at least compensation for the jobless workers for the waiting period if they remain unemployed for a specified period of time.

New Jersey, for example, compensates jobless workers for the waiting period if they have been unemployed 3 weeks. This method of compensating for the waiting period is designed to assist jobless workers at the time the full consequences of long periods of unemployment strike the worker and his family with a telling impact. This is approximately the time the monthly bills must be paid. It may have been possible to postpone payment of utility bills, house note, car note, and appliance loans for 2 or 3 weeks, but at the end of a month postponement is no longer possible. An additional unemployment compensation benefit payment, at this time, is welcomed and appreciated in most families.

The State of Maryland, on the other hand, attempts to cope with the immediate burden of unemployment. It requires no waiting period for benefits. This method of compensating unemployed workers is designed to reduce the burden of unemployment as much as possible. It is intended to permit workers to seek new employment with a minimum of economic loss to his family and community.

The AFL-CIO has long urged the adoption of this practice in all State programs. Before the Congress, and elsewhere, comparisons are frequently made between labor conditions in Maryland and the District of Columbia. These comparisons involve workmen's com-

pensation, unemployment compensation, employer costs, and other matters.

The State of Maryland has for many years operated its unemployment compensation program without imposing a waiting week as a condition of eligibility. The cost of the program in both jurisdictions have differed only slightly. The average employer tax rate in Maryland has been higher in some years than the average employer tax rate in the District of Columbia.

We would like to have the bill before the committee amended to provide workers in the District of Columbia with the same protection provided workers in Maryland. We urge you to amend this bill in a manner that will eliminate the waiting week as a condition of eligibility for benefits. If this is not practical in the committee's view, we hope you will amend the bill to at least provide compensation for the waiting week after a specified period of continued unemployment. In our view the period should be reasonable—3 weeks such as in the New Jersey program, or 4 weeks as in the State of Maine program.

The AFL–CIO is gratified that it can so warmly support the bill before the committee. We feel it will accomplish the goals Congress established for Public Law 91–373—to strengthen and improve the Federal-State unemployment compensation program.

We have suggested a few amendments we think would improve the bill: modification of existing disqualification provisions, elimination of the waiting week, less stringent qualifying requirements, and others.

However, we have not opposed those features of the bill which have been designed to substantially aid employers—presently covered and new and newly covered. We have not challenged the proposal to permit new and newly covered employers to enter the program at reduced and very favorable tax rates. We have not objected to the proposed reduction in tax rates or the reduction in peril points that will provide further tax advantages to employers.

We have taken a positive view in terms of the major features of this legislation and we hope the committee will incorporate the amendments we have suggested and vote to approve this measure.

Senator TUNNEY. Thank you very much, Mr. Turner. I appreciate your testimony.

I think it is fine that you support the major provisions of the bill. I hope you feel that the bill should be passed as soon as possible and and that some of these amendments, perhaps, could wait until a later time if it is going to delay the passage of this legislation.

Mr. TURNER. I think the 1-week waiting period is quite important and also the matter of lowering the quarterly benefit requirement in relation to low-paid workers. I think those two amendments are quite important.

Senator TUNNEY. Thank you very much, Mr. Turner.

Our next witness is Mr. William Simons, president of the Washington Teachers Union.

STATEMENT OF WILLIAM H. SIMONS, PRESIDENT, WASHINGTON TEACHERS UNION

Mr. SIMONS. Mr. Chairman, I have submitted a prepared statement which I will have to augment and get additional information to you

with respect to the additional titles of S. 1998 on which I did not make written comments.

First of all, I will have to remind you that this, of course, is another example of the discrimination against the residents of the District of Columbia.

These matters have been taken care of for the citizens around the country but we are just now becoming a part of the rest of the Nation. Until this situation is corrected, I suppose that we will always be considered the last living colonials of this Nation.

The tax shelter annuity, for example, has been available to teachers around the country for many years. We have been trying since 1967 to become a part of the rest of the Nation, but because of the peculiar setup of the District of Columbia we needed to go through this whole process in order that we be able to participate in this whole program which costs the District government nothing, and which costs the Federal Government nothing.

It is simply a matter of enactment which the District government did not have the authority to do.

You have already indicated that you are going to adopt the same language that the House of Representatives did so that will eliminate the necessity of a conference.

I hope that this is done speedily.

With respect to S. 1998, title I which is identical to the bill passed by the House of Representatives which will facilitate the movement of teachers around the country, here again this legislation has been on the books since 1928.

Some States have adopted enabling legislation but the District could not do it until we got specific authority to do so.

This will enable us to recruit teachers who have been certified by other States without going through additional certification processes and it will also enable the teachers leaving the District of Columbia to be employed by those States with which we have concluded agreements.

So this legislation is certainly necessary and long overdue.

With respect to titles IV and V of S. 1998—we heartily support them. We have been trying to eliminate the distinctions which have been placed upon temporary teachers.

The mere fact that a teacher is put in a category of temporary has no relationship to the quality of service rendered by that individual, but through the various quirks in the law and other matters, these teachers are temporary.

I call to your attention for example the requirement written into the law which states that teachers on the high school level must have a masters degree. The degree has no relationship to their effectiveness as a teacher. We recruit people for our high schools so they have to come in on a temporary basis until they get their masters degree. Increasing or making it possible for temporary teachers to be given advance leave would be an inducement and a benefit to the system.

With respect to the insurance programs—I would strongly urge that this be amended so that a temporary teacher who is filling a regular position could have these benefits from the first day of employment rather than to wait 1 year.

We do have temporary teachers who are filling in behind people who are on leave. It would not apply to them. Let's take the teacher

who has been recontracted for the high school, does not have a master's degree, but intends to stay here. Why can't that teacher be afforded the benefits from the first day of employment? That would be an added inducement to keep that teacher here rather than having the teacher go out and get additional insurance in order that the family be covered.

So, I would strongly urge that this be made available to teachers on the first day of employment rather than after 1 year of service.

The retirement system has caused problems and we would strongly urge the transfer of all retirement to the District of Columbia Teachers' Retirement Act.

With respect to title III which would be an increase of 3 days leave to teachers, this was submitted as a result of an agreement reached with the Board of Education. Since that time the Board has had a change of opinion on it and, of course, they are withdrawing it. But I would strongly urge the committee to keep that provision in the bill in order that this would make available additional leave time, just 3 additional days, which is not a great deal, and it certainly would benefit the morale of teachers.

I recognize we talk about the finances of the situation. This is November 24, and we still do not have a revenue bill or an appropriations bill for the District of Columbia. This is not an uncommon practice. There was only this one time, April 1967, when legislation was completed so that the District had its money at the beginning of the fiscal year. We do this year after year and this is one of the pressing problems of the city and one of the reasons why many changes are not made because you can't begin a program without money.

We have no say-so as to when the money is coming. I would rather have a reduced amount knowing that I am going to have the full amount at a given time rather than doing what we are doing now—waiting until you can get around to us through no fault of your own.

So I would strongly urge that the Senate take immediate action in enacting this legislation so that at least this will be out of the way.

Senator TUNNEY. Thank you very much, Mr. Simons. I could not agree with you more on the point that you made and the conclusion that the Congress has hamstrung the District of Columbia by waiting so long in the session before approving the revenue bill.

I have long felt that this is a complete anacronism and it is one of the reasons that I have so strongly supported giving to the District of Columbia the opportunity to govern itself and to have some kind of a formula developed. The Senate revenue bill provides that the District will get a certain percentage. The District would know it will get a certain percentage of the funds indefinitely into the future so they can plan and program.

I think that Congress has really been dilatory in enacting revenue legislation in the past. I can't imagine anything that would be worse for a school board than not to know how much money it was going to have at the beginning of a school year. They have to know, it seems to me, not only a month or two in advance but they really ought to be able to plan a year in advance.

I am fully aware of the fact that the Congress has not been responsive in this regard. I hope that we will demonstrate a greater responsiveness in the future.

With respect to title III—the runoff elections were held just yesterday on the remaining members of the School Board, so we have a new School Board.

I would assume that the new school board would take up the question of title III. It is my hope that the school board can resolve this problem in a way that will remove the controversy.

But inasmuch as it is controversial at the moment, I think that we ought to put off consideration of the matter until next year so that we can have the benefit of the new school board's recommendations.

That does not in any way circumscribe our future activities; it does not prevent us from accepting title III. It means we just do not have time to resolve the issue now and as long as it is controversial I think we should put it off until next year.

Mr. SIMONS. Insofar as the teachers are concerned—there is no controversy. Insofar as our meeting with the District of Columbia government and the teachers—I see really no need in delaying it. If you are really interested in improving the morale of teachers, since the board of education has not been interested in doing that along these lines and since you won't give the authority to the board of education so we can negotiate this because it belongs at the bargaining table and not here, I say it is your responsibility to do something now. You don't have to wait.

I would strongly urge that you would not put it off but rather take action on it at the present time because we still have to go over to the other side and fight over there.

Senator TUNNEY. What does the board of education say now?

Mr. SIMONS. They say we have to take another look at it.

Senator TUNNEY. Does that produce controversy?

Mr. SIMONS. Controversy on their side. There is no controversy here.

Senator TUNNEY. Assuming they still don't want title III after they meet, then I think this committee would have to look at it in depth, and listen to both sides before making a decision.

I may very well be in favor of title III, irrespective of what the school board does, but I am simply saying that I want to know in greater detail what the issues are before I legislate. Inasmuch as it is controversial, I think that is the very least the citizens of the District of Columbia could expect.

Mr. SIMONS. There are no issues. Just grant 3 additional days of leave. You have not been around that long but it has not been too long ago that teachers really got leave; before that time they didn't have any leave at all.

So we are simply asking an improvement after that length of time, so that is the only issue whether or not you feel teachers deserve 3 additional days of leave during the period.

Senator TUNNEY. The issue that is involved is that the present school board apparently does not feel that the 3 additional days should be granted. I want to have all of the facts available to me before I make a decision. You can't ask for anything less than that.

Mr. SIMONS. I will not tell you what I would like to ask for.

Senator TUNNEY. Thank you very much, Mr. Simons. You have made a very clear presentation and I thank you for your interest.

I now place your prepared statement, in its entirety, in the record.

(The prepared statement follows:)

PREPARED STATEMENT OF WILLIAM H. SIMONS, PRESIDENT, WASHINGTON TEACHERS' UNION

I am William H. Simons, President of the Washington Teachers' Union, Local #6 of the American Federation of Teachers, AFL–CIO. I am here on behalf of the Union to support S. 1982, the Bill authorizing teachers of the District of Columbia to participate in the tax-sheltered annuity program as authorized in section 403(b) of the Internal Revenue Code, and S. 1998, a Bill which would authorize the District of Columbia to enter into interstate agreements with respect to qualifications of educational personnel.

Once again, I must remind the committee that this is another example of the discrimination which is accorded the residents of the District of Columbia. All other citizens of this nation to whom this legislation pertains had the opportunity to take advantage of it, except the lost colonials. When will the taxpayers in the Capital be granted the fundamental rights of citizenship?

The Union has pursued the tax-sheltered annuity rights for the teachers of the District since 1967. To date, some 225 school districts in 43 states have provided tax-sheltered plans for their educational employees. It has been used by school districts as one of its recruiting tools. It is not necessary to detail the importance of this measure for teachers. It will suffice to note that the enactment of S. 1982 is necessary and can serve as a means of recruiting and retaining teachers.

In order to minimize any further delay, the Union strongly urges the committee to adopt the language in H.R. 9395. In doing so, this would obviate the need for a conference between the two Houses of Congress.

S. 1998 would allow the District to enter into contracts with other member states which will reduce or eliminate the duplication of administrative effort in checking teacher qualification records which have been evaluated by other states. This would enable teachers who have been licensed in other states to be employed in the District with a minimum delay. Likewise, it would facilitate the employment of teachers from the District in those states with whom an agreement had been reached.

Enabling legislation for the privileged segments in this country has been on the statute books since 1968. Twenty-eight states have already availed themselves of the provisions.

The Union urges you to take affirmative action now, in order that the Nation's Capital can join the mainstream of the nation and provide services which will strengthen the educational program.

Our next witness is Father T. Byron Collins and Mr. William M. Bucher.

Father Collins is chairman of the Trustee Planning Committee and Mr. Bucher is executive vice president and director of the Hospital Council of the National Capital Area, Inc.

STATEMENT OF T. BYRON COLLINS, S.J., CHAIRMAN, TRUSTEE PLANNING COMMITTEE, AND WILLIAM M. BUCHER, EXECUTIVE VICE PRESIDENT AND DIRECTOR, HOSPITAL COUNCIL OF THE NATIONAL CAPITAL AREA, INC.

Father COLLINS. It is a great privilege and pleasure to appear before you.

I am here on behalf of the hospitals of the District of Columbia in reference to S. 2899. This legislation has an historical background in that it comes from a draft of legislation that was started in 1957, was enacted into law in 1968, and funded through the authorization period of the 1968 law through 1972.

This S. 2899 is the reintroduction of Public Law 90–457. It encompasses the individual and collective efforts of the nonprofit community health care institutions to meet expressed and researched community needs.

In addition, it brings facilities into conformance with licensing and accreditation standards. It provides for the completion of several projects which are currently under construction but lack essential funding because of the inadequacy of funds available under Public Law 90-457.

Areawide regional planning concepts as well as legislative requirements that each project meet community facilities priorities and those of the Secretary of HEW have been included.

The reason we come to you, Senator Tunney, is that in a local city, county, and State jurisdiction throughout the Nation financial assistance to meet hospital construction fund requirements is forthcoming from the local governments, the State governments, the county governments, and the city governments in addition to individual and industrial contributions.

The grant program in this bill is equivalent to the bond issues and direct contributions in other jurisdictions, in other States.

Because of the uniqueness of the Nation's Capital where upwards of 70 percent of the population is employed by the U.S. Government, or its supportive industries, no such possibility of other funding exists.

In this legislation there is a dynamic and critical approach to meet community needs as set forth within this legislation and emphasizes the provision of outpatient diagnostic and treatment facilities and the use of low-cost extended care services.

The legislation provides for the replacement of outmoded, uneconomical, and inefficient facilities; and, therefore, compels cost-consciousness.

I would ask Mr. Bucher, the representative of the hospital council for all of the hospitals of the metropolitan area, to give briefly a report on what we have done so far under Public Law 90-457.

Mr. BUCHER. Senator Tunney, it is a pleasure to appear before you and your committee today. Public Law 90-457 initially passed in 1968 has accomplished the first phase of a most critical and backlogged need, specifically the Rogers Memorial Hospital, and the Children's Hospital construction programs have been initiated. Therefore, programing to eliminate the nonconforming facilities has been started. Another priority met is the construction of a 300-bed extended care facility at the Washington Hospital Center. The funds have been provided and these projects are under way.

Projects then under way in 1968 included the Georgetown and George Washington Medical Center's programs to construct additional clinical facilities. These programs have been primarily completed. The funds to effect the necessary consultations and planning were provided for the Cafritz Memorial Hospital, Columbia Hospital for Women, Providence Hospital, and Sibley Hospital.

We have provided in our statement background information and specific details on the accomplishments of each of these programs at each of the institutions.

Father COLLINS. If we may, we would like to have introduced certain documents for the record.

Senator TUNNEY. Without objection, they will certainly be entered.

(Supplemental material follows:)

Hospital Council of the National Capital Area

LEGISLATIVE BRIEF OF THE DISTRICT OF COLUMBIA MEDICAL FACILITIES ACT OF 1972

Purpose of Legislation

To continue a program to authorize grants and loan interest subsidies for construction and modernization of hospitals and other medical facilities in the District of Columbia in order to correct a twelve year backlog of demand caused by Federal legislative inequities within the Federal Health Facilities Acts as they apply to the District of Columbia, and to provide a program geared to current national progress format in order to meet those needs in the most effective economical manner. The 1968 Act (PL 90–457) provided 80 million dollars in grants and loans to provide for the first step of the backlog. This bill provides 72 million dollars in grants and loan interest subsidies.

Legislative Background and Intent

This legislation, first drafted in 1957, enacted into law in 1968 and funded through 1972, is the reintroduction of Public Law 90–457. It encompasses the individual and collective efforts of the non-profit community health care institutions to meet expressed and researched community needs. In addition, it brings facilities into conformance with licensing and accreditation standards. It provides for the completion of several projects which are currently under construction but lack essential funding because of the inadequacy of funds available under Public Law 90-457. Areawide regional planning concepts as well as legislative requirements that each project meet community facilities priorities and those of the Secretary have been included.

Role of the Federal Government as a City-State-County Government for the District of Columbia

In local city, county, and state jurisdictions throughout the nation, financial assistance to meet hospital construction fund requirements is forthcoming from the governments in addition to individual and industrial contributions. The grant program is equivalent to the bond issues and direct contributions in other jurisdictions. Because of the uniqueness of the Nation's Capital, where upwards of 70% of the population is employed by the United States Government or its supportive industries, no such possibility exists.

Special Emphasis in Legislation

A dynamic and critical approach to meeting community needs, as set forth within this legislation, emphasizes the provision of outpatient diagnostic and treatment facilities and the use of low cost extended care services. The legislation provides for the replacement of outmoded, uneconomical, and inefficient facilities and therefore compels cost consciousness. Incentive matching fund ratios emphasize this with 66⅔ per centum for modernization and new construction.

Hospital Council of the National Capital Area

REAUTHORIZATION OF PUBLIC LAW 90–457

Brief *Emphasis by Project*

Cafritz Memorial Hospital.—To provide for a new ambulatory and family care center as well as to provide for the expansion of necessary diagnostic and ancillary supportive services.

Federal grant	$10, 000, 000
Hospital loan	9, 000, 000
Program total	19, 000, 000

Children's National Medical Center.—To provide for completion of programmed construction under Public Law 90–457 inclusive of specialty pediatric facilities for mental health.

Federal grant	$12, 400, 000
Hospital loan	12, 400, 000
Program total	24, 800, 000

Columbia Hospital for Women.—To provide for the total replacement of the existing hospital and to permit reasonable options for expansion.

Federal grant	$4, 000, 000
Hospital loan	4, 500, 000
Program total	8, 500, 000

George Washington University Medical Center.—To provide for expansion of radiological facilities, modernization of elevators and the addition of a major ambulatory care center.

Federal grant	$7, 600, 000
Hospital loan	4, 800, 000
Program total	12,400,000

Georgetown University Medical Center.—To provide for modernization and space revisions within the existing hospital and to provide additional space for outpatient services.

Federal grant	$9, 500, 000
Hospital loan	6, 500, 000
Program total	16, 000, 000

Providence Hospital.—To provide essential expansion and modernization—includes air conditioning, elevators, entended care beds, and an ambulatory care facility.

Federal grant	$12, 200, 000
Hospital loan	8, 800, 000
Program total	21, 000, 000

Rogers Memorial Hospital.—To provide for the completion of programmed construction delayed because of financial limitations under Public Law 90–457 inclusive of a multi-story ambulatory care and referral center and the addition of extended care beds.

Federal grant	$6, 300, 000
Hospital loan	6, 300, 000
Program total	12, 600, 000

Sibley Memorial Hospital.—To provide for the modernization of ancillary and service areas of the existing hospital and to provide for the more effective utilization of the training school building.

Federal grant	$3, 500, 000
Hospital loan	3, 500, 000
Program total	7, 000, 000

Washington Hospital Center.—To provide for a neighborhood health center, expansion of nuclear medicine department, out-patient and emergency departments, and to provide for the expansion and relocation of the ancillary service departments.

Federal grant	$3, 000, 000
Hospital loan	2, 700, 000
Program total	5, 700, 000

Hadley Memorial Hospital.—Situated in the Anacostia area—urgently needs funds to provide modernization and expansion of its out-patient facilities in order to have sufficient space for carrying out the services it is now rendering.

Federal grant	$1, 500, 000
Hospital loan	1, 500, 000
Program total	3, 000, 000

Total federal grant, $70,000,000; total hospital loans, $60,000,000; total program, $130,000,000.

HOSPITAL COUNCIL OF THE NATIONAL CAPITAL AREA, INC.

BACKGROUND INFORMATION ON HOUSE RESOLUTION 11628

Section I.—Legislative Summary of Public Law 90–457

Purpose

To authorize project grants and loans for construction and modernization of hospitals and other medical center facilities in the District of Columbia, to correct an eight year backlog of demand caused by Federal legislative inequities in the Federal Health Facilities Acts as they apply to the District of Columbia, and to provide a program to meet these needs in the most effective, economical manner.

Grant Need

1968 and subsequent annual Federal Legislation for construction of such facilities in the District of Columbia amounts to $441,619 which is to be compared to a demonstrated researched and phased need of $40,052,000 of grants-in-aid. Prior legislation (Washington Hospital Center Act) sets specific precedent for special assistance to the District of Columbia and such grant-in-aid programs.

Loans Need—Matching Requirements

The demonstrated inability of private local resources to provide the necessary matching requirements because of the lack of area industry and the transient nature of Washington area population requires the majority of the matching funds to be borrowed in order that this backlog program could start within a reasonable time.

The high interest rates made it infeasible to borrow money on private market without raising hospital charges to an unreasonably high rate.

Therefore, the matching requirement of $40,575,000 in repayable loans was supplied by long term, low rate Federal borrowing as a method comparable to that offered by other states, counties, and cities by their bonds and loan programs and also comparable to other Federal programs in education and housing.

Special Emphasis

In setting a course of priorities to resolve problems of unacceptable facilities, a two phase format of criteria was developed to assure initiation of certain projects and the resolution of noted problem areas. The use of trend and other patient usage data denoted the need for a dynamic and critical approach to meeting the community needs with the use of low cost extended care facilities within the existing hospital and medical center complexes in addition to the replacement of outmoded, uneconomical and inefficient facilities. The special emphasis was provided as an inducement to initiate the programs and community services and included matching fund ratios of 50 per centum for modernization and 66⅔ per centum for extended care and other low cost facilities.

The second phase was held in abeyance and included the problems, priorities and criteria which is noted within the H.R. 11628 legislation justification.

Accomplishment

Public Law 90–457 has accomplished the first phase of the most critical backlog need. Specifically, the Rogers Memorial and Children's Hospitals construction programs have been initiated. Therefore, programming to eliminate nonconforming facilities has been started. Another priority met is the construction of a 300 bed extended care facility at the Washington Hospital Center. Projects then underway at the Georgetown and George Washington University Medical Centers as part of their clinical facilities have been completed. Funds to effect

the necessary consultation and planning were provided for the Cafritz Memorial Hospital, Columbia Hospital for Women, Providence Hospital, and Sibley Memorial Hospital. The attached exhibit shows the schedule of funds for achieving this community program.

Loans

As the special Federal aid previously given for construction of District medical facilities indicates, the Hill-Burton, mental retardation, and mental health center construction programs provide only a partial answer to the problem of financing the construction of such facilities in the District. Sponsors of projects for such construction in the District of Columbia experienced serious difficulty in raising the non-Federal share of the cost thereof.

Nonprofit medical facility groups seeking contributions in Washington do not have available to them the important support from corporate gifts which is available in other communities. Corporate gifts often make up from 60 to 70 percent of the total private funds subscribed for constructing hospitals in cities the size of the District; and more than half of these corporate gifts come from manufacturing corporations. The District, however, has only about 14 percent of the per capita potential of metropolitan areas of comparable population for receiving contributions from manufacturing corporations.

Another reason for the difficulty experienced by project sponsors in the District in securing funds to meet the non-Federal share of the cost of constructing hospitals and other medical facilities is that, although the average income here is among the highest in the country, a large proportion of those on the upper part of the income scale are temporary residents who do not feel an obligation to support capital improvement drives to the same extent that permanent residents here or elsewhere do, or indeed, to the extent that these same temporary Washington residents feel in relation to their "home" communities. This factor has made it impossible to raise money for these facilities in the amounts which might be expected if the average income alone were used as a guide.

A unique medical facility utilization and construction problem exists in the District because of the large number of patients from other "States" who occupy general hospital beds in the District. Approximately 40 percent of the patients in District hospitals come from outside the District, primarily from the Maryland and Virginia counties in the metropolitan area. These areas are considered as part of the impact of the Federal Government concentration in this metropolitan area an is an additional reason for special aid to the D.C. hospitals and medical center.

The need for Federal aid is most acute in the case of long-term care facilities. The lack of private fund-raising potential for construction of these facilities is even more pronounced than in the case of short-term facilities—as demonstrated by the fact that the District has been unable to use much of the money available to it under the Hill-Burton program for construction of long-term care facilities due to inability to raise the required matching funds.

For the reason cited above, special Federal assistance for the modernization of hospitals and the construction or modernization of other medical facilities in the District of Columbia clearly required to make up for the loss of normal private sources of support caused by the presence of the Federal Government in the District. It was necessary to have the direct Federal loans at a low rate of interest on a long-term basis if these pressing needs were to be constructed.

Historic Background

This legislation represented an eight-year accumulation of individual and collective efforts of these health care institutions to meet the expressed and researched community needs. Areawide regional planning concepts as well as the endorsement of these plans has been accomplished. The legislation requires that each project submitted meet the community facility plans and those of the Secretary of HEW. This process is a continuous one for each of the grant and loan requests. All projects funded have approval of the planning agencies.

Role of Federal Government as a State-County Government for the District of Columbia

In local city, county, and state jurisdictions throughout the country, financial assistance to meet matching funds is forthcoming from the government itself in addition to individual and industrial contributions. The direct Federal loan pro-

gram was equivalent to the bond issues in other jurisdictions. Because of the uniqueness of the Nation's capital where upwards of 70 percent of the population is employed by the United States Government or by its supportive service industries, no such possibility existed.

Hospital Council of the National Capital Area, Inc.

PROJECT DETAIL EXHIBIT ON DISTRICT OF COLUMBIA MEDICAL FACILITIES ACT OF 1968

There are five construction and four planning projects involved within the priority program established, as follows:

A. *Construction Projects*

1. Children's Hospital of the District of Columbia

Appropriation allotment:

Grant	$13, 399, 579
Direct Federal loan	13, 399, 579
Total	26, 799, 158

The Children's Hospital has received approval from area health advisory groups, encouragement from government and counsel from consultants to move from its present non-conforming uneconomical building complex to the grounds of the Washington Hospital Center. Within its first phase, it is in process of constructing the replacement of its existing beds and support facilities. The second phase is to provide for the completion of space for its outpatient diagnostic, treatment and research areas and its pediatric mental health section.

2. Georgetown University Medical Center

Appropriation allotment:

Grant	$6, 189, 000
Direct Federal loan	11, 080, 000
Total	17, 269, 000

As an essential part of its community responsibility to supply medical personnel fully trained and experienced as well as its responsibility to provide services for the community, the Georgetown University Medical Center embarked upon a multiphase construction program. The four projects involved are constructionwise nearly completed and include a Diagnostic Treatment Facility with special emphasis for services to mentally retarded children, a new Outpatient Facility for dental services and modernization and expansion of the antiquated basic Clinical-Science Service Facility. These facilities, together with the central utilities system required have been completed. The equipment and instrumentation phase will be completed upon receipt of the fiscal 1972 funding.

3. George Washington University Medical Center

Appropriation allotment:

Grant	$4, 064, 000
Direct Federal loan	4, 976, 842
Total	9, 040, 842

In order to attempt to meet in a phased program the service requirements of both its in and outpatient public, as well as to attempt to meet continuously growing needs of the emergency service as an in-town hospital, the George Washington University Medical Center embarked upon programs of significant size and cost in three areas. It enlarged its emergency room facility and expanded the necessary supportive services. A modernization and equipment updating of diagnostic and treatment areas within the hospital such as the heart station and intensive care units took place. It purchased and renovated the multi-story Keystone apartment building adjacent to its medical center to offer comprehensive outpatient diagnostic and treatment services under a physician-team service program.

4. Rogers Memorial Hospital (formerly Casualty)

Appropriation allotment:	
Grant	$6, 510, 000
Direct Federal loan	6, 510, 000
Total	13, 020, 000

The family physician to a large low income center city population, as well as the emergency station for a large area, the Rogers Memorial Hospital has the responsibility to modernize and enlarge its emergency, outpatient and supportive service to the inner city. Its project received priority approval and includes such areas as physiotherapy, electroencephalography, coronary care, medical and surgical intensive care, as well as the emergency and clinic areas. A second high priority project under development provides for eliminating 72 non-conforming beds, and modernization and extension of ancillary services. This first phase is under construction.

5. Washington Hospital Center

Appropriation allotment:	
Grant	$7, 889, 421
Direct Federal loan	4, 608, 699
Total	12, 498, 000

One of the ten busiest hospitals in the nation with a Board of Trustee commitment to accept the community responsibility of a 300-bed extended care facility, the Washington Hospital Center will have completed its planning during the current year and arrived at a position of bids early within the fiscal 1971 year. It will also have completed the installation of an emergency generator system which will provide essential standby electrical power under this legislation. The provision of the fiscal 1972 funding budgetary authority will permit the orderly progression of planning, bidding and construction of these high priority projects.

B. *Planning Projects*

1. Cafritz Memorial Hospital

Appropriation allotment:	
Grant	$500, 000
Direct Federal loan	
Total	500, 000

2. Columbia Hospital for Women

Appropriation allotment:	
Grant	$500, 000
Direct Federal loan	
Total	500, 000

A health facility specializing in obstetrics and gynecology, the Columbia Hospital for Women must program the complete replacement of its antiquated facility.

3. Providence Hospital

Appropriation allotment:	
Grant	$500, 000
Direct Federal loan	
Total	500, 000

A general acute hospital servicing the far Northeast, Providence Hospital must bring its ancillary and service facilities up to date to maintain local and national accreditation standards and to provide the necessary support programs.

4. Sibley Memorial Hospital

Appropriation allotment:

Grant	$500, 000
Direct Federal loan	
Total	500, 000

A general acute care hospital requiring substantial modernization of its limited basic support service areas and its professional diagnostic and treatment and business service areas in order to meet required minimal standards and to achieve a more economical and efficient plant.

PREPARED STATEMENT OF JOHN W. MCCORMACK, SPEAKER OF THE HOUSE (EMERITUS)

Members of the Committee, I would like to present for the record a statement of my interest in the hospitals of the District of Columbia. In discussing continued support of the construction of needed medical facilities, we should consider the congressional actions that have resulted in significant achievements in the District of Columbia. In all of these actions, I have been a staunch advocate in the interest of providing for the backlog of needed medical facilities.

In 1951, the Hospital Center Act was amended to authorize grants of up to 50 percent of the cost of constructing or renovating hospital facilities in the District. The District of Columbia was required to repay 50 percent of the Federal contribution. This was lowered to 30 percent in 1958 with respect to grants made after that time. Under the 1951 and subsequent amendments, grants of $17,420,453 have been made for projects having an estimated cost of approximately $44,400,000. The Act expired in 1962. In 1962 legislation (P.L. 87–460) was enacted authorizing grants up to $2.5 million for 50 percent of the cost of constructing an addition to George Washington University Hospital. Funds for this purpose were appropriated by the Congress in the fiscal year 1964 and the project is now complete. In addition to the Hospital Center Act and P.L. 87–460, both of which applied solely to the District, Federal financial assistance has been given for the construction of hospitals and other medical facilities in Washington through two generally applicable Federal programs—the wartime defense housing and public works program, commonly referred to as the Lanham Act, and the program authorized by Title VI of the Public Health Service Act, commonly called the Hill-Burton program. Under the Lanham Act, two hospitals in the District received a Fedreal contribution of $5,655,000. Under the Hill-Burton program, a total of $7,194,000 in grants was approved through fiscal year 1966 for 27 projects in the District. The allotment of funds to the District, which takes into account per capita income and population, is low in relationship to the facility construction problem.

The present bill (HR 11628) is an extension of Public Law 90–457. I personally supported the latter on the floor of the House.

The 1968 Act (PL 90–457) provided 80 million dollars in grants and loans toward meeting a backlog of needs. This backlog was caused by Federal legislative inequities within the Federal Health Facilities Acts as they apply to the District of Columbia. The present bill (HR 11628) provides 72 million dollars in grants and loan interest subsidies. It encompasses the individual and collective efforts of the non-profit health care institutions to meet community health needs in the most effective and economical manner. It provides for completion of several projects which are currently under construction.

Sponsors of projects for construction in the District of Columbia experience serious difficulty in raising the non-Federal share of the cost thereof. In local city, county, and state jurisdictions throughout the country, financial assistance to meet hospital construction fund requirements is forthcoming from the governments in addition to individual and industrial contributions. The grant program is equivalent to the bond issues and direct contributions in other jurisdictions. Because of the uniqueness of the Nation's Capital, where upwards of 70% of the population is employed by the United States Government or its supportive industries, no such possibility exists.

A dynamic and critical approach to meeting community needs as set forth within this legislation, emphasizes the provision of outpatient diagnostic and treatment facilities and the use of low cost extended care services. The legislation

provides for the replacement of outmoded, uneconomical, and inefficient facilities and therefore compels cost consciousness. Incentive matching fund ratios emphasize this with 66⅔ per cent for extended care and diagnostic treatment facilities and 50 percent for modernization and new construction.

It is my sincere hope that the wisdom of the members of this committee will continue the obligation of Congress to the hospitals of the District of Columbia by guiding this bill through passage during this session.

I thank you for the opportunity of appearing before you this morning.

Prepared Statement of the Health Facilities Planning Council for Metropolitan Washington, D.C.

The Health Facilities Planning Council for Metropolitan Washington, D.C. was established in 1962 to foster and promote an orderly and economic development of health facilities and services in the Washington Metropolitan Area. The Council is a non-profit organization with a 21-member Board of Directors representing an equal number of citizens from Maryland and Virginia as well as the District of Columbia.

For nine years the Council has been engaged in a program of data collection concerning utilization of area health facilities and in the projection of probable demand for additional services in the years ahead. These have been published and are available to the public.

In addition to this activity, the Council has on a number of occasions reviewed specific proposals for the construction of new facilities or the expansion of existing ones to determine their consistency with the needs of the Metropolitan Area as projected by the Council. On September 16, 1969, the Secretary of Health, Education and Welfare notified the Council that he recognized the Council as the responsible areawide planning body to perform the Metropolitan areawide review function required under P.L. 90-457, the D.C. Medical Facilities Construction Act of 1968. The Council has diligently endeavored to carry out this obligation since that time.

The Council recognizes the continuing need for Federal support for the development and renovation of health facilities of the District of Columbia. Because of the unique economic characteristics of the District of Columbia, we believe Federal support is essential if these institutions are to continue to serve the residents of the District of Columbia and the surrounding suburban communities in Maryland and Virginia.

Accordingly, the Health Facilities Planning Council expresses its support for an extension of this bill which would continue to provide funds for this purpose. The Council agrees to continue in its role in reviewing these projects if the Secretary so desires.

In accepting this obligation, however, the Council would like to explicitly state that this does not imply Council endorsement of any of the projects presently contemplated for funding under this act. The Council will review these and any other proposals that may be presented and give its best judgment about the relative priorities of need among those comtemplated.

Prepared Statement of the Medical Society of the District of Columbia

Chairman Tunney and members of this Subcommittee: I am Dr. Marvin C. Korengold, a physician in the pratice of neurology in Washington, D.C. I appear today as President of the Medical Society of the District of Columbia. I am pleased to be here, Mr. Chairman, to present the views of the Medical Society of the District of Columbia in support of the District of Columbia Medical Facilities Act of 1972.

The Medical Society of the District of Columbia, which has a membership of 2600 physicians who practice in this metropolitan area, supports the enactment of this bill; a bill which provides for the replacement of outmoded, uneconomical, and inefficient facilities in the city's medical care institutions.

Major health programs in the United States during the past five years have increasingly stressed three attributes of health care services and their delivery: comprehensiveness in the types of services provided; cooperation among the various providers of services; and accessibility of the services to the consumer. The

Medical Society believes that this bill incorporates these three aspects of medical care.

If enacted into law, this legislation would assure the citizens of the District of Columbia well equipped modernized health facilities. Therefore, in order to achieve this, the funding provision, which was made possible by Public Law 90-457, should be continued for the next three years.

Good medical programs and delivery systems to provide these programs are only as good as the providers of medical services can collectively make them. This bill has met all criteria of the areawide planning council, Hospital Council, and the Medical Society. This bill does, therefore, incorporate good comprehensive planning concepts.

The thrust of today's medical care is based on ambulatory type services. The administration's emphasis upon the development of health maintenance organizations, regional medical programs, etc., is based on the concept of ambulatory medical care. This bill places special emphasis on the revitalization of ambulatory facilities of the major hospitals of the District of Columbia. The Medical Society of the District of Columbia endorses the need for continued renovation of these outmoded facilities so that high levels of quality care can be maintained for the citizens of Washington. The Medical Society strongly recommends enactment of The District of Columbia Medical Facilities Act of 1972.

Thank you.

Prepared Statement of the Morris Cafritz Memorial Hospital on Expansion and Modernization Plans

Since opening the Morris Cafritz Memorial Hospital in April 1966 this 418 bed acute general hospital has provided health care services to 84,461 inpatients, and to 259,807 emergency and outpatients. Federal funding under the Hospital Center Act and under Hill-Burton provided $4,595,000 of the approximately $11 million required to open the Hospital.

Regrettably, planning for this new hospital in the early 1960's did not foresee the current need for vastly expanded outpatient facilities. We now wish to return to Congress, in concert with other hospitals of the District of Columbia, in support of the effort to obtain needed funds to provide adequate health care facilities for patients both from the District and from surrounding States.

Long range plans for our hospital have been under development over the past two years. The health care needs of the community served by Cafritz have been carefully analyzed by our planning consultants. Their recommendation to develop an ambulatory care and clinical practice center, to expand emergency and outpatient areas, to expand our diagnostic and treatment capabilities, to provide expanded educational facilities for both medical and paramedical personnel, and to provide adequate support services for these enlarged programs has been approved by the Board of Trustees of the Hospital.

These plans respond to the Program Goals and Policies of the District of Columbia Plan for the Construction and Modernization of Hospitals, Public Health Centers and Medical Facilities—1971-1972, just published. On page 49 this document states, "one of the most important aspects of health planning at this time is the provision of adequate and properly located services for ambulatory patients."

When Cafritz Hospital opened in 1966 facilities were provided for limited outpatient services and what was felt to be adequate space for the care of emergency patients. Visits to the Emergency Department have increased from 80 per day in 1968 to over 200 per day with an expected further increase to 300 per day. The space currently available for emergency, walk-in and appointment visits is woefully inadequate. Expansion of waiting room space, processing areas and treatment areas is needed promptly.

At present representatives of our immediate community have entered suit against us charging a failure to provide adequate outpatient services. Primarily our expansion plans are to provide facilities which will allow us to care for 120,000 patient visits per year as we work closely with the D.C. Department of Health and their plans for neighborhood health centers and the bi-level health system.

During the past several months Cafritz Hospital has established residency and fellowship affiliated programs with University and Walter Reed Medical Centers. Currently twelve residents and fellows are on rotation at Cafritz. Allocation of space for education and training is a new but pressing need.

Specifically then, the Morris Cafritz Memorial Hospital requests grant and loan funds to accomplish the following:

1. To remodel and expand the chassis of the present hospital to enlarge emergency and special outpatient care capabilities, to provide expanded diagnostic and treatment facilities, and to provide adequate support services.

2. To develop an ambulatory care and clinical practice center in order to become increasingly responsive to the health care needs of our community, particularly the Southeast D.C. sector.

3. To remodel existing acute care nursing units to permit more efficient patient care and to provide improved food service to patients.

4. To expand the existing effort in educating paramedical personnel including physician assistants and extend our residency training programs in the major specialties including Family Care.

We anticipate that these plans will vastly improve the availability of primary health care to the 151,000 people who live within a two mile radius of the Hospital, and at the same time upgrade secondary health care to the entire community served by the Hospital.

Prepared Statement of Children's Hospital National Medical Center

Children's Hospital National Medical Center strongly urges establishment of the D.C. Medical Facilities Act of 1972. The previous Public Law 90–457 enabled us to begin the urgently needed replacement of existing Children's Hospital facilities. Enactment of a new Act is vital to our completing a children's medical and health center as a national and a metropolitan area resource. Under the new Act Children's Hospital National Medical Center would request $12.4 million in grant funds and $12.4 million in interest-subsidized loans to complete the programmed construction for replacing the existing hospital and to include facilities for mental health and hearing and speech diagnosis and treatment.

Previous funding was sufficient for a limited but viable portion of the new facilities. Additional funding as requested would create a well-rounded center which would meet all anticipated needs for many years to come.

The major components of the project summarized are:

1. Replace existing facilities with modern resources for children who need to be in the Hospital.

2. Develop ambulatory clinical service facilities in which comprehensive and coordinated care will be provided.

3. Provide expanded facilities for clinical experience with children, receiving hospital and ambulatory care, for students of affiliated medical and nursing schools and other associated schools preparing students in such related disciplines as social work, laboratory, x-ray technicians, etc.

4. Maintain and develop the research program which is focused on the solution of clinical problems of children.

5. Continue development and delivery of services concerned with mental health of children and hearing and speech problems of children.

6. Identify and develop the clinical specialties which will assure that all children can have access to modern medical services. (Examples currently under development are Children's Physical Medicine and Rehabilitation Service, Children's Orthopedic Service, and Children's Neurosurgical Service.)

7. Continue postgraduate and continuing education programs for physicians.

The planning has taken into account economies of operation made possible by this modernizing and this relocation to land provided by the Washington Hospital Center.

Priority approval has been received for the program and services in the following plans: the District of Columbia Plan for the Construction, Modernization of Hospitals, Public Health Centers and Medical Facilities; the Health Facilities Planning Council fr Metropolitan Washington, D.C.; the Government of the District of Columbia and other public and private agencies.

At present, the new facilities are under construction with completion expected in the spring of 1974. To date, funds have been committed for over $9 million of work, $4 million of planning and construction are already in place and final design of the project is nearing completion. The funds requested by this Act are needed to complete construction of the Children's Hospital National Medical Center as programmed above.

Prepared Statement of Columbia Hospital for Women in Justification for Construction Grant and Loan Funds Under H.R. 11628

1. Facilities projection

(a) Justification:

Grant	$4,000,000
Loan	4,500,000
Hospital funds	2,152,000
Total	10,652,000

(b) Justification increase in patient capacity:[1]

Outpatientincrease (facilities)	7,092
Outpatient visits plus emergency room OP 4,492 plus ER 200	
High risk followup clinic visits (pediatrics)	2,400
Inpatient increase (patient days), adults	1,482
Inpatient decrease (patient days), infants	−1,778

[1] Justification for replacement facility is not based upon increased patient services. See program explanation, p. 225.

Completion of replacement facility is projected for April 1976. Patient statistics through December 1975 are projected as follows:

	Actual through 1970	Projected through 1975	Increase (decrease)
Outpatient visits	13,508	18,000	4,492
Emergency room visits	2,150	2,350	200
High risk followup clinic visits (pediatrics)	0	2,400	2,400
Total	15,658	22,750	7,092
Inpatients:			
Adults	44,066	45,548	1,482
Infants	20,482	18,704	(1,778)
Total, adults and infants	64,548	64,252	(296)

Inpatient decreases are projected on the basis of an anticipated reduction in length of stay for the adult patient from 3.6 in 1970 to 3.4 in 1975 and to anticipated decline in birth rate.

ANALYSIS OF SERVICE

	Adults	Infants	Total
(a) Inpatient days (most current annual period)—calendar year ending 1970:			
District of Columbia	22,474	9,829	32,303
Non-District of Columbia	21,592	10,653	32,245
Total	44,066	20,482	64,548
(b) Projection—Inpatient days total, 64,252—Calendar year ending 1975:			
District of Columbia	28,140	11,471	39,611
Non-District of Columbia	17,408	7,233	24,641
Total	45,548	18,704	64,252

	High-risk pediatrics	Outpatient	Emergency	Total
Outpatient total Plus emergency room, 22,750:				
District of Columbia	1,440	16,912	1,996	20,348
Non-District of Columbia	960	1,088	354	2,402
Total	2,400	18,000	2,350	22,750

(3) Date when it is estimated facility will be in operation to achieve the above increase: *April 1976*

Adult admissions through 1975 are expected to be 13,300, an estimated increase of 1,066 over 1970 admissions of 12,234. However, patient days are expected to decrease due to reduced length of stay of the adult patient from 3.6 days in 1970 to 3.4 days by year ending 1975. This anticipated reduction in patient stay is attributable to advancements in medicine, technological improvements, and outpatient minor surgery "In and Out" procedure permitting the patient to enter and leave the hospital on the same day. As a result of improved birth control, broadened abortion laws and the uncertain economy, decline in births is expected to occur during projection period of this analysis.

(4) *Bad debts and allowances*

(i) Calendar year ending 1970:	
Total	$747, 401
(a) District of Columbia	689, 154
(b) Non-District of Columbia	58, 247
(ii) Subdivision of above:	
Provision for uncollectible accounts	204, 484
Charity, staff patients	163, 607
Contractual adjustments:	
Blue Cross	184, 296
District of Columbia Medical Assistance Division	88, 225
House of Mercy	13, 176
Health and Welfare Council	2, 684
Medicare	10, 705
Medicaid	76, 264
Clinic, radiology	3, 519
Discounts	441
Total	747, 401

PROGRAM EXPLANATION

Columbia Hospital serves a dual role of service to D.C. residents and, due to its specialization, to the Metropolitan Area as a whole. Ninety-two percent of the patients receiving outpatient care are from the District of Columbia, mostly from the inner city, and while its inpatients come from the entire Metropolitan region, the proportion of District to non-District residents is increasing from 36% in 1966 to 51% in 1970 and is estimated to reach 60% by 1975.

The cost of free services to the medically indigent accounts for more than 20% of the total patient overall services rendered.

The development of the existing building, occupied in 1916, and expanded in 1959, has been of an episodic nature to meet changing needs as they arose, and of necessity to date, most development has been confined to internal modification and reorganization. But modification alone can no longer accommodate the continually increasing demand and need for services, and provision for the comprehensive and long-range needs of the hospital cannot be made. Today, Columbia Hospital for Women is a 153-bed acute care hospital specializing in the field of obstetrics and gynecology, with 83 bassinets, and an outpatient clinic consisting of examining and treatment rooms.

The Hospital has continued to maintain the highest standards of medical care with the most advanced techniques within aging structures originally designed for services and techniques appropriate to their times but now greatly changed. Much has been done over the years to renovate, improve and increase service capability, patient comfort and safety. Outpatient surgery and outpatient clinics have been expanded to meet community needs. While increasing ambulatory services, the Hospital imposed additional burdens on already limited support areas capability. Outstanding among these latter are Central Sterile Supply, Bulk Storage, Linen Exchange, Housekeeping, and the Diagnostic Services of Radiology and Laboratory. In these areas, internal reorganization for greater utilization and operational efficiency is not feasible and even if it were would not, in itself, answer the need. The problem is that these support areas require additional space. The magnitude of this space problem is suggested by a comparison between this Hospital and studies that have been made of departmental area requirements for hospitals of similar size and function by such organizations as the U.S. Public

Health Service, the American Hospital Association, the American Institute of Architects, and independent hospital consultants. These studies indicate that facilities at Columbia are from 25% to 35% below the norm for comparable institutions.

Nearly all of the Hospital's mechanical, electrical and vertical transportation services other than those modernized in the latest modifications are in need of replacement due to age or insufficient capacity to meet modern demands or standards.

Inadequate area, inefficiently related space, structural configuration, and the obsolescence of the mechanical and electrical systems combine to leave no point of departure for further modification and expansion of magnitude required to overcome the deficiencies in area and systems. Limited expansion capability would further seriously compromise the program envisioned by Columbia's intention toward greater affiliation with local medical schools for the purpose of providing an improved teaching environment in obstetrics, gynecology and pediatrics. Any alternative expansion scheme predicated upon retention of this building would have to accept functional and uneconomical compromise of present requirements, minimal options for future growth, extreme disruption of hospital services during construction, and high renovation costs due to the condition of the buildings and inefficient phasing required to keep the existing plant in operation during renovation. *Total replacement of the existing hospital is the only reasonable and justifiable alternative.*

Columbia Hospital for Women, planning budget: 153-bed replacement at 900 square feet per bed

A. Construction and group I, 137,700 square feet by $45	$6, 197, 000
B. Parking, 300 cars at $3,000	900, 000
C. Site development	300, 000
D. Demolition	110, 000
E. Total	7, 507, 000
F. Contingencies (5 percent)	375, 000
G. Total	7, 882, 000
H. Escalation (2 years at 6 percent)	946, 000
I. Total construction	8, 828, 000
J. Professional and other fees	724, 000
K. Groups II and III equipment	1, 100, 000
L. Total project cost	10, 652, 000

Columbia Hospital for Women, calendar year 1970

GHI cost per diem:[1]	
Adults:	
Non-OB	[2] $75. 73
OB	[2] 84. 05
Infants	35. 89
GHI charges per diem:[1]	80. 92
Medicaid per diem cost:	
Adults	87. 40
Infants	40. 62
Medicaid charges per diem	90. 84
Date of audit, Dec. 12, 1970:	
Audited patient day cost	89. 41
Total operating expenses	5, 193, 133. 00

[1] Does not include medical service items.
[2] Non-OB and OB average $79.40.

PREPARED STATEMENT OF MATTHEW F. MCNULTY, JR., VICE PRESIDENT FOR MEDICAL CENTER AFFAIRS, GEORGETOWN UNIVERSITY

SENATOR TUNNEY AND MEMBERS OF THE COMMITTEE: I am Matthew F. McNulty, Jr., Vice President for Medical Center Affairs at Georgetown University. Georgetown University is vitally interested in the District of Columbia Medical Facilities Act of 1972, which is a re-introduction of Public Law 90-457.

The original law was enacted to provide assistance resources necessary to meet the qualitative and quantitative health needs of the District of Columbia and the metropolitan area. Resources for health construction were available to other communities from state funds, but were unavailable to Washington institutions because of the unique nature of the District. The circumstances of this unique situation were defined further in the testimony in support of HR6526 and S1228 of 1968. Those circumstances are equally applicable today. Specifically, the initial effort of PL 90-457 enabled the community non-profit health institutions to begin to meet programmed health needs for which funds had once been lacking.

The response of Georgetown University to the enactment of 90-457 in 1968 was prompt and immediately productive of continued community service. The University proceeded to remodel and expand its diagnostic and clinically oriented instructional health facilities.

We build facilities to enable students, interns, residents, and clinical faculty physicians and dentists to increase their scientific and diagnostic skills. We enlarged facilities to accommodate an additional 42,500 outpatient visits per year. We constructed facilities to provide for the latest, most up-to-date information on health services and medical research—information which has an immediate potential benefit for the entire metropolitan area.

With these new facilities, we attracted 94 new clinical faculty members (physicians, dentists, and other health scientists) and facilitated a significant increase in the student clinical orientation programs. The increase from 133 full-time clinical faculty members in 1965 to 227 full-time clinical faculty members in 1971 has also allowed the Georgetown Medical Center to provide more medical manpower to the District and Metropolitan area, as well as to the nation.

A necessary extension of this significant initial contribution is dependent upon the provision of additional facilities wherein the clinical skills of this talented manpower can be made available for delivery of services. Without additional space, a proper balance between education, research, and service will be lost. In this instance, by "service" we mean ambulatory care and its extensions. The availability of many nationally noted physicians presently at Georgetown University will be minimized instead of maximized for citizens of the District of Columbia metropolitan area. Therefore, part of the resources (funds) requested by Georgetown University would be used for developing a facility for expanded patient care. As we prepare to deliver more outpatient care, there is an identifiable need to enlarge clinical facilities to house the required staff.

The other major concern of Georgetown University deals with the critical obsolescence of Georgetown University Hospital, the treatment component of Georgetown University Medical Center. When Georgetown University Hospital was constructed in 1947, it was necessarily developed from pre-World War II concepts of such facilities. It was built without the many necessary facilities a teaching hospital requires, such as conference rooms, complex diagnostic and therapeutic facilities, and extensive laboratories. It also lacked the extensive ambulatory facilities necessary to support a practicing clinical faculty and residency teaching programs in all disciplines.

These pre-World War II construction concepts pre-dated the development of present Hill Burton construction principles or guidelines for the adequacy of facilities of teaching hospitals. Subsequent to the 1948 Hill Burton legislation, guidelines were developed by careful study and evaluation, eventually outlining the adequate requirements, for everything from workrooms to nurseries to electrical safety standards. As a matter of fact, since 1965 and the increased attention of Federal legislation, the definitions of personnel as well as patient safety requirements have become more sophisticated and demanding.

As these standards have become more precise, the District of Columbia Public Health Department has, appropriately, included them in the licensure requirements for hospitals in the District. Similarly, the Joint Commission on Accreditation of Hospitals has, after three years of intensive study, issued in 1971 an extensive revision of their own guidelines which, in addition to the District standards, must be followed. The Georgetown University Hospital has been increasingly less able to adapt its clinical activities and service functions to the

guidelines. The financial resources to initiate a modernization program are urgently needed.

The foregoing in no way suggests that the structure of the Georgetown University Hospital buildings are not basically sound. On the contrary, planning efforts at the Hospital have carefully balanced new construction with renovation of the present facilities. By constructing the Concentrated Care Center, now underway, to include the most technologically changed services (operating room, selected laboratories, diagnostic radiology, intensive care/concentrated care units, emergency-disaster area) and then renovating and reallocating space within the present facility, Georgetown will have developed a model for demonstrating the most economical method of upgrading a medical center.

We do have on hand, or obtainable, the funds to construct a Concentrated Care Center. The development of that Center necessitates enlargement of our clinical laboratories, radiological facilities, and other diagnostic-therapeutic capabilities to meet the increased demand for inpatient and outpatient services. We do not have available or obtainable the funds to undertake these urgent needs. In order to progress, Georgetown University Hospital must now accomplish specific changes and modernizations in the present hospital facilities. It is these specifics of modernization of the present Hospital which we have outlined hereafter for you.

The development of air conditioning and air handling systems was elementary when Georgetown University Hospital was opened in 1947. The technology in this field has advanced tremendously; so have regulations and guidelines for climate control as developed by Hill Burton and licensure bodies. The relationship between effective air handling and prevention of infection has become much more specific. For the patients to benefit from these advances, it is necessary for Georgetown to completely re-do its air handling and presently very limited air conditioning system. This work would be phased so as to continue patient care activity and would include air handling equipment, duct work throughout the Hospital, and all necessary controls.

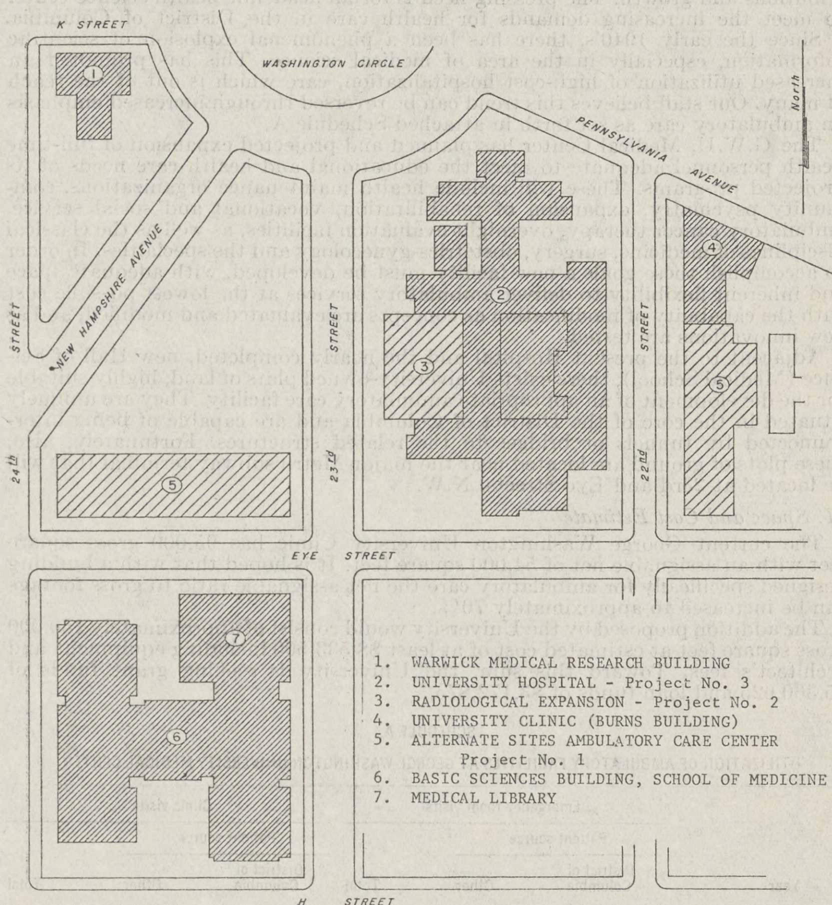
The use of electrical systems in life-monitoring and life-supporting equipment has increased at a geometric rate since 1947. The increased use of this electrical health equipment necessitates an electrical system which will protect the safety of patients through the avoidance of micro-shock. Power must be adequate and non-interruptable. It is essential that the utility lines and electrical systems within Gerogetown University Hospital be updated to permit response to both the use of life-monitoring and supporting equipment and to safety requirements.

Because of the expansion of diagnostic and therapeutic techniques and the evolution of pre-packaged materials and supplies, as well as the increased use of equipment, movement of material and people throughout the Hospital has shown a very marked increase. Additionally, the implementation of progressive patient care in itself entails an accelerated movement of patients from intensive through self-care units. Georgetown University Hospital needs to install new elevators in our present facilities, to add additional elevators and to automate the material-handling system to the most cost-effective level. In a labor-intensive industry, any improvement in the work flow system will assist in minimizing the escalating costs of operating health facilities. It is our objective to reduce as much as possible the dependence on costly labor by substituting material-handling technology which can do some of the same work at a decreased expense.

To summarize, then, in the 25 years since Georgetown University Hospital was opened, scientific techniques for treating illness and maintaining health have increased at a geometric rate. Consequently, for a teaching hospital that stands in the forefront in the development and implementation of new techniques, the need is great to maintain its physical facilities at such a level so as to offer the most effective patient care and be able to respond promptly to the continuing further developments in medical technology. This request from Georgetown University is to enlarge the clinical laboratory, radiological laboratory, and other diagnostic and therapeutic facilities and to renovate the University Hospital, including particularly the vital mechanical. electrical, and other institutional health care supportive systems which will permit, on behalf of continued excellence of patient care, rapid response to the improvements in medical technology. It is in this way that Georgetown University can fulfill its role as teacher, researcher, and service resource to the District of Columbia, metropolitan area, and the nation.

The foregoing described projects have been evaluated by external engineering and architectural evaluations. These impartial studies have demonstrated that modernization needs are in excess of $16 million.

THE GEORGE WASHINGTON UNIVERSITY MEDICAL CENTER APPLICATION FOR CONSTRUCTION, GRANT, AND LOAN FUNDS



PROJECT NO. 1—THE GEORGE WASHINGTON UNIVERSITY MEDICAL CENTER

Program for Growth of Ambulatory Medical Care

I. Description

From a modest beginning in 1825, the G.W.U. Medical Center has become one of the Nation's outstanding medical resources. This preeminence has been achieved through the efforts of its School of Medicine, its University Hospital, and more recently through its ambulatory facility, the G.W.U. Clinic.

Approximately 15 years ago, the G.W.U. Medical Center saw the need to evolve a different medical care delivery system. Thus, in 1967, after extensive planning, the establishment of the G.W.U. Clinic brought to fruition the concept of a full-time faculty group practice program. Since 1968, the full-time clinical faculty has been housed in the Burns Building, a renovated apartment house adjacent to the Hospital—a facility which, due to its rapid growth, is becoming inadequate for its full-time physician staff of 75 and support services

and personnel. Hence, the unit must be expanded to meet tomorrow's needs and challenges. This is especially so in the light of the commitment of the G.W.U.'s community health team to make available total health care to the 40,000 residents of Area 9, and with the anticipated activation of the health maintenance organization concept.

The educational, patient service and model evaluation accomplishments of the University Clinic have been real. There are great expectations for further contributions and growth. The pressing need is for an academic health science center to meet the increasing demands for health care in the District of Columbia.

Since the early 1940's, there has been a phenomenal explosion of scientific information, especially in the area of medical science. This has promoted an increased utilization of high-cost hospitalization, care which is out of the reach of many. Our staff believes this trend can be reversed through increased emphasis on ambulatory care as set forth in attached Schedule A.

The G.W.U. Medical Center has planned and projected expansion of full-time health personnel adequate to meet the educational and health care needs of its projected programs. These will include health maintenance organizations, community psychiatry, expansion of rehabilitation, vocational and social service, ambulatory cancer therapy, overnight evaluation facilities, as well as the classical disciplines of medicine, surgery, obstetrics-gynecology and the specialties. In order to accomplish these goals a new facility must be developed, with adequate space and inherent flexibility to deliver ambulatory services at the lowest possible cost with the capability of modification as concepts are evaluated and modified, and as new innovations are tested.

Adjacent to the present Hospital and the nearly completed, new Hall of Science (Medical School), there exists University-owned plots of land, highly suitable for the development of an appropriate ambulatory care facility. They are uniquely situated in the core of the District of Columbia and are capable of being interconnected by tunnels or bridges to the related structures. Fortunately, also, these plots of ground are located near the major Metro subway terminal that will be located at 23rd and Eye Streets, N.W.

II. Space and Cost Estimate

The current George Washington University Clinic has 95,000 gross square feet with an assignable net of 54,000 square feet. It is hoped that with a building designed specifically for ambulatory care the net assignable ratio to gross footage can be increased to approximately 70%.

The addition proposed by the University would consist of approximately 150,000 gross square feet at estimated cost of at least $8,533,500 including equipment and architect's fees. Toward this sum, the University is seeking grant funds of $5,360,625 and loan funds of $3,172,875.

SCHEDULE A.

UTILIZATION OF AMBULATORY FACILITIES AT GEORGE WASHINGTON UNIVERSITY MEDICAL CENTER

	Emergency room visits			Clinic visits		
	Patient source			Patient source		
Year	District of Columbia	Other	Total	District of Columbia	Other	Total
1967	16,100	6,900	22,941	15,680	16,320	32,000
Percent	70	30		49	51	
1970	23,100	9,900	32,871	46,550	48,450	95,000
Percent	70	30		49	51	
1975 (estimate)	29,400	12,600	42,000	89,180	92,820	182,000
Percent	70	30		49	51	
1980 (estimate)	31,500	13,500	45,000	122,500	127,500	250,000
Percent	70	30		49	51	

PROJECT NO. 2—THE GEORGE WASHINGTON UNIVERSITY MEDICAL CENTER

Expansion of Diagnostic and Treatment Radiological Facilities

I. Description

During the early and mid-sixties, the George Washington University Hospital undertook a major expansion and remodeling program. However, due to fund limitations, several compromises had to be made. One of these was the

minimal expansion of the Department of Radiology, a facility which has become grossly inadequate. The major thrust of this request is for assistance to provide a new diagnostic and treatment X-ray Department which will utilize present facilities to the maximum degree possible.

The Hospital's present admitting and diagnostic testing facilities, located on the first floor, also, are inadequate. Entrance and exit to the Hospital are not at street level and are very difficult for the infirm and wheel-chair patients. Thus, it is planned to update and relocate these facilities at the street level. Also, as a part of the admitting procedure, an area is planned where the patient s admitting diagnostic procedures may be taken in the most convenient manner for the patient without delays that add to the length of the hospital stay.

New leadership in the Department of Radiology and increased full-time faculty have led to the development of a dynamic department to provide diagnostic and treatment services not previoulsy available. These procedures will greatly enhance the patient care and services rendered by the G.W.U. Hospital. Within the past year, major additions to the teaching faculty also have been made in Gastroenterology, Neurosurgery, Pulmonary Medicine and Urology. Each of these specialties will be a major consumer of modern radiologic modalities, and it is anticipated that the demand for Radiologists, as a key individual in patient management will continue to grow.

II. Scope of Project

The projected program is to construct a two level addition to the University Hospital in the vacant area at the present 23rd Street entrance. This will permit the development of a mass of space for an expanded centralized diagnostic and treatment facility for the Department of Radiology which will encompass the present department and incorporate into it the present radiology offices and radioisotope division which are scattered throughout the Hospital. Included in this project will be the relocation of the admitting and business functions so as to provide an efficient and economical patient flow.

The redevelopment and expansion of the Radiology Department has become necessary to:

(*a*) Accommodate the increased volume of patients as projected in attached Schedule C.

(*b*) Offer treatment and diagnostic services not previously available.

(*c*) Provide improved training programs for interns, residents and medical students.

(*d*) Provide facilities in which a training program for x-ray technicians can be developed. This will provide urgently needed paramedical personnel to the community.

(*e*) Aid in the recruitment of talented full-time radiographic subspecialists which will enhance patient care and the training programs of other physicians and medical students.

Expansion and equipment needs are based upon the following growth factors, plus future anticipated growth:

(*a*) Since 1967, the total number of patients examined in the diagnostic x-ray division has risen 48%.

(*b*) Special procedures have risen 47% since 1967.

(*c*) Nuclear Medicine procedures have increased 60% since 1968.

(*d*) Radiotherapy patients treated have increased from approximately 10 patients a day to the present average of 50 patients per day since 1966.

The present Radiology Department consists of approximately 11,000 square feet; our plans call for doubling its size to meet present and future needs.

Currently, slightly in excess of 50% of the procedures are for ambulatory patients and for District of Columbia residents. Increases are expected in both the ambulatory percentage and in the proportion of patients from the District.

III. Cost Estimate

The total cost of this project is estimated at $3,531,500, towards which we are seeking $2,071,875 in grant funds and $1,459,625 in loan funds.

SCHEDULE C

PAST AND PROJECTED RADIOGRAPHIC PROCEDURES, THE GEORGE WASHINGTON UNIVERSITY MEDICAL CENTER

Year	Hospital inpatients	Emergency room	Ambulatory patients	Total diagnostic procedures	Nuclear medicine (radioisotopes)	Radiation [1] therapy	Total
1967	52, 616	(2)	(2)	52, 616	1, 993	7, 460	62, 069
1970	36, 398	18, 963	13, 066	68, 427	3, 003	10, 290	81, 720
1974 (projected)	44, 390	22, 910	16, 850	84, 150	5, 000	15, 500	104, 650
1981 (projected)	62, 600	30, 250	22, 250	115, 100	14, 100	17, 000	146, 200

[1] Reflects patient visits in radiation therapy.
[2] In 1967, and prior years, ambulatory and emergency room procedures were included in the "hospital inpatient" statistics.

PROJECT NO. 3—THE GEORGE WASHINGTON UNIVERSITY MEDICAL CENTER

Improvement and Modernization Program

I. Description

The purpose of the program is to modernize the 5 elevators in the University Hospital which have been in service for the past 24 years. The present equipment is difficult and expensive to maintain. It is obsolete and parts are not readily available, making service difficult. The degree and frequency of outage is frequent. With the limited number of elevators available, outage can be critical.

II. Scope of the Project

During the past two decades, the demand for vertical transportation has increased by at least 50%. The existing facilities at the G.W.U. Hospital are not able to meet todays' needs. A new set of elevators has been proposed for the existing shafts—high speed, self-leveling cars which will provide more rapid service for patients, visitors and staff.

This modernization program will allow the Hospital to eliminate elevator operators at an annual saving of $83,863.

III. Cost Estimate

The total cost of this project is $335,000, toward which $167,500 in grant support and $167,500 in loan funds is sought.

HADLEY MEMORIAL HOSPITAL REQUEST FOR MODERNIZATION

I. THE HISTORY

Hadley Memorial Hospital is operated by the Seventh-day Adventist Church. This 82-bed non-profit acute-care hospital is located in the Far Southeast health services area 4. The hospital was designed in 1945 and was partially opened in 1952.

II. THE SETTING

This hospital, which stressed outpatient care from its very inception, is still continuing to provide diagnostic and primary care facilities to its community. This year, nearly 30,000 inpatient days will be provided and over 41,000 patients will be seen in the outpatient clinics. Throughout the years, ninety-five percent of the patients have come from the District of Columbia. They come to Hadley Memorial Hospital because it is the physician's office, because it represents an entry into the medical care system through a network of specialty clinics, because it is fully operational six days a week, because its night clinics hours encourage visitation when private doctors are usually unavailable.

Over five years ago, the physical facilities of this hospital were deemed to be inadequate for even an 82-bed hospital. It was felt that any additional patient load was impossible and that expansion was imperative. With the opening of the Morris Cafritz Memorial Hospital, it was strongly urged by planners and consultants, however, that Hadley Memorial Hospital constrain all growth for it was felt that duplication was imminent. Accordingly, the Board accepted these recommendations and deferred all long-range plans despite upward trends and demands for expansions.

This year, the Board engaged the services of Block, McGibony and Associates to once again evaluate the hospital's future, to determine a need for expansion, and to develop a long-range plan. The Board recently received the consultant's report and desires to continue to provide community health care for the people of the Anacostia area.

III. THE PRESENT FACILITIES

This structure, designed in the 40's, could have never anticipated the medical-technological challenges of the 70's, the impact of Medicare-Medicaid, and the concern for verticare. Consequently, all areas of the Hospital are markedly deficient in space. To care for the needs of the 41,000 patients who will be treated in the outpatient department this year, 1,900 square feet is grossly inadequate. This department has one observation room, five small clinic rooms, and one emergency room. There are no work areas, utility rooms, or support facilities for the clinic staff. Waiting areas are too small, resulting in corridor waiting. Many patients stand for long periods of time. The registration-interviewing takes place in the midst of a crowded waiting room and major corridor exit with no privacy given for the patient during the interview process; this together with the general congested corridors of the suite compromise patient privacy during the actual examination-treatment.

The clinical laboratory has assumed an increasing role in the diagnostic process and the number of procedures has experienced substantial increases throughout the history of the Hospital. Both radiology and clinical laboratory services at Hadley are serving needs akin to those of a much larger hospital and the resultant pressures on all services are severe. This laboratory performs 40% of its tests for the outpatient. In view of the large clinic activity one would expect to find a department at least seven times larger than its existing 580 square feet. Because of the inadequate space prohibiting the increase of personnel, there are great delays for the outpatient. There is no blood drawing area, and the patient is brought to a counter into the middle of the work and testing area. Remote public toilets are used for specimen collections from the patients. Because there is no room for a clerk, all technologists must perform routine clerical duties.

Several years ago, the clinic patient flow began to rise with such intensity that the clinic hours were changed from 9 A.M.–5 P.M. operation to an 8 A.M.–11 P.M. operation. Community desires were expressed for this change and managerially this was intended to attempt to spread the work more evenly. This extension of hours met a community request but did not produce the intended efficiency since there was an increase in day visits as well as an 87% increase in evening patient.

In the Department of Radiology, there is only space for two flouroscopic machines. Neither room is large enough for special procedures. Narrow doors restrict the entry of a bed thus eliminating the use of these machines for the bed-fast patient. A pair of small curtained patient dressing cubicles lack privacy and security for the patient. The small film storage area has a capacity for four to nine month's film based on current activity. There is a major problem in respect to waiting areas. Most of the waiting now backs into the already congested clinic corridors.

In addition to the hospital-based house physicians who provide primary care, the attending staff (most of whom are Board certified) conduct fifteen specialty clinics each week: Allergy; Ear-Nose-Throat; Family planning; Gynecology; Genito-urinary; Internal medicine; Ophthalmology; Optometry; Orthopedics; General Surgery. There are constant requests from the community for care of the alcoholic, the problems of drug addiction, dental care, pediatrics, mental health, and industrial-occupational health. Despite space limitations, there is a constant renovation program in process. In 1970, over $100,000 was spent in renovation or new equipment. Last year, a minor surgery ward replaced existing beds to accommodate up to six patients for post-anesthesia observations to minimize the necessity for overnight hospitalization and to promote ambulatory surgery.

There has been complete internal funding for all renovation and construction. This is the first time in its history that the Hospital has had to request governmental grants.

IV. THE PLAN: PHASE I

A. The health care mission of Hadley Memorial is to continue to provide both inpatient and primary outpatient health care of high quality to the residents of the Anacostia area. The Hospital needs to continue to assert its role as a Family

Health Center available for all; a center that provides coordination of focus, personal and family physical and mental health services, preventive care, diagnostic care, rehabilitative care, general medical and surgical care, proper referral to specialized facilities and services, and health education.

B. To do this a facility must be provided to house the new diagnostic and treatment center for ambulatory care; laboratory; radiology; rehabilitation; and pulmonary functions; community services; referral and counseling services; observation; and emergency receiving. Renovations must take into consideration materials handling and recycling; employee facilities; dietary; medical records; operating rooms; central supply and pharmacy.

C. To achieve Phase I of the modernization, Hadley Memorial Hospital will need the minimum support of the District of Columbia Medical Facilities Construction Act in the amount of $3 million:

Construction and group I equipment (18,000×$60)	$1, 080, 000
Heating, ventilation, air-condition	448, 000
Remodeling in existing building (23,800×$25)	595, 000
Construction cost	2, 123, 000
Project cost	3, 000, 000

HADLEY MEMORIAL HOSPITAL OUTPATIENT STATISTICS

	Emergency room visits			Clinic visits			Uncollectible accounts		
	D.C. resident	Non-resident	Total	D.C. resident	Non-resident	Total	D.C. resident	Non-resident	Total free care
Year:									
1966	7, 043	1, 052	8, 095	29, 803	4, 453	34, 256	$39, 214	$5, 859	$45, 073
1967	6, 312	918	7, 230	25, 536	3, 715	29, 251	63, 432	9, 228	72, 660
1968	5, 857	687	6, 544	22, 451	2, 635	25, 085	82, 517	9, 681	92, 198
1969	4, 917	522	5, 439	19, 946	2, 118	22, 064	61, 375	6, 518	69, 893
1970	4, 205	361	4, 566	27, 752	2, 380	30, 132	56, 436	4, 841	61, 277
1971	5, 573	312	5, 885	34, 768	1, 946	36, 714	139, 209	7, 791	147, 000
1972	5, 804	306	6, 110	35, 102	1, 848	36, 950	95, 000	5, 000	100, 000
1973	6, 599	311	6, 910	35, 430	1, 670	37, 100	101, 039	4, 761	105, 800
1974	7, 364	371	7, 735	35, 557	1, 793	37, 350	113, 635	5, 729	119, 364
1975	8, 165	330	8, 495	35, 625	1, 875	37, 500	116, 460	6, 130	122, 590

INPATIENT STATISTICS

	Patient days			Uncollectible accounts		
	D.C. residents	Non-residents	Total	D.C. residents	Non-residents	Total free care
Year:						
1966	22, 209	4, 678	26, 887	$57, 103	$12, 029	$ 69, 132
1967	21, 559	4, 733	26, 292	129, 039	28, 326	157, 365
1968	20, 395	4, 846	25, 241	49, 154	11, 680	60, 834
1969	18, 754	5, 136	23, 890	32, 461	8, 891	41, 352
1970	21, 265	2, 872	24, 137	249, 887	33, 753	283, 640
1971	27, 816	1, 776	29, 592	243, 460	15, 540	259, 000
1972	28, 630	1, 412	30, 042	277, 393	13, 681	291, 074
1973	29, 300	1, 285	30, 585	302, 078	13, 243	315, 321
1974	29, 581	1, 169	30, 750	315, 187	12, 450	327, 637
1975	29, 915	1, 085	31, 000	337, 008	12, 223	349, 231

Providence Hospital Construction Program

One of the oldest hospitals in the District of Columbia, Providence was established in 1861 in southeast Washington and moved to its present site in 1956. Today it is a 390 bed acute care general hospital providing comprehensive health care through a full range of major medical and surgical services, Emergency Department and Outpatients Clinics.

Striving to be very much a part of the community, Providence has voting membership in the Northeast Coordinating Council, works on various community health programs in cooperation with Georgetown University Medical School's Department of Community Medicine, the National League of Nursing Community Planning Committee, the Visiting Nurse Association and Homemaker Service.

For years we have, under contract with the District of Columbia Government, provided care for the indigent patients of the city. We also work closely with and provide office space for the Vocational Rehabilitation Program of the District of Columbia and Welfare representatives. Our Social Service Department, in affiliation with Catholic University and the University of Maryland, provide complete social services for patients and their families.

More specific examples of community concern may be seen in the use of our auditorium by such community groups as the Northeast Coordinating Council and the Northeast Chapter of the American Cancer Society; and in providing annual physical examinations in our clinic for residents of the Little Sisters of the Poor and on-going care whenever needed. We also provide physical examinations for the athletic program at St. Anthony's High School. We have a physical examination and clinic program for residents of Regional Addiction Program known in the community as "RAP".

The needs of the area are great and Providence is seeking the most effective means of meeting them within its abilities.

AMBULATORY CARE FACILITIES

In brief, the proposed Ambulatory Care Facility will be housed in Laboure Hall, a six-story building formerly used as a nurses' home and will house scheduled clinics.

An enclosed corridor—not part of this project—will connect the main hospital building with this building. An additional elevator and air conditioning of the 4th, 5th and 6th floors, the only floors not now air conditioned, will be necessary.

This facility will include over fifty clinics providing a complete range of specialty clinics such as dental, prenatal, pediatrics, surgical and medical with availability of complete diagnostic x-ray and clinical laboratory services and physical medicine and rehabilitation services. In 1970, 97% of clinic patients were from the District of Columbia with half from the Northeast sector of the city.

Our present ambulatory care facilities are now providing health care services to the community in a consistently increasing volume. The severely cramped Outpatient Department provides fundamental medical and surgical facilities to the community and together with our modern Emergency Room, constructed in 1965, handled 90,729 Outpatient visits in 1970. There has been a consistent increase in Outpatient visits—over 23,000 in the last two years. Our Home Care program is enabling the hospital to follow through on care to many community patients.

PROJECT NUMBER DCMF–13—MAIN HOSPITAL BUILDING

The Hospital fully recognizes its responsibility to provide Comprehensive Health Care to the Community it serves and is cognizant of the continuing need to combat the steadily rising costs of hospitalization. In response to such commitments, Providence Hospital has prepared a construction program which includes enlargement and modernization of ancillary and support facilities and increases the Hospital capacity from 390 to 472 beds.

This program provides for the establishment of an 8 bed surgical intensive care unit and 96 beds for long term or extended care. In reference to the latter, the regional planning agency has validated the need at Providence Hospital.

The program contemplates two major additions to the existing Hospital. One addition consists of 6 stories and a basement and the other of 3 stories and basement. Extensive remodeling work and modernization is contemplated in existing areas adjacent to the proposed new additions.

Providence Hospital will be able to provide complete progressive care services from Ambulatory through Intensive and Acute Care to Extended Care as well as Home Care. The patient will be cared for in the environment best suited to his needs and most economical to the community.

Rogers Memorial Hospital Application for Construction, Grant, and Loan Funds

Rogers Memorial Hospital, formerly known as Eastern Dispensary and Casualty Hospital, originally chartered in 1888; is a voluntary, non-profit, medical-surgical hospital, governed by a Board of Directors made up of twenty-one representatives from the metropolitan Washington area. Rogers Memorial Hospital provides medical care to all without regard to race, creed, color, national

origin, or ability to pay, and is the only remaining general hospital located in and serving the downtown, inner-city Capitol Hill area. The Emergency Department is open twenty-four hours a day, seven days a week, and the hospital provides a full range of patient care for medical-surgical cases, including intensive and coronary care. In 1929 and 1958, two building programs expanded the original facilities. Block, McGibony & Associates, Inc. completed a 1968–69, comprehensive evaluation, and developed a master plan for the hospital.

The master plan developed by Block, McGibony & Associates, Inc. provides a critical analysis of Rogers Memorial Hospital's environment, primary service areas, scope and range of services, and an evaluation of physical plant and bed needs. The plan is presented in a systematic two phase approach. It calls for modernization and expansion of services to meet present and future medical care needs of the hospital's primary service area, an area which encompasses the economically disadvantaged inner-city, where health care is provided on a crisis basis.

An analysis of statistics indicates that the primary service area of Rogers Memorial Hospital is the least advantaged of any segment of the District. By comparison with the District as a whole, it reflects:

Highest population density
Highest proportion of non-white population
Highest proportion of old, deteriorating or dilapidated housing
Highest occupancy per household with more than one person per room (21% against 12.4%)
Lowest family income

And, in addition:

Highest welfare case loads
Highest crime rate
Poorest schools
Poorest park and recreation resources
Highest rate of illegitimacy
Most dense arterial traffic flows through residential areas
Lowest median age (27 as against 32)
Lowest proportion of population over age 65 (5.1% as against 9.1%)
Lowest educational attainment
Highest unemployment rate

Phase I has been funded with grant and loan monies under P.L. 90-457. This phase will expand and modernize the Emergency Department as well as improve those facilities currently occupied by the Radiology and Pathology Departments. Phase I will additionally expand the physical plant, bringing all beds into conformity with current Health Department standards for in-patient facilities. This phase will not increase the number of in-patient beds, nor will it enable the hospital to alter significantly its mode of delivery of health care.

The entry point into the health care system for most patients living in the area served by Rogers Memorial Hospital is through the Emergency Department. Few patients have a primary physician and therefore must depend upon the hospital's Emergency and Out-Patient Departments to meet their health care needs. The completion of Phase I of the Rogers Memorial Hospital master plan will enable the hospital to continue meeting the crisis needs of the community; however, Phase II must be completed if Rogers Memorial Hospital is to shift the emphasis of care from crisis to preventative. Provision of comprehensive health care must emphasize the preventative, as contrasted to the crisis oriented care system. Stress on the vertical care delivery system and minimization of the horizontal type of care, is the primary goal of Rogers Memorial Hospital.

Phase II of the hospital's plan provides for:

1. AMBULATORY CARE AND REFERRAL CENTER

As the only inner-city voluntary, non-profit, general hospital in the Capitol Hill area, Rogers Memorial Hospital plans to construct a multi-story ambulatory care and referral center to provide vertical care for the un-met inter-city demand which is increasing at the rate of 20% per year. This facility will be contiguous to the hospital and provide optimum utilization of hospital ancillary facilities aud eliminate duplication of services.

Programs scheduled are as follows:

(1) Personal and preventive care services including diagnostic and therapeutic services.
(2) A home care program and community health education.

(3) Specialty clinics for progressive patient care.
(4) Neighborhood clinic support and administration areas.
(5) A multiphasic Screening Center.
(6) A renal dialysis area and related highly technical procedures which can be provided on a vertical basis under controlled conditions.
(7) Educational and training facilities for medical and paramedical personnel.
(8) A pulmonary function area.
(9) A social service program area.
(10) Ancillary and supporting areas for these programs.

This project is estimated to cost $7,400,000, plus $1,000,000 for merging ancillary and related services, for a total of $8,400,000.

Ambulatory care services will be co-ordinated with similar programs of the National Medical Association, and others now in existence or hereafter instituted, with provision for an interchange of patients at all levels of care and both inpatients and outpatients. This program will provide a continuity of care as the patient is guided through the system and will eliminate the usual problems of availability, accessibility and fragmentation where different levels of care are available only at separate and non-related facilities. Patient records and other services will be centralized to insure quality care and reduce duplication.

It is anticipated that a prepaid capitation program will provide for a spectrum of health services including acute, long term, ambulatory and emergency care in conjunction with preventive, diagnostic, rehabilitative and therapeutic services.

General health maintenance will be available at centers maintained by other organizations as well as at this facility with only this facility providing specialty clinics. Each patient will have available to him a personal physician and a family health team which will have primary responsibility for continued health surveillance.

The hospital has been seriously hampered by lack of adequate facilities and equipment to carry out much needed teaching and training programs for medical, paramedical personnel and community oriented programs. The proposed construction program will provide such areas and equipment and will enable the hospital to effectuate affiliations with medical schools, attract interns and residents, and establish programs in paramedical training skills.

Through this construction program, it is intended to establish a program in multiphasic screening, renal dialysis, pulmonary function, and other programs which will extend the scope of the hospital's health care capabilities.

2. EXTENDED CARE

Project 2 of Phase II provides for the construction of a multi-story building providing 100 extended care beds with supporting and ancillary areas and provisions for rehabilitation services to include:

(1) Vocational therapy
(2) Occupational therapy
(3) Physical therapy
(4) Activities of daily living
(5) Psychological counselling
(6) Social Services
(7) Social rehabilitation

This project is estimated to cost $4,200,000.

The objectives of the proposed extended care and home care programs are:

To furnish comprehensive medical, nursing, casework and related care in the home to patients whose medical needs can be satisfactorily met in this milieu . . .

To restore patients to normal family living and useful functional activity . . .

To shorten the hospital stay of selected patients . . .

To release acute patient beds for those who need them . . .

To furnish an adequate quality of care at lower cost than in the hospital by using the patient's home as the locale of treatment . . .

To train professional and technical health personnel to work as a team in an extramural setting . . .

To furnish field expeience for students in the health professions . . .

Phase II facilities will thus enable Rogers Memorial to provide a broader range of inpatient and ancillary services as well as general, medical-surgical care with intensive and coronary care units. Obstetrical inpatient care will be referred to area hospitals equipped to care for these patients.

Phase II provides facilities for preventive and restorative type care which is so needed by the patients within the service area. Additionally, Phase II will provide educational and training facilities for medical and para-medical programs. Par-

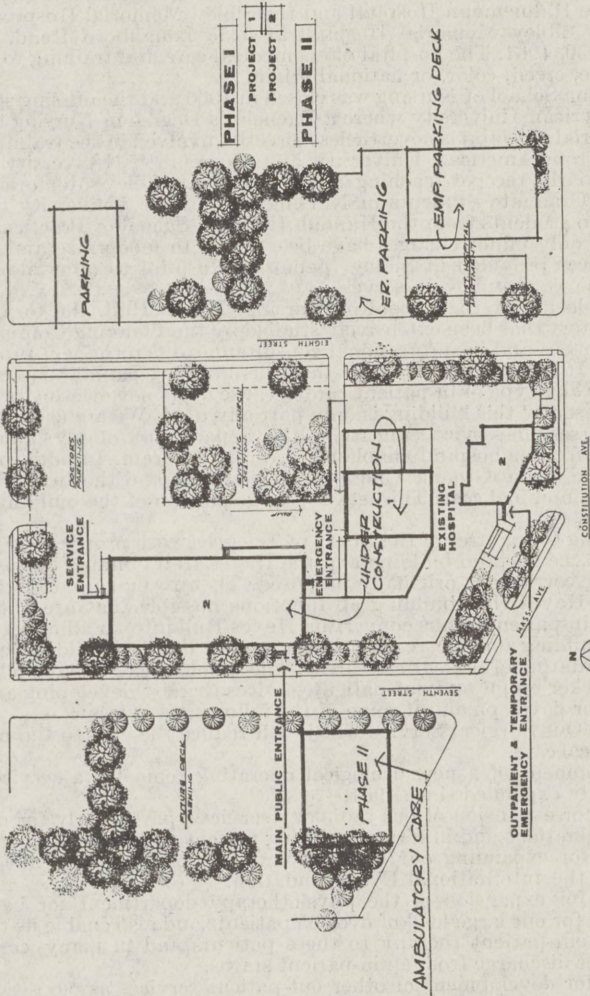
71-274—72——16

ticipants in allied health manpower training programs, conducted by the hospital, would be recruited from the community served by the hospital, thus proving mutually beneficial to the economy of the community, while reducing current shortages in allied health manpower.

Completion of Phase II of the master plan will enable Rogers Memorial Hospital to attain its stated goal of providing total comprehensive health care within the inner-city, Capitol Hill area. Without the funding of Phase II, however, the hospital will be severely restricted in the delivery of health care.

Total funds required:

(1) Grants	$6, 300, 000
(2) Loans	6, 300, 000
Total	12, 600, 000


ROGERS MEMORIAL HOSPITAL
WASHINGTON DC
BLOCK, McGIBONY + ASSOCIATES, INC.
WILMOT & PORTER
SITE PLAN
SCALE
PHASE I
PROJECT 1
PROJECT 2
PHASE II
EMP. PARKING DECK
ER. PARKING
PARKING
EIGHTH STREET
EXISTING CHURCH
DOCTORS PARKING
SERVICE ENTRANCE
EMERGENCY ENTRANCE
UNDER CONSTRUCTION
EXISTING HOSPITAL
CONSTITUTION AVE
MASS. AVE
N
OUTPATIENT & TEMPORARY EMERGENCY ENTRANCE
SEVENTH STREET
MAIN PUBLIC ENTRANCE
FUTURE DECK PARKING
PHASE II
AMBULATORY CARE

Prepared Statement of Sibley Memorial Hospital and Lucy Webb Hayes National Training School

The Lucy Webb Hayes National Training School for Deaconesses and Missionaries operating Sibley Memorial Hospital was originally chartered August 8, 1894 and as amended March 2, 1955, states that, "The particular business and object of said Corporation is to maintain and conduct a hospital for the care and treatment of the sick and distressed and the teaching and training of nurses".

In 1958 the Hahnemann Hospital and the Sibley Memorial Hospital combined and the new Sibley Memorial Hospital at 5255 Loughboro Road, N.W., was opened May 30, 1961. The hospital offers medical care and training to all without regard to race, creed, color, or national origin.

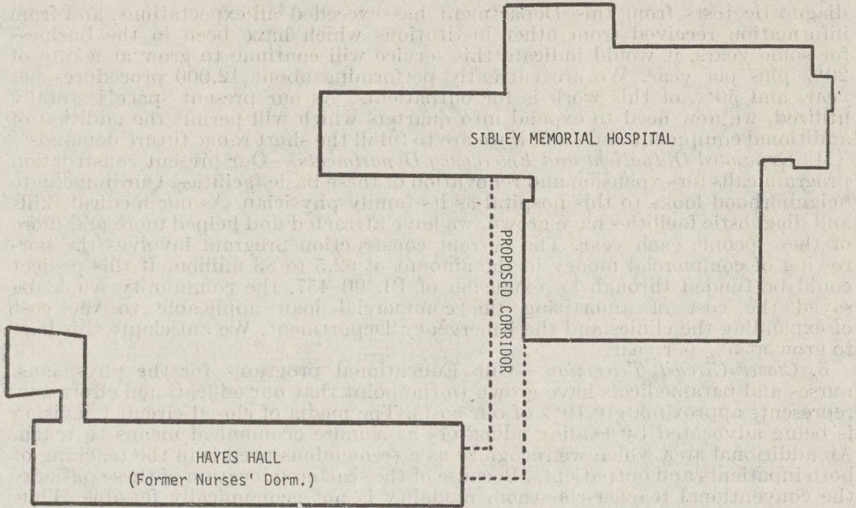
The Diploma School of Nursing was closed in 1966 and the nursing school transferred to American University where a Bachelor's Degree in Nursing is provided. Sibley Memorial Hospital is nevertheless directly involved in the training of nurses as students from American University and Georgetown University Schools of Nursing regularly receive teaching and training at Sibley Memorial Hospital. In addition, Graduate Students in Nursing at Catholic University train at the hospital, as do students from the Hannah Harrison School of Practical Nurses.

Since 1961 only minor changes have been made to modernize and update the medical services provided at Sibley Memorial Hospital to allow it to fulfill its service to the community it serves.

Since the closing of the School of Nursing, Hayes Hall, the former student nurses' dormitory, has been extensively studied by the Planning Committee of the Board of Trustees and by professional consultants to determine a proper use for the building. It has been determined that this building cannot be economically renovated for any type of in-patient care because of its not meeting proper building codes. Presently this building is only partially used. We are using some of the space for nurses' in-service education, the department of personnel and the training area for our hospital chaplain's training program. In addition, space is made available to the Groome Child Guidance Clinic and the International Eye Foundation at nominal cost. This leaves a large portion of the building unused at this time.

The Planning Committee of the Board of Trustees, with proper consultants, has proposed that the hospital building and the Hayes Hall building be connected by an all-weather corridor as originally proposed. Then to move out of the hospital building into Hayes Hall building all functions possible that are not necessary to the care of in-patients, thus converting Hayes Hall into an administrative-outpatient care building and relieve space in the present hospital building for modernization and up-dating of patient care areas. This would mean moving offices, medical records, locker rooms and out-patient services thereby developing areas within the hospital for development of some of the following services:

1. In and Out Surgical Service which will reduce the cost to the patients for medical care.
2. Development of a new urological operating room for a service that has greatly expanded since 1961.
3. Allow for expansion of our radiology services, particularly for out-patient examinations and in return reducing patient cost.
4. Allow for expanding our Opthalmology out-patient clinic in conjunction with the International Eye Foundation.
5. Allow for expansion of the physiotherapy department for better treatment for our large load of over-65 patients and also enable us to properly give out-patient therapy to these patients and in many cases permit earlier discharge from an in-patient status.
6. Space for development of other out-patient services as our service to the Metropolitan Area, as is warranted. This renovation and modernization of other areas can be done without large sums being expended for new construction and will allow an estimated 25% increase in out-patient services, 11% increase for in-patient services, as well as supply a new service for In and Out Surgery, giving services for 1800 to 2200 cases per year at reduced cost inasmuch as they will not require hospitalization. The cost of this program is approximately $7,000,000.



PREPARED STATEMENT OF R.M. LOUGHERY, ADMINISTRATOR, WASHINGTON HOSPITAL CENTER

As part of the total request being made on behalf of the hospitals of the District of Columbia, I should like to present the needs of the Washington Hospital Center for expanded capabilities in rendering ambulatory care and patient teaching programs.

1. *Expansion of Physicians Office Building.*—The purpose of our facility has been to provide proximity of physicians to the hospital in order that they could better serve the needs of the immediate community and have ready access to the complete diagnostic and treatment facilities in the adjoining hospital. In addition to serving some 50 physicians of our own medical staff, we have also provided one half of one floor to the Group Health Association as a satellite clinic to provide out-patient care to a large number of their subscribers in this immediate area, as well as an OEO-funded project to provide care for some 1,000 families. Another one-half floor provides an ambulatory care center which serves the needs of the police and firemen of the city. Both Group Health Association and the Police and Fire Clinic need to double their space, and we currently have a waiting list of seven physicians who desire office space in the building.

All of these requests are legitimate and indicate the growing need of physicians' offices adjacent to a major hospital with its complete diagnostic and treatment facilities. These programs have already proven to be an effective means to make better use of the physicians' time as well as a convenience to the patients. Although the hospital financed the original construction of the present building, it is not possible for this to be done again as the hospital has used its own funds plus made loans for commercial money for the current twelve million dollar construction program that is in progress.

2. *Neighborhood Health Facility.*—Recently our Board of Trustees had directed that we investigate the possibilities of creating a neighborhood health center in an area of the District of Columbia where there is currently a shortage of physicians for a population with demonstrated health needs which are not currently being served. A special committee composed of trustees, physicians, and management personnel is investigating how this service could be accomplished. They have arrived at the conclusion that we have the medical competence, the management staff, and the interest to undertake this challenge. However, for the reasons cited above, we do not have the capital funds to acquire the site, construct or remodel a building and equip such a facility.

3. *Expansion of Nuclear Medicine Department.*—Two years ago we opened a Department of Nuclear Medicine with a fulltime physician in charge. At this time the workload has increased to the point that a second fulltime specialist in this field has been employed. The service is operating on a 12-hour schedule, with a skeleton staff for the other 12 hours. The number of patients referred for the

diagnostic tests from this Department has exceeded all expectations, and from information received from other institutions which have been in the business for some years, it would indicate this service will continue to grow at a rate of 20% plus per year. We are currently performing about 12,000 procedures per year, and 50% of this work is for outpatients. As our present space is totally utilized, we now need to expand into quarters which will permit the addition of additional equipment and staff, if we are to fulfill the short range future demands.

4. *Expanded Outpatient and Emergency Departments.*—Our present construction program calls for expansion and renovation of these basic facilities. Our immediate neighborhood looks to this hospital as its family physician. As our medical skills and diagnostic facilities have grown, we have attracted and helped more and more of these people each year. The current construction program involves the borrowing of commercial money in the amount of $2.5 to $3 million. If this project could be funded through an extension of PL 90–457, the community would be saved the cost of amortizing the commercial loan applicable to the cost of expanding the clinics and the Emergency Department. We anticiapte this loan to grow at 5% per year.

5. *Closed-Circuit Television.*—Our Educational programs for the physicians, nurses and paramedicals have grown to the point that our educational effort now represents approximately 10% of our costs. The media of closed-circuit television is being advocated by leading educators as a more economical means to teach. An additional area which we recognize as a tremendous need is in the teaching of both inpatients and outpatients. Because of the scattered location of these patients the conventional teacher-classroom modality is not economically feasible. Thus we are proposing the use of specially prepared tapes and/or film cassettes which can be used for teaching ambulatory patients in many areas—from the activities of daily living program for the heart patient, to a dietary program to a laryngectomized patient as well as prospective new mothers and many other types of patients. One of the most effective methods of helping to reduce the cost inflation of health care is to teach the consumer the principles of good health maintenance so that he won't have to use expensive hopsital facilities.

6. *Relocation of Central Service Department and Added Space for the Laboratories.*—A relocation for Central Service to a new structure more centrally located would release the present space for actue patient treatment (non-bed) facilities would also be in proximity to our Extended Care Facility and would make possible an independent labor-free thus cost saving, materials handling system.

Our Laboratory is the most active hospital laboratory in the whole Metropolitan area, and it is performing work for many of the other hospitals in the city and as far away as Culpeper, Virginia. It provides a full 24-hour, 7-day week operation. Because of the total and speedy services rendered, the growth of the Laboratory volume of work has exceeded all expectations. We have continued to add labor-saving devices in order to expedite work flow, reduce payroll costs, and save space. However, we are now in a position where we will have to start refusing requests, and this is particularly unfortunate in view of the fact that we could do some work for Children's Hospital as well as expand services to other hospitals in the area. Also the physicians in our Physicians Office Building need the help of this department. If we build a neighborhood health center, all of the heavy lab work would be expected to be done here in the base hospital. Approximately 25% of the laboratory work is for outpatients; this seems to be the growing area of need. In 1970 we performed 130,762 outpatient lab procedures.

Some statistics of our overall hospital workload—

55% of our bed patients live in the District of Columbia
45% of our bed patients come from outside the District of Columbia
92% of our ambulatory care patients live in D.C.
85% of patients coming to our Emergency Department live in D.C.
133,000 outpatient visits during 1970. If we can expand the services described, we would anticipate a 50% increase in outpatient capabilities.

Father COLLINS. In summary, there are representatives of all of the hospitals here. The 10 hospitals that are in this bill is a coordinated program arrived at by the cooperation of the Secretary of HEW's office, two planning agencies, and the hospitals themselves.

The thrust of our effort is to catch up on the backlog that has existed in the District of Columbia that was started in the first phase under 90–457.

It is most essential that the program be continued and very specifically two hospitals are under construction that necessitate our request here for early enactment of this bill so they will be able to proceed.

I will list the hospitals: Cafritz Memorial, Children's National Medical Center, Columbia Hospital for Women, George Washington University Medical Center, Georgetown University Medical Center, Providence Hospital, Rogers Memorial Hospital, Sibley Memorial Hospital, Washington Hospital Center, and Hadley Memorial Hospital.

Each of the programs is briefly itemized. In terms of the saving of time I will not read them unless you so wish.

Senator TUNNEY. I do not think that will be necessary. I have before me statements from all those hospitals that you mentioned. I have a statement from the former Speaker of the House, John McCormack. on the same subject, urging passage of this legislation.

I can assure that these statements have been made a part of the record. The committee is most appreciative that there has been demonstrated such interest in the legislation by having representatives of the hospitals come to the hearing room and listen to your testimony.

Father COLLINS. I do not know if there are any particular questions you might have, Senator. The program itself is one that does meet a very essential community need and I believe in the District there are advantages and disadvantages.

One of these is the advantage that the 10 major hospitals of the District are close enough together so that they can plan together to meet the community needs which are really expressed in this bill.

Senator TUNNEY. I want to say, Father Collins, that I support this legislation. I think it is absolutely critical. I have had the opportunity to be briefed on the need for it and I understand that the House will be considering the bill soon.

I, again, want to say how appreciative the committee is that there is a demonstration of interest by so many representatives of the hospitals.

Thank you very much.

Father COLLINS. Thank you, Senator

Senator TUNNEY. Our next witness is Mr. John Perreca, chairman of the Unemployment Compensation Task Force of the Washington Metropolitan Board of Trade.

STATEMENT OF JOHN PERRECA, CHAIRMAN, UNEMPLOYMENT COMPENSATION TASK FORCE, METROPOLITAN WASHINGTON BOARD OF TRADE

Mr. PERRECA. Thank you, Senator Tunney.

Mr. Chairman, I am John S. Perreca, a member of the Metropolitan Washington Board of Trade, and chairman of its task force assigned to review the Unemployment Compensation Act now under consideration by your committee.

We are here with the unanimous approval of the board of directors of the Metropolitan Washington Board of Trade. Mr. Chairman, we are grateful for this opportunity to express our views respecting S. 2429 which will provide the District of Columbia with appropriate Unemployment compensation legislation and to briefly comment on a number of its provisions.

Please let me take a moment to establish our credentials.

The board of trade is the Washington area's oldest and largest association of business and professional leaders. It is a voluntary membership organization, composed of more than 3,000 different firms and enterprises. It was formed in 1889 and for more than 80 years has been involved in virtually every important development in the National Capital area.

The overriding reason for its formation was to present a united front on behalf of the business and professional community to the Congress of the United States in matters affecting the District of Columbia. Originally it was concerned with District of Columbia affairs, but since World War II, it has become increasingly involved in metropolitan area problems and now engages in a variety of important activities of interest and value to the entire metropolitan community.

Our convention and visitors bureau is the major visitor promotion agency in Metropolitan Washington. It seeks to increase visitor spendings through the promotion of tourism, conventions and various functions and special events like the Cherry Blossom Festival. Current spending of some 17 million visitors is at the rate of approximately $65 million a year, making this activity the biggest source of new money in this community after the Federal payroll.

Our economic development bureau's mission is to attract to Washington new enterprises, branch offices of national corporations and associations and to encourage growth among the enterprises already here. While our economic development activities are on a metropolitan area basis, we are deeply concerned about the economic stability of the District of Columbia and have, on many occasions, as we normally do, opposed efforts by outside agencies to attract enterprises and employees from the District of Columbia.

Our retail bureau is composed of substantially all the major retail enterprises in the community. While it now operates on a metropolitan area basis also, it is very deeply concerned with the preservation and even greater development of a viable central business district in downtown Washington.

Our urban affairs bureau deals with a long list of extremely important matters including the rail rapid transit system, the Potomac River Basin development, commercial aviation, zoning, crime and related matters, as well as the physical planning and development of the District of Columbia.

Finally, the remaining functions of the Board of Trade are conducted by our Merit Employment and Training Council, which is concerned with employment and training problems. It has concentrated most of its efforts on center city problems through sponsoring job opportunity week, prep clubs in high schools and the just completed seventh annual campaign for summer employment for disadvantaged youth.

The board of directors of the Metropolitan Washington Board of Trade includes the heads of many of the biggest enterprises in this community which employ well over 100,000 people. It is quite obvious that the Board of Trade and its members are deeply concerned about the economic health and welfare of Washington and its people.

In keeping with that interest, the Board of Trade supports the provisions of S. 2429, including both the required changes needed to

conform to the Federal law—Public Law 91-373—and the nonmandatory provisions proposed by Commissioner Walter E. Washington—which accompanied Assistant to the Commissioner Graham W. Watt's June 18, 1971, letter to the President—except for one nonmandatory provision; namely, the increase in the maximum weekly benefit from 50 percent or 66⅔ of the average weekly wage in the District of Columbia. The Board of Trade offers four reasons for finding the proposed increase from 50 percent to 66⅔ percent undesirable.

The nonmandatory proposed higher benefits would:

1. Reduce the incentive for seeking gainful employment. We support the social objective that unemployment compensation benefits are designed to provide reasonable income during temporary periods of unemployment, but without providing so much income as may dampen the individual's desire to become reemployed and do so promptly;

2. Increase District of Columbia employer taxes substantially beyond what will be automatic increases under the mandatory changes and the nonmandatory improvements supported by the Board of Trade;

3. Be inflationary and inconsistent with the new wage-price freeze; and

4. Be significantly out of line with what nearby Maryland and Virginia employers are required to provide.

For example, the current maximum weekly benefit of $73 would be increased to $98. But based on anticipated increases in the average wage for all covered workers, these maximums are expected to equal or exceed $78 and $104 respectively. Further increases in absolute dollar amounts would also continue to occur—under both the current and proposed formulas—as the weekly wage among non-government District of Columbia employees continues upward—determined as of June each year.

In addition, the 50-percent maximum currently in effect can be and is in fact exceeded administratively because of the manner in which these benefits are computed.

Our exhibit A is an example of a 59-percent benefit under the existing formula. Note also that unemployment compensation benefits are income-tax free and are not subject to social security withholding.

(Exhibit A follows:)

EXHIBIT A

ILLUSTRATIVE COMPUTATION OF UNEMPLOYMENT COMPENSATION BENEFITS UNDER THE EXISTING 55% FORMULA BASIS

Quarters:

Quarter	Earnings	
I.	$1,656.01	High quarter earnings × 1/23 = $73* maximum weekly benefit.
II.	1,600.00	
III.	1,590.00	
IV.	1,570.00	
	6,416.01	Total base period one year's earnings.

$1,656.01 ÷ 13 weeks = $127.39 quarterly average weekly wage.
6,416.01 ÷ 52 weeks = $123.38 annual average weekly wage.
$73 = 57% of $123.38.
$73 = 59% of $127.39.

*Therefore, the existing "50-percent maximum" can be and is exceeded. Unemployment compensation benefits are rounded to the next higher dollar.

For example, cost estimates secured informally on September 3, 1971, from the Reports and Analysis Department of the District Unemployment Compensation Board suggest that for the fiscal year ending June 30, 1972, required employer contributions without the increase from 50 percent to 66⅔ percent will be approximately $20 million; $22 million with the increase—the impact of which will only reflect one-half year's worth of additional benefits paid January 1, 1972, through June 30, 1972.

For the fiscal year ending June 30, 1973, required employer contributions are estimated to be $22 million without the increase from 50 percent to 66⅔ percent; $28 million if it is included, or a 27 percent higher cost. More recently secured, October 5, 1971, estimates place the higher cost at 36 percent. These estimates, projected in part from 1970 calendar year's required employer contributions of approximately $8 million presume no material change in the rate of unemployment or the covered wage base.

Projected cost increases, expressed in terms of percentages and a calendar year payment period, suggest that the average contribution rate of 0.9 percent of covered payroll up to $3,000 for 1970 will increase in 1972 to 1.1 percent of covered payroll up to $4,200 including the 66⅔ percent benefit maximum and the other proposed increases.

As a means of comparison, for the 1973 calendar year, a tax rate of 1.4 percent is estimated to be required, based on a 50-percent benefit rate: 1.5 percent based on a 66⅔-percent benefit rate. A more significant difference is projected for calendar 1974 when the tax rates are estimated to be 1.5 percent and 1.8 percent, respectively.

A review of the unemployment compensation benefits of other jurisdictions as of September 1971 reveals that the District of Columbia's maximum weekly benefit is 16 percent higher, and available for a 26 percent longer period of time than the national average.

Our exhibit B is a comparison of State and District of Columbia unemployment compensation benefits of September 1971.

(Exhibit B follows:)

EXHIBIT B

STATE AND D.C. UNEMPLOYMENT COMPENSATION BENEFITS

The following table sets forth the maximum weekly benefits, the maximum number of weeks, and the maximum potential for each State and the District of Columbia as of September 1971.

State	Maximum weekly benefit	Maximum number weeks	Maximum potential benefits
Alabama	$55	26	$1,430
Alaska	[1] 60–85	28	[1] 1,680–2,380
Arizona	60	26	1,560
Arkansas	[2] 63	26	1,638
California	65	26	1,690
Colorado	[2] 78	26	2,028
Connecticut	[1] [2] 82–123	26	[1] 2,132–3,198
Delaware	65	26	1,690
District of Columbia	[2] 73	34	2,482
Florida	54	26	1,404
Georgia	50	26	1,300
Hawaii	[2] 86	[3] 26	2,236
Idaho	[2] 65	26	1,690
Illinois	[1] 45–88	26	[1] 1,170–2,288
Indiana	[1] 45–65	26	[1] 1,170–1,690
Iowa	[2] 64	26	1,664
Kansas	[2] 60	26	1,560
Kentucky	[2] 60	26	1,560
Louisiana	60	28	1,680
Maine	[2] 61	26	1,586
Maryland	78	[3] 26	2,028
Massachusetts	[1] 69–104	30	[1] 2,070–3,120
Michigan	[1] 53–87	26	[1] 1,378–2,262
Minnesota	64	26	1,664
Mississippi	[2] 49	26	1,274
Missouri	57	26	1,482
Montana	47	26	1,222
Nebraska	56	26	1,456
Nevada	[2] 73	26	1,898
New Hampshire	75	26	1,940
New Jersey	[2] 72	26	1,872
New Mexico	[2] 58	30	1,740
New York	75	[3] 26	1,950
North Carolina	[2] 56	[3] 26	1,456
North Dakota	[2] 58	26	1,508
Ohio	[1] 47–66	26	[1] 1,222–1,716
Oklahoma	60	26	1,560
Oregon	62	26	1,612
Pennsylvania	60	30	1,800
Rhode Island	[1] [2] 75	26	[1] 1,950–2,470
South Carolina	[2] 56	26	1,456
South Dakota	47	26	1,222
Tennessee	55	26	1,430
Texas	45	26	1,170
Utah	[2] 77	36	2,772
Vermont	[2] 74	[3] 26	1,924
Virginia	59	26	1,534
Washington	[2] 75	30	2,250
West Virginia	[2] 71	[3] 26	1,846
Wisconsin	[2] 84	34	2,856
Wyoming	[2] 60	26	1,560

[1] Where 2 figures are shown, dependent's allowances are involved.

The District of Columbia law provides for dependent's allowance of $1 per week up to 3 but the maximum weekly benefit may not exceed $73.

Maryland allows $3 per week per dependent up to 4 but the weekly benefit may not exceed $78.

[2] Maximum weekly benefit determined by or related to average State wages.

Average—50 States and District of Columbia:

Maximum weekly benefit (without dependents)	$62.70
Maximum number of weeks	26.90
Maximum potential (without dependents)	1,695.33

In August of 1970 there was enacted a Federal law cited as the "Employment Security Amendments of 1970" which made mandatory various requirements for all State laws within a specified period of time.

One provision requires that the present wage base of $3,000 for payment of taxes by the employer be raised to $4,200. While some States had previously made some increases in the tax base more than half of the States have already conformed to this provision.

Another mandatory requirement is a provision for payment of extended benefit payments when certain State economic conditions exist. At least 8 States already had such a provision.

[3] Uniform.

Source: State Unemployment Compensation Acts.

Locally, based on the District of Columbia average non-Federal weekly wage of $144.78 as of June 1970—June is the annual determination date—the current maximum weekly benefit is $73 and is to be compared with $59 in Virginia and $78 in Maryland. Please note that the District's maximum will automatically increase to at least

$78 for 1972 because of the increased average weekly wage, already at $154.59 as of March 31, 1971. The June 1971 average weekly rate, not yet determined, is expected to be even higher.

In conclusion, at a time when there are already soaring unemployment compensation benefit payments with an attendant sharp depletion in reserves—and I refer to our exhibit C, "money for Jobless: A Growing Worry," U.S. News & World Report of October 4, 1971, which I will submit for the record.

(Exhibit C follows:)

[From U.S. News & World Report, Oct. 4, 1971]

MONEY FOR JOBLESS: A GROWING WORRY

Some States are running low on money for the unemployed. Officials hope Mr. Nixon's new economic policies will help—along with higher payroll taxes.

Along with jobless people hoping to find work, there is a second group of individuals around the U.S. with keen interest in President Nixon's efforts to create more jobs.

They are the officials who pay out cash benefits from the various State unemployment-insurance funds.

In some States, reserves in these funds are sufficient for only two years or even less, assuming payments continue at the current rate.

The sharp depletion in reserves is an aftermath of the business slowdown and the big rise in number of jobless workers who are entitled to benefits.

SOARING PAYMENTS

All told, benefits paid out from the 52 funds—one for each State, the District of Columbia and Puerto Rico—rose by 72.5 percent during the fiscal year just ended, from a total of 2.8 billion dollars in 1970 to 4.8 billion in 1971.

As a result, unemployment-insurance reserves dropped during the past year in all but 15 States. Thirteen States showed declines in reserves of more than 20 per cent. In some, the size of State funds shrank by as much as one third to one half.

Biggest declines occurred in Washington State, down by 59.6 per cent; Connecticut, down 46.1 per cent, and Michigan, down 35.1 per cent.

What worries the officials who administer the insurance funds is that, if joblessness continues high, reserves will be put in jeopardy—at least in the States where jobs remain scarce.

Most-recent figures, for the July-August period of this year, showed unemployment on a national basis running about 200,000 higher than the average for the last fiscal year.

The hope is that the President's new economic policies will stimulate business to the point where unemployment gradually will decline as new jobs open up. Then unemployment-insurance payouts would be reduced and the various State funds would be built up again.

For the country as a whole, the insurance reserves are adequate to cover payments for a little more than two years, on the average, if they were made at the rate at which benefits were paid in the past year.

DWINDLING FUNDS

For 17 States and Puerto Rico, reserves would last for less than the national average of two years and two months, and for eight of the States, reserves would last less than 18 months.

In two of the States, the money would not even last a year—six months in the case of Washington, and nine months in the case of Connecticut.

The six other States with reserves good for less than 18 months are New Jersey, a year and 1 month; Massachusetts, a year and 2 months; Michigan, a year and 2 months; California, a year and 3 months; Maine, a year and 3 months; and Minnesota, a year and 4 months.

Virginia, on the other hand, holds the highest fund ratio, with enough in reserve to cover jobless payments for nine and a half years at the fiscal-year-1971 benefit level.

Outlays for unemployment compensation continue to vary widely. In the past year, for example, they have increased by more than 100 percent in New Hampshire, Washington State, Connecticut, Vermont, Hawaii and Arizona. In one State—South Dakota—there was an actual drop in the benefits paid, down from 3.3 million dollars in fiscal 1970 to 2.9 million in 1971.

COMPOUNDING THE PROBLEM

The drain on all State funds has been accentuated by the increase in jobless coverage and extended benefits voted by Congress in 1970, and already in effect in some States.

Under the new law, nearly 5 million additional workers will be covered by 1972, raising the total of jobs protected by unemployment insurance to more than 63 million. This includes workers in many nonprofit organizations, small businesses, State hospitals and universities, and American firms operating outside the United States.

Beginning in 1972, all States will provide permanent programs which will automatically extend the duration of benefits to workers who have exhausted regular benefits—in most cases after 26 weeks—when the nation's unemployment level reaches 4.5 percent of the labor force for three consecutive months.

EXHIBIT C

HOW UNEMPLOYMENT PAYMENTS ARE CLIMBING—THE STATE-BY-STATE RECORD

	Payments from State unemployment-insurance funds years ended June 30 (millions)		Percentage increase, 1970–71		Payments from State unemployment-insurance funds years ended June 30 (millions)		Percentage increase, 1970–71
	1970	1971			1970	1971	
Alabama	$24.1	$38.8	61	Montana	7.1	8.2	15
Alaska	9.1	13.8	52	Nebraska	7.3	13.3	82
Arizona	9.7	21.3	120	Nevada	9.3	15.5	67
Arkansas	17.2	23.5	37	New Hampshire	4.1	12.2	198
California	498.1	783.7	57	New Jersey	191.0	309.3	62
Colorado	10.2	14.7	44	New Mexico	8.3	13.2	59
Connecticut	86.3	199.5	131	New York	381.2	636.0	67
Delaware	7.6	12.8	68	North Carolina	34.4	57.1	66
District of Columbia	10.2	16.0	57	North Dakota	3.9	5.9	51
Florida	26.1	47.3	81	Ohio	94.6	177.8	88
Georgia	21.3	37.7	77	Oklahoma	14.6	26.4	81
Hawaii	9.8	21.8	122	Oregon	41.4	52.7	27
Idaho	8.1	10.8	33	Pennsylvania	152.9	262.8	72
Illinois	131.9	222.8	69	Puerto Rico	28.6	42.9	50
Indiana	41.9	73.5	75	Rhode Island	22.6	39.8	76
Iowa	22.3	36.5	64	South Carolina	18.7	31.8	70
Kansas	22.4	41.4	85	South Dakota	3.3	2.9	−12
Kentucky	28.5	38.8	36	Tennessee	40.5	57.7	42
Louisiana	47.1	60.3	28	Texas	40.9	80.4	97
Maine	13.8	24.4	77	Utah	11.4	14.2	25
Maryland	36.5	63.7	75	Vermont	5.5	12.3	124
Massachusetts	123.0	240.4	95	Virginia	12.7	22.5	77
Michigan	178.1	332.5	87	Washington	89.2	236.9	166
Minnesota	35.9	70.1	95	West Virginia	13.9	17.1	23
Mississippi	11.2	13.9	24	Wisconsin	57.0	105.9	86
Missouri	57.1	83.6	46	Wyoming	1.9	2.6	37

Source: U.S. Department of Labor.

The extended-benefits program will also go into operation in any single State when unemployment has been unusually high for any 13-week period. There is to be a 13-week limitation on these extended benefits, with an overall limit on regular-plus-extended benefits of 39 weeks.

At this time, 15 States are paying, voluntarily, the 13-week extended-benefits provision and are sharing the costs of these jobless payments with the Federal Government on a 50–50 basis.

SOME SOLUTIONS

To help ease the strain on unemployment-fund reserves during this period of high jobless rates and extended benefit periods, most States now have turned to built-in adjustments of the tax rate on payrolls.

In Texas, for instance, the tax rate—averaging 1.2 per cent in calendar year 1970—on insured payrolls rises by 0.1 per cent for every 5 million dollars the reserve portion of the State's unemployment-compensation fund drops below 225 million, with the maximum rate allowed being 2.7 per cent. If the fund rises above 300 million, the tax rate declines by 0.1 per cent for every 5 million in reserves exceeding this amount.

Beginning next year, the minimum wage base upon which the employer payroll tax is levied will be raised from $3,000 to $4,200 for all States.

Right now, even though most State unemployment-compensation funds are still adequate, officials see danger signs if the jobless rate fails to turn downward. In that event, says Paul J. Fasser, Jr., Deputy Assistant Secretary of Labor, quite a few State funds will not be "within the safe margin of protection to meet future recession costs."

District leaders are making a deliberate effort to dissuade local businessmen from relocating in nearby Virginia and Maryland. The proposed increase will be disruptive, if not counterproductive, in view of your and our desire to promote the economic well-being of the District of Columbia.

It is the recommendation of the board of trade that you approve the provisions of S. 2429 with the exception of the increase from 50 percent to 66⅔ percent. We hope that these observations will be helpful in your consideration of this matter.

Senator TUNNEY. Thank you very much, Mr. Perreca. You, of course, are aware that the President recommended enactment of the increase in the maximum from a weekly benefit amount from 50 percent to 66⅔ percent.

He made that recommendation in his message to Congress on July 8, 1969. It was based on the President's recommendation that this higher figure was incorporated in this bill.

Do you know why it was that the President made this recommendation?

Mr. PERRECA. There are a number of improvements that can be made in all areas of our wage and compensation system, but we, as local businessmen, recognize that in order to keep businesses in the District of Columbia and to dissuade them from leaving for Maryland and Virginia and in order to promote the economic well being of the District, it is necessary to be competitive and more importantly, it is necessary to be reasonable in what benefits are provided for unemployment.

I only ask one question with regard to these kinds of increases—at whose expense will they be? If the expense will be borne by the same businesses, many of which have already left the District of Columbia, and continue to increase at even a more alarming rate. In the near term and certainly in the long term this will be to the economic detriment of the District of Columbia and every one of its citizens.

Senator TUNNEY. What is the rate for Maryland and Virginia?

Mr. PERRECA. The rate in Virginia is $59 and the rate in Maryland is the same as the District; Maryland $78 a week and the District will be $78 a week, comparable to Maryland because of the average increase in the average weekly wage.

We are suggesting that there be parity between the District of Columbia and Maryland in terms of the weekly rate recognizing that there is already a difference in Maryland.

The benefit is paid for a period up to 26 weeks whereas in the District it is 34 weeks.

So we are not suggesting that we deprive our local working people of any prospective benefit increase. What we are saying is let's not

go overboard and provide benefits for people in the District that will be so far out of line with the adjoining communities as to force businessmen away.

I simply ask this question: Would people prefer to be employed at $3 an hour or unemployed at $4 an hour? There is a limit to what the price of goods and services can support. We view this proposed increase from 50 percent to 56⅔ percent as being one of the items which, if passed, would be harmful.

Senator TUNNEY. It would drive business out of the District of Columbia?

Mr. PERRECA. There are more than two dozen employers who have left the District of Columbia.

Senator TUNNEY. Not necessarily because of unemployment compensation though.

Mr. PERRECA. Not just for this reason but for a number of reasons which ultimately relate to the cost of personnel, particularly in the District of Columbia, the nature of our economy, it not being an industrial economy manufacturing heavy industrial parts and the like, our major cost is personnel.

To the extent that the cost of personnel is driven upwards, employers who are attempting to sell goods and services to the members of the community will have to move from the District into Virginia and Maryland, as too many have already, in order to price their goods and services at such a level as to attract buyers and customers.

Senator TUNNEY. Is it not also true that business is following the suburbanites as they move from the city to the suburbs?

I think it is a pretty heavy load to place upon the unemployment insurance compensation fund to say that it is responsible for or is a major factor in driving business to the suburbs.

Clearly, the reason that business has moved to the suburbs is because there are many middle income families that have moved to the suburbs and business is following them.

Mr. PERRECA. I am not suggesting this is the reason why businessmen are leaving the District. It is one of the many elements involved in the equation. With our downtown renewal activity, with Metro and with the viable and productive effort on the part of the business community in Washington to revamp, revitalize, and restructure the Washington downtown area, clearly this void, temporary as it is, will once again attract people in town.

L'Enfant Plaza, the plethora of apartment buildings in the downtown area gives testimony to that fact. For a long time the downtown area has deteriorated but there is a rebirth now and more people will be coming back into the District of Columbia.

Clearly the businessmen will follow the population provided they can sell their products and services. Where there is no opportunity to realize a reasonable opportunity, then the businessman will get out of that area and the community will be the one to lose principally.

Senator TUNNEY. I did not see in your prepared statement and I don't believe in your oral statement that I heard you say what the percentage increase in the cost of doing business would be if we increased this compensation from 50 to 66⅔ percent and the employers contribution from 50 to 66⅔ percent. What is the overall cost of doing business increase?

Mr. PERRECA. It is not possible for me to give you a dollar amount representing—the overall cost would be as I mentioned, the tax

having been $8 million in 1970, under the proposal the increase would be $28 million.

Senator TUNNEY. Are there any statistics as to the percent of the cost of doing business as represented by the contribution that employers make to the unemployment insurance funds?

Mr. PERRECA. You are attempting to relate the total compensation cost to the total cost of doing business.

Senator TUNNEY. That is correct.

Mr. PERRECA. I am not prepared to give that figure. That figure would be very small in relationship to the total cost of operating business.

But, nevertheless, it is one of a variety of cost elements. One need only refer to the increasing cost of insurance for buildings and property in the District of Columbia as being one element of increase in the cost of doing business here in town.

Senator TUNNEY. It is very significant in your testimony where you say one of the reasons you are opposed to the provision which would grant the increase is it is going to increase the cost of doing business and it will drive business to the suburbs. So it is relevant to know what the additional costs would be for businessmen as an overall cost of doing business.

Mr. PERRECA. Senator Tunney, the cost in 1970, reported to us by the unemployment compensation board, to Washington employers was $8 million.

Under the proposed increase that cost will leap from $8 million to $28 million for a total net cost increase of $20 million.

That $20 million is the increase in cost to be borne by Washington employers in order to finance that benefit.

Senator TUNNEY. But not exclusively as the result of the increase from 50 percent to 66⅔.

Mr. PERRECA. That is correct, and what we are suggesting is here rather than that cost going from $8 to $28 million, were you to approve the entire bill, with the singular exception of the increase, that increase would only increase to $22 million instead of from $8 to $28 million.

Senator TUNNEY. So there is a $6 million difference as a result of the provisions in the bill which increase the benefits from 50 percent to 66⅔.

Mr. PERRECA. Yes; and that which we support, it will increase threefold. We are not attempting to deny any of our employees a reasonable benefit.

We support a threefold increase in the cost of compensation benefits. We are saying instead of increasing it from $8 million to $28 million that it only be increased to $22 million for the reasons I have cited. Were we to provide such a lucrative benefit to our people in many ways it would diminish the enthusiasm they might otherwise have to become gainfully employed.

Senator TUNNEY. Thank you very much. I appreciate your forthright statement and your clear presentation.

Inasmuch as you are our last witness and we have gotten through the entire witness list on these bills, the hearing will adjourn.

Thank you.

(Whereupon, at 12 noon, the hearing was concluded.)

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