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REHABILITATION ACT OF 1973

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HEARING BEFORE THE SELECT SUBCOMMITTEE ON EDUCATION OF THE COMMITTEE ON EDUCATION AND LABOR HOUSE OF REPRESENTATIVES NINETY-THIRD CONGRESS FIRST SESSION ON H.R. 17

A BILL TO AMEND THE VOCATIONAL REHABILITATION
ACT TO EXTEND AND REVISE THE AUTHORIZATION OF
GRANTS TO STATES FOR VOCATIONAL REHABILITATION
SERVICES, TO AUTHORIZE GRANTS FOR REHABILITATION
SERVICES TO THOSE WITH SEVERE DISABILITIES, AND
FOR OTHER PURPOSES

HEARING HELD IN WASHINGTON, D.C., FEBRUARY 7, 1973

Printed for the use of the Committee on Education and Labor

CARL D. PERKINS, *Chairman*

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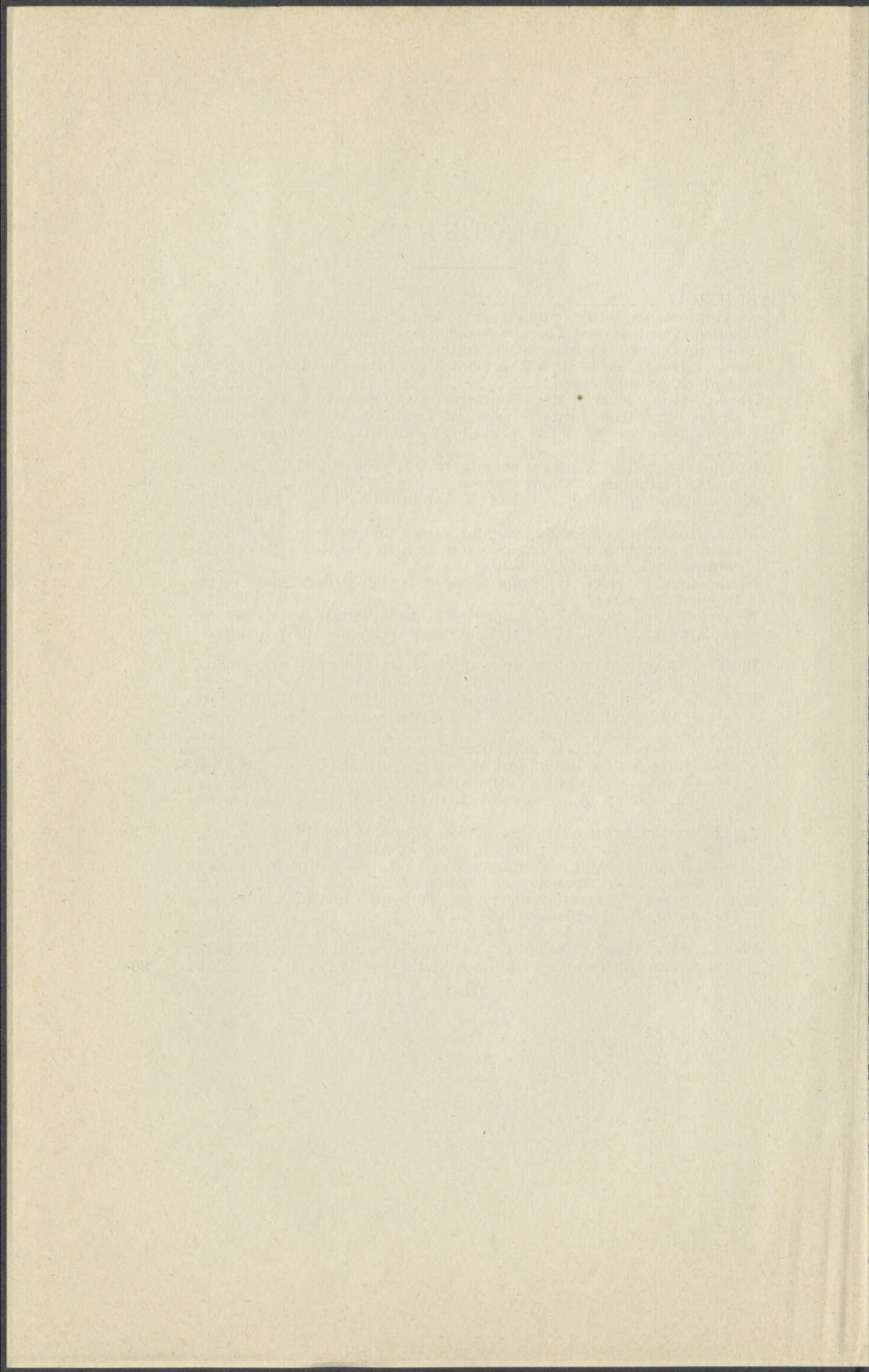
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THE REHABILITATION ACT OF 1973

WEDNESDAY, FEBRUARY 7, 1973

HOUSE OF REPRESENTATIVES,
SELECT SUBCOMMITTEE ON EDUCATION OF THE
COMMITTEE ON EDUCATION AND LABOR,
Washington, D.C.

The subcommittee met at 9:45 a.m., pursuant to notice, in room 2261, Rayburn House Office Building, Hon. John Brademas presiding.
Present: Representatives Brademas, Hansen, Landgrebe, Lehman, and Perkins.

Staff members present: Jack G. Duncan, counsel; Martin LaVor, legislative associate, and William Gaul, associate general counsel.
(Text of H.R. 17 follows:)

[H.R. 17, 93d Cong., 1st sess.]

A BILL To amend the Vocational Rehabilitation Act to extend and revise the authorization of grants to States for vocational rehabilitation services, to authorize grants for rehabilitation services to those with severe disabilities, 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, with the following table of contents, may be cited as the "Rehabilitation Act of 1973".

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- Sec. 3. Rehabilitation Services Administration.
- Sec. 4. Advance funding.
- Sec. 5. Joint funding.
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TITLE IV—RESEARCH AND TRAINING

- Sec. 400. Declaration of purpose.
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- Sec. 402. Research.
- Sec. 403. Training.
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TITLE V—ADMINISTRATION AND PROGRAM AND PROJECT EVALUATION

- Sec. 500. Administration.
- Sec. 501. Program and project evaluation.
- Sec. 502. Obtaining information from Federal agencies.
- Sec. 503. Authorization of appropriations.
- Sec. 504. Reports.
- Sec. 505. Sheltered workshop study.

TITLE VI—OFFICE FOR THE HANDICAPPED

- Sec. 600. Establishment of Office.
- Sec. 601. Function of Office.
- Sec. 602. Authorization of appropriations.

TITLE VII—MISCELLANEOUS

- Sec. 700. Effect on existing laws.
- Sec. 701. Federal Interagency Committee on Handicapped Employees.
- Sec. 702. National Commission on Transportation and Housing for Handicapped Individuals.
- Sec. 703. Architectural and Transportation Barriers Compliance Board.
- Sec. 704. Employment under Federal contracts.
- Sec. 705. Nondiscrimination under Federal grants.

DECLARATION OF PURPOSE

SEC. 2. The purpose of this Act is to provide a statutory basis for the Rehabilitation Services Administration, to establish within the Department of Health, Education, and Welfare an Office for the Handicapped, and to authorize programs to—

- (1) develop and implement comprehensive and continuing State plans for meeting the current and future needs for providing vocational rehabilitation services to handicapped individuals and to provide such services for the benefit of such individuals, serving first those with the most severe handicaps, so that they may prepare for and engage in gainful employment;
- (2) evaluate the rehabilitation potential of handicapped individuals;
- (3) develop, implement, and provide comprehensive rehabilitation services to meet the current and future needs of handicapped individuals for whom a vocational goal is not possible or feasible so that they may improve their ability to live with greater independence and self-sufficiency;
- (4) assist in the construction and improvement of rehabilitation facilities;
- (5) develop new and innovative methods of applying the most advanced medical technology, scientific achievement, and psychological and social knowledge to solve rehabilitation problems and develop new and innovative methods of providing rehabilitation services to handicapped individuals through research, special projects, and demonstrations;
- (6) initiate and expand services to groups of handicapped individuals (including those who are homebound and institutionalized) who have been underserved in the past;
- (7) direct the conduct of various studies and experiments to focus on long-neglected problem areas;
- (8) promote and expand employment opportunities in the public and private sectors for handicapped individuals and to place such individuals in employment;

- (9) establish client assistance pilot projects;
- (10) provide assistance for the purpose of increasing the number of rehabilitation personnel and increasing their skills through training; and
- (11) evaluate existing approaches to architectural and transportation barriers confronting handicapped individuals, develop new such approaches, enforce statutory and regulatory standards and requirements regarding barrier-free construction of public facilities and study and develop solutions to existing housing and transportation barriers impeding handicapped individuals.

REHABILITATION SERVICES ADMINISTRATION

SEC. 3. (a) There shall be in the Department of Health, Education, and Welfare a Rehabilitation Services Administration which shall be administered by a Commissioner (hereinafter referred to as the "Commissioner"). The Commissioner shall carry out and administer all programs and direct the performance of all services for which authority is provided under titles I through IV of this Act.

(b) There shall be within such Administration a Division of Research, Training, and Evaluation, which shall be responsible for carrying out programs and projects under title IV of this Act. There shall be within such Division a Center for Technology Assessment and Application, which shall be responsible for developing and supporting, and stimulating the development and utilization (including production and distribution of new and existing devices) of, innovative methods of applying advanced medical technology, scientific achievement, and psychological and social knowledge to solve rehabilitation problems, and for administration of the activities described in section 402(b) (2). Such Division shall be directed by an Assistant Commissioner, who shall be responsible to the Commissioner and shall be a person of outstanding scientific and technological achievement and learning and shall carry out his responsibilities in consultation with the National Science Foundation and the National Academy of Sciences, and shall be assigned at least ten full-time positions, five of which shall be filled by professionals of qualifications similar to the Assistant Commissioner.

(c) The Secretary shall take whatever action is necessary to insure that funds appropriated pursuant to this Act, as well as unexpended appropriations for carrying out the Vocational Rehabilitation Act (29 U.S.C. 31-42), are expended only for the programs, personnel, and administration of programs carried out under this Act.

(d) In order to carry out the purposes of this Act—

(1) the number of positions authorized by section 5108(a) of title 5, United States Code, and assigned to the Rehabilitation Services Administration, is increased by ten, and

(2) the authorized level of full-time personnel, or the equivalent, assigned to the Rehabilitation Services Administration to carry out duties related to the administration of this Act, is increased by sixty.

ADVANCE FUNDING

SEC. 4. (a) For the purpose of affording adequate notice of funding available under this Act, appropriations under this Act are authorized to be included in the appropriation Act for the fiscal year preceding the fiscal year for which they are available for obligation.

(b) In order to effect a transition to the advance funding method of timing appropriation action, the authority provided by subsection (a) of this section shall apply notwithstanding that its initial application will result in the enactment in the same year (whether in the same appropriation Act or otherwise) of two separate appropriations, one for the then current fiscal year and one for the succeeding fiscal year.

JOINT FUNDING

SEC. 5. Pursuant to regulations prescribed by the President, and to the extent consistent with the other provisions of this Act, where funds are provided for a single project by more than one Federal agency to an agency or organization assisted under this Act, the Federal agency principally involved may be designated to act for all in administering the funds provided, and, in such cases, a single non-Federal share requirement may be established according to the proportion of funds advanced by each agency. When the principal agency involved is the Rehabilitation Service Administration, it may waive any grant or contract requirement (as defined by such regulations) under or pursuant to any law other than this Act, which requirement is inconsistent with the similar requirements of the administering agency under or pursuant to this Act.

CONSOLIDATED REHABILITATION PLAN

SEC. 6. (a) In order to secure increased flexibility to respond to the varying needs and local conditions within the State, and in order to permit more effective and interrelated planning and operation of its rehabilitation programs, the State may submit a consolidated rehabilitation plan which includes the State's plan under section 101(a) of this Act and its program for persons with developmental disabilities under the Developmental Disabilities Services and Facilities Construction Amendments of 1970, provided the agency administering such State's program under such Act concurs in the submission of such a consolidated rehabilitation plan.

(b) Such a consolidated rehabilitation plan must comply with, and be administered in accordance with, all the requirements of this Act and the Developmental Disabilities Services and Facilities Construction Amendments of 1970. If the Secretary finds that all such requirements are satisfied, he may approve the plan to serve in all respects as the substitute for the separate plans which would otherwise be required with respect to each of the programs included therein, or he may advise the State to submit separate plans for such programs.

(c) Findings of noncompliance in the administration of an approved consolidated rehabilitation plan, and any reductions, suspensions, or terminations of assistance as a result thereof, shall be carried out in accordance with the procedures set forth in subsections (c) and (d) of section 101 of this Act.

DEFINITIONS

SEC. 7. For the purposes of this Act:

(1) The term "comprehensive rehabilitation services" means vocational rehabilitation services and any other goods (including aids and devices) or services provided with funds under title II, III, or IV of this Act that will make a substantial contribution in helping a handicapped individual to improve his ability to live independently or function normally with his family and community.

(2) The term "construction" means the construction of new buildings, the acquisition, expansion, remodeling, alteration, and renovation of existing buildings and initial equipment of such buildings, and the term "cost of construction" includes architects' fees and acquisition of land in connection with construction but does not include the cost of offsite improvements.

(3) The term "criminal act" means any crime, including an act, omission, or possession under the laws of the United States or a State or unit of general local government which poses a substantial threat of personal injury, notwithstanding that by reason of age, insanity, intoxication or otherwise the person engaging in the act, omission, or possession was legally incapable of committing a crime.

(4) The term "establishment of a rehabilitation facility" means the acquisition, expansion, remodeling, or alteration of existing buildings necessary to adapt them to rehabilitation facility purposes or to increase their effectiveness for such purposes (subject, however, to such limitations as the Commissioner may determine, in accordance with regulations he shall prescribe, in order to prevent impairment of the objectives of, or duplication of, other Federal laws providing Federal assistance in the construction of such facilities), and the initial equipment for such buildings, and may include the initial staffing thereof.

(5) The term "evaluation of rehabilitation potential" means, as appropriate in each case:

(A) a preliminary diagnostic study to determine that the individual has a substantial handicap to employment, and that vocational or comprehensive rehabilitation services are needed;

(B) a diagnostic study consisting of a comprehensive evaluation of pertinent medical, psychological, vocational, educational, cultural, social, and environmental factors which bear on the individual's handicap to employment and rehabilitation potential including, to the degree needed, an evaluation of the individual's personality, intelligence level, educational achievements, work experience, vocational aptitudes and interests, personal and social adjustments, employment opportunities, and other pertinent data helpful in determining the nature and scope of services needed;

(C) an appraisal of the individual's patterns of work behavior and ability to acquire occupational skill, and to develop work attitudes, work habits, work tolerance, and social and behavior patterns suitable for successful job performance, including the utilization of work, simulated or real, to assess and develop the individual's capacities to perform adequately in a work environment;

(D) any other goods or services provided for the purpose of ascertaining the nature of the handicap and whether it may reasonably be expected that the individual can benefit from vocational rehabilitation services or comprehensive rehabilitation services;

(E) referral;

(F) the administration of these evaluation services; and

(G)(i) the provision of vocational rehabilitation services or the provision of comprehensive rehabilitation services to any individual for a total period not in excess of eighteen months for the purpose of determining whether such individual is a handicapped individual, a handicapped individual for whom a vocational goal is not possible or feasible (as determined in accordance with section 102(c)), or neither such individual; and (ii) an assessment, at least once in every ninety-day period during which such services are provided, of the results of the provision of such services to an individual to ascertain whether any of the determinations described in subclause (i) may be made.

(6) The term "Federal share" means 80 per centum, except that it shall mean 90 per centum for the purposes of part C of title I and title II of this Act and section 301: *Provided*, That with respect to payments pursuant to part B of title I of this Act to any State which are used to meet the costs of construction of those rehabilitation facilities identified in section 103(b) (2) in such State, the Federal share shall be the percentages determined in accordance with the provisions of section 301 (b) (3) applicable with respect to that State and that, for the purpose of determining the non-Federal share with respect to any State, expenditures by a political subdivision thereof or by a local agency shall, subject to such limitations and conditions as the Commissioner shall by regulation prescribe, be regarded as expenditures by such State.

(7) The term "handicapped individual" means any individual who (A) has a physical or mental disability which for such individual constitutes or results in a substantial handicap to employment and (B) can reasonably be expected to benefit from vocational rehabilitation services or comprehensive rehabilitation services provided pursuant to titles II, III, or IV of this Act.

(8) The term "local agency" means an agency of a unit of general local government or of an Indian tribal organization (or combination of such units or organizations) which has an agreement with the State agency designated pursuant to section 101 (a) (1) to conduct a vocational rehabilitation program under the supervision of such State agency in accordance with the State plan approved under section 101. Nothing in the preceding sentence of this paragraph or in section 101 shall be construed to prevent the local agency from utilizing another local public or nonprofit agency to provide vocational or comprehensive rehabilitation services: *Provided*, That such an arrangement is made part of the agreement specified in this paragraph.

(9) The term "nonprofit", when used with respect to a rehabilitation facility, means a rehabilitation facility owned and operated by a corporation or association, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual and the income of which is exempt from taxation under section 501 (c) (3) of the Internal Revenue Code of 1954.

(10) The term "public safety officer" means a person serving the United States or a State or unit of general local government, with or without compensation, in any activity pertaining to—

(A) the enforcement of the criminal laws, including highway patrol, or the maintenance of civil peace by the National Guard or the Armed Forces,

(B) a correctional program, facility, or institution where the activity is potentially dangerous because of contact with criminal suspects, defendants, prisoners, probationers, or parolees,

(C) a court having criminal or juvenile delinquent jurisdiction where the activity is potentially dangerous because of contact with criminal suspects, defendants, prisoners, probationers, or parolees, or

(D) firefighting, fire prevention, or emergency rescue missions.

(11) The term "rehabilitation facility" means a facility which is operated for the primary purpose of providing vocational rehabilitation or comprehensive rehabilitation services to handicapped individuals, and which provides singly or in combination one or more of the following services for handicapped individuals:

(A) vocational and comprehensive rehabilitation services which shall include, under one management, medical, psychological, social, and vocational services, (B) testing, fitting, or training in the use of prosthetic and orthotic devices, (C)

prevocational conditioning or recreational therapy, (D) physical and occupational therapy, (E) speech and hearing therapy, (F) psychological and social services, (G) evaluation of rehabilitation potential, (H) personal and work adjustment, (I) vocational training with a view toward career and advancement (in combination with other rehabilitation services), (J) evaluation or control of specific disabilities, (K) orientation and mobility services to the blind, and (L) extended employment for those handicapped individuals who cannot be readily absorbed in the competitive labor market, except that all medical and related health services must be prescribed by, or under the formal supervision of, persons licensed to prescribe or supervise the provision of such services in the State.

(12) The term "Secretary", except when the context otherwise requires, means the Secretary of Health, Education, and Welfare.

(13) The term "severe handicap" means the disability which requires multiple services over an extended period of time and results from amputation, blindness, cancer, cerebral palsy, cystic fibrosis, deafness, heart disease, hemiplegia, respiratory or pulmonary dysfunction, mental retardation, mental illness, multiple sclerosis, muscular dystrophy, neurological disorders (including stroke and epilepsy), paraplegia, quadriplegia and other spinal cord conditions, renal failure and any other disability, specified by the Commissioner in regulations he shall prescribe.

(14) The term "State" includes the District of Columbia, the Virgin Islands, Puerto Rico, Guam, American Samoa, and the Trust Territory of the Pacific Islands, and for the purposes of American Samoa and the Trust Territory of the Pacific Islands, the appropriate State agency designated as provided in section 101(a)(1) shall be the Governor of American Samoa or the High Commissioner of the Trust Territory of the Pacific Islands, as the case may be.

(15) The term "vocational rehabilitation services" means those services identified in section 103 which are provided to handicapped individuals under this Act.

ALLOTMENT PERCENTAGE

SEC. 8. (a)(1) The allotment percentage for any State shall be 100 per centum less that percentage which bears the same ratio to 50 per centum as the per capita income of such State bears to the per capita income of the United States, except that (A) the allotment percentage shall in no case be more than 75 per centum or less than 33½ per centum, and (B) the allotment percentage for the District of Columbia, Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands shall be 75 per centum.

(2) The allotment percentages shall be promulgated by the Commissioner between July 1 and September 30 of each even-numbered year, on the basis of the average of the per capita incomes of the States and of the United States for the three most recent consecutive years for which satisfactory data are available from the Department of Commerce. Such promulgation shall be conclusive for each of the two fiscal years in the period beginning on the July 1 next succeeding such promulgation.

(3) The term "United States" means (but only for purposes of this subsection) the fifty States and the District of Columbia.

(b) The population of the several States and of the United States shall be determined on the basis of the most recent data available, to be furnished by the Department of Commerce by October 1 of the year preceding the fiscal year for which funds are appropriated pursuant to statutory authorizations.

AUDIT

SEC. 9. Each recipient of a grant or contract under this Act shall keep such records as the Secretary may prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such grant or contract, the total cost of the project or undertaking in connection with which such grant or contract is made or funds thereunder used, the amount of that portion of the cost of the project or undertaking supplied by other sources, and such records as will facilitate an effective audit. The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient of any grant or contract under this Act which are pertinent to such grant or contract.

NONDUPLICATION

SEC. 10. In determining the amount of any State's Federal share of expenditures for planning, administration, and services incurred by it under a State plan

approved in accordance with section 101 or for the purposes of providing comprehensive rehabilitation services pursuant to title II of this Act, there shall be disregarded (1) any portion of such expenditures which are financed by Federal funds provided under any other provision of law, and (2) the amount of any non-Federal funds required to be expended as a condition of receipt of such Federal funds. No payment may be made from funds provided under one provision of this Act relating to any cost with respect to which any payment is made under any other provision of this Act.

TITLE I—VOCATIONAL REHABILITATION SERVICES

PART A—GENERAL PROVISIONS

DECLARATION OF PURPOSE; AUTHORIZATION OF APPROPRIATIONS

SEC. 100(a). The purpose of this title is to authorize grants to assist States to meet the current and future needs of handicapped individuals, so that such individuals may prepare for and engage in gainful employment to the extent of their capabilities.

(b)(1) For the purpose of making grants to States under part B of this title to assist them in meeting costs of vocational rehabilitation services provided in accordance with State plans under section 101, there is authorized to be appropriated \$800,000,000 for the fiscal year ending June 30, 1973 and \$975,000,000 for the fiscal year ending June 30, 1974.

(2) For the purpose of making grants under section 120, relating to grants to States and public and nonprofit agencies to assist them in meeting the costs of projects to initiate or expand services to handicapped individuals (especially those with the most severe handicaps) there is authorized to be appropriated \$50,000,000 for the fiscal year ending June 30, 1973, \$60,000,000 for the fiscal year ending June 30, 1974, and \$75,000,000 for the fiscal year ending June 30, 1975.

STATE PLANS

SEC. 101. (a) For each fiscal year in which a State desires to participate in programs under this title and pursuant to title II of this Act, a State shall submit to the Commissioner for his approval an annual plan for vocational and comprehensive rehabilitation services which shall—

(1)(A) designate a State agency as the sole State agency to administer the plan, or to supervise its administration by a local agency, except that (i) where under the State's law the State agency for the blind or other agency which provides assistance or services to the adult blind, is authorized to provide vocational and comprehensive rehabilitation services to such individuals, such agency may be designated as the sole State agency to administer the part of the plan under which vocational and comprehensive rehabilitation services are provided for the blind (or to supervise the administration of such part by a local agency) and a separate State agency may be designated as the sole State agency with respect to the rest of the State plan, and (ii) the Secretary, upon the request of a State, may authorize such agency to share funding and administrative responsibility with another agency of the State or with a local agency in order to permit such agencies to carry out a joint program to provide services to handicapped individuals, and may waive compliance with respect to vocational rehabilitation services furnished under such programs with the requirement of clause (4) of this subsection that the plan be in effect in all political subdivisions of the State:

(B) provide that the State agency so designated to administer or supervise the administration of the State plan, or (if there are two State agencies designated under subclass (A) of this clause) to supervise or administer the part of the State plan that does not relate to services for the blind, shall be (i) a State agency primarily concerned with vocational rehabilitation or vocational and other rehabilitation, of handicapped individuals, (ii) the State agency administering or supervising the administration of education or vocational education in the State, or (iii) a State agency which includes at least two other major organizational units each of which administers one or more of the major public education, public health, public welfare, or labor programs of the State:

(2) provide, except in the case of agencies described in clause (1)(B)(i)—

(A) that the State agency designated pursuant to paragraph (1) (or each State agency if two are so designated) shall include a vocational

rehabilitation bureau, division, or other organizational unit which (i) is primarily concerned with vocational rehabilitation, or vocational and other rehabilitation, of handicapped individuals, and is responsible for the vocational rehabilitation program of such State agency, (ii) has a full-time director, and (iii) has a staff employed on such rehabilitation work of such organizational unit all or substantially all of whom are employed full time on such work; and

(B) (i) that such unit shall be located at an organization level and shall have an organizational status within such State agency comparable to that of other major organizational units of such agency, or (ii) in the case of an agency described in clause (1) (B) (ii), either that such unit shall be so located and have such status, or that the director of such unit shall be the executive officer of such State agency; except that, in the case of a State which has designated only one State agency pursuant to clause (1) of this subsection, such State may, if it so desires, assign responsibility for the part of the plan under which vocational and comprehensive rehabilitation services are provided for the blind to one organizational unit of such agency and assign responsibility for the rest of the plan to another organizational unit of such agency, with the provisions of this clause applying separately to each of such units;

(3) provide for financial participation by the State, or if the State so elects, by the State and local agencies to meet the amount of the non-Federal share;

(4) provide that the plan shall be in effect in all political subdivisions, except that in the case of any activity which, in the judgment of the Commissioner, is likely to assist in promoting the vocational rehabilitation of substantially larger numbers of handicapped individuals or groups of handicapped individuals the Commissioner may waive compliance with the requirement herein that the plan be in effect in all political subdivisions of the State to the extent and for such period as may be provided in accordance with regulations prescribed by him, but only if the non-Federal share of the cost of such vocational rehabilitation services is met from funds made available by a local agency (including, to the extent permitted by such regulations, funds contributed to such agency by a private agency, organization, or individual);

(5) (A) contain the plans, policies, and methods to be followed in carrying out the State plan and in its administration and supervision, including a description of the method to be used to expand and improve services to handicapped individuals with the most severe handicaps; and, in the event that vocational rehabilitation services cannot be provided to all eligible handicapped individuals who apply for such services, show (i) the order to be followed in selecting individuals to whom vocational rehabilitation services will be provided, and show the order to be followed in selecting individuals to whom comprehensive rehabilitation services will be provided, and (ii) the outcomes and service goals, and the time within which they may be achieved, for the rehabilitation of such individuals, which order of selection for the provision of vocational rehabilitation services shall be determined on the basis of serving first those individuals with the most severe handicaps and shall be consistent with priorities in such order of selection so determined, and outcome and service goals for serving handicapped individuals, established in regulations prescribed by the Commissioner, and

(B) provide satisfactory assurances to the Commissioner that the State has studied and considered a broad variety of means for providing services to individuals with the most severe handicaps;

(6) (A) contain the plans, policies, and methods to be followed in providing comprehensive rehabilitation services pursuant to title II of this Act, and

(B) provide satisfactory assurances that no such comprehensive rehabilitation services shall be paid for with funds under title II of this Act unless maximum efforts have been made to secure grant assistance, in whole or in part, from other sources to pay for such services;

(7) provide for such methods of administration, other than methods relating to the establishment and maintenance of personnel standards, as are found by the Commissioner to be necessary for the proper and efficient administration of the plan;

(8) contain (A) provisions relating to the establishment and maintenance of personnel standards, which are consistent with any State licensure laws

and regulations, including provisions relating to the tenure, selection, appointment, and qualifications of personnel, and (B) provisions relating to the establishment and maintenance of minimum standards governing the facilities and personnel utilized in the provision of vocational and comprehensive rehabilitation services, but the Commissioner shall exercise no authority with respect to the selection, method of selection, tenure of office, or compensation of any individual employed in accordance with such provisions;

(9) provide, at a minimum, for the provision of the vocational rehabilitation services specified in clauses (1) through (3) of subsection (a) of section 103, and the remainder of such services specified in such section after full consideration of eligibility for similar benefits under any other program, except that, in the case of the vocational rehabilitation services specified in clauses (4) and (5) of subsection (a) of such section, such consideration shall not be required where it would delay the provision of such services to any individual;

(10) provide that (A) an individualized written rehabilitation program meeting the requirements of section 102 will be developed for each handicapped individual eligible for vocational or comprehensive rehabilitation services under this Act, (B) such services will be provided under the plan in accordance with such program, and (C) records of the characteristics of each applicant will be kept specifying, as to those individuals who apply for services under this title or pursuant to title II of this Act and are determined not to be eligible therefore, the reasons for such determinations;

(11) provide that the State agency will make such reports in such form, containing such information (including the data described in subclause (C) of clause (10) of this subsection, periodic estimates of the population of handicapped individuals eligible for services under this Act in such State, specifications of the number of such individuals who will be served with funds provided under this Act and the outcomes and service goals to be achieved for such individuals in each priority category specified in accordance with clause (5) of this subsection, and the service costs for each such category), and at such time as the Commissioner may require to carry out his functions under this title, and comply with such provisions as he may find necessary to assure the correctness and verification of such reports;

(12) provide for entering into cooperative arrangements with, and the utilization of the services and facilities of, the State agencies administering the State's public assistance programs, other programs for handicapped individuals, veterans programs, manpower programs, and public employment offices, and the Social Security Administration of the Department of Health, Education, and Welfare, the Veterans' Administration, and other Federal, State and local public agencies providing services related to the rehabilitation of handicapped individuals;

(13) provide satisfactory assurances to the Commissioner that, in the provision of vocational rehabilitation and comprehensive rehabilitation services, maximum utilization shall be made of public or other vocational or technical training facilities or other appropriate resources in the community;

(14) (A) provide that vocational rehabilitation and comprehensive rehabilitation services provided under the State plan shall be available to any civil employee of the United States disabled while in the performance of his duty on the same terms and conditions as apply to other persons, and

(B) provide that special consideration will be given to the rehabilitation under this Act of a handicapped individual whose handicapping condition arises from a disability sustained in the line of duty while such individual was performing as a public safety officer and the proximate cause of such disability was a criminal act, apparent criminal act, or a hazardous condition resulting directly from the officer's performance of duties in direct connection with the enforcement, execution, and administration of law or fire prevention, firefighting, or related public safety activities;

(15) provide that no residence requirement will be imposed which excludes from services under the plan any individual who is present in the State;

(16) provide for continuing statewide studies of the needs of handicapped individuals and how these needs may be most effectively met (including the State's needs for rehabilitation facilities) with a view toward the relative need for services to significant segments of the population of handicapped individuals and the need for expansion of services to those individuals with the most severe handicaps;

(17) provide for (A) periodic review and reevaluation of the status of handicapped individuals placed in extended employment in rehabilitation

facilities (including workshops) to determine the feasibility of their employment, or training for employment, in the competitive labor market, and (B) maximum efforts to place such individuals in such employment or training whenever it is determined to be feasible;

(18) provide that where such State plan includes provisions for the construction of rehabilitation facilities—

(A) the Federal share of the cost of construction thereof for a fiscal year will not exceed an amount equal to 10 per centum of the State's allotment for such year,

(B) the provisions of section 313 shall be applicable to such construction and such provisions shall be deemed to apply to such construction, and

(C) there shall be compliance with regulations the Commissioner shall prescribe designed to assure that no State will reduce its efforts in providing other vocational rehabilitation services (other than for the establishment of rehabilitation facilities) because its plan includes such provisions for construction;

(19) provide satisfactory assurances to the Commissioner that the State agency designated pursuant to clause (1) (or each State agency if two are so designated) and any sole local agency administering the plan in a political subdivision of the State will take into account, in connection with matters of general policy arising in the administration of the plan, the views of individuals and groups thereof who are recipients of vocational or comprehensive rehabilitation services (or, in appropriate cases, their parents or guardians), working in the field of vocational rehabilitation, and providers of vocational and comprehensive rehabilitation services; and

(20) provide satisfactory assurances to the Commissioner that the continuing studies required under clause (16) of this subsection, as well as an annual evaluation of the effectiveness of the program in meeting the goals and priorities set forth in the plan, will form the basis for the submission, from time to time as the Commissioner may require, of appropriate amendments to the plan.

(b) The Commissioner shall approve any plan which he finds fulfills the conditions specified in subsection (a) of this section, and he shall disapprove any plan which does not fulfill such conditions. Prior to such disapproval, the Commissioner shall notify a State of his intention to disapprove its plan, and he shall afford such State reasonable notice and opportunity for hearing.

(c) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of the State plan approved under this section, finds that—

(1) the plan has been so changed that it no longer complies with the requirements of subsection (a) of this section; or

(2) in the administration of the plan there is a failure to comply substantially with any such provision, the Commissioner shall notify such State agency that no further payments will be made to the State under this title (or, in his discretion, that such further payments will be reduced, in accordance with regulations the Commissioner shall prescribe, or that further payments will not be made to the State only for the projects under the parts of the State plan affected by such failure), until he is satisfied there is no longer any such failure. Until he is so satisfied, the Commissioner shall make no further payments to such State under this title (or shall limit payments to projects under those parts of the State plan in which there is no such failure).

(d) If any State is dissatisfied with the Commissioner's action under subsection (b) or (c) of this section, such State may appeal to the United States district court for the district where the capital of such State is located and judicial review of such action shall be on the record in accordance with the provisions of chapter 7 of title 5, United States Code.

INDIVIDUALIZED WRITTEN REHABILITATION PROGRAM

SEC. 102. (a) The Commissioner shall insure that the individualized written rehabilitation program required by section 101(a)(10) in the case of each handicapped individual is developed jointly by the vocational rehabilitation counselor or coordinator and the handicapped individual (or, in appropriate cases, has parents or guardians), and that such program meets the requirements set forth in subsection (b) of this section. Such written program shall set forth the terms and conditions, as well as the rights and remedies, under which goods and services will be provided to the individual.

(b) Each individualized written rehabilitation program shall be reviewed on an annual basis at which time each such individual (or, in appropriate cases, his parents or guardians) will be afforded an opportunity to review such program and renegotiate its terms. Such program shall include, but not be limited to (1) a statement of long-range rehabilitation goals for the individual and intermediate rehabilitation objectives related to the attainment of such goals, (2) a statement of the specific vocational or comprehensive rehabilitation services to be provided, (3) the projected date for the initiation and the anticipated duration of each such service, (4) objective criteria and an evaluation procedure and schedule for determining whether such objectives and goals are being achieved, and, (5) where appropriate, a detailed explanation of the availability of a client assistance project established in such area pursuant to section 112.

(c) The Commissioner shall also insure that (1) in developing and carrying out the individualized written rehabilitation program required by section 101 in the case of each handicapped individual primary emphasis is placed upon the determination and achievement of a vocational goal for such individual, (2) a decision that such an individual is not capable of achieving such a goal, and thus not eligible for vocational rehabilitation services provided with assistance under this part, is made only in full consultation with such individual (or, in appropriate cases, his parents or guardians), and only upon the certification, as an amendment to such written program, that the evaluation of rehabilitation potential has demonstrated beyond any reasonable doubt that such individual is not then capable of achieving such a goal, and (3) any such decision shall be reviewed at least annually in accordance with the procedure and criteria established in this section.

SCOPE OF VOCATIONAL REHABILITATION SERVICES

SEC. 103. (a) Vocational rehabilitation services provided under this Act are any goods or services necessary to render a handicapped individual employable, including, but not limited to, the following:

(1) evaluation of rehabilitation potential, including diagnostic and related services, incidental to the determination of eligibility for, and the nature and scope of, services to be provided, including, where appropriate, examination by a physician skilled in the diagnosis and treatment of emotional disorders, or by a licensed psychologist in accordance with State laws and regulations, or both;

(2) counseling, guidance, referral, and placement services for handicapped individuals, including follow-up, follow-along, and other postemployment services necessary to assist such individuals to maintain their employment and services designed to help handicapped individuals secure needed services from other agencies, where such services are not available under this Act;

(3) vocational and other training services for handicapped individuals, which shall include personal and vocational adjustment, books, and other training materials, and services to the families of such individuals as are necessary to the adjustment or rehabilitation of such individuals: *Provided*, That no training services in institutions of higher education shall be paid for with funds under this title or title II of this Act unless maximum efforts have been made to secure grant assistance, in whole or in part, from other sources to pay for such training;

(4) physical and mental restoration services, including, but not limited to, (A) corrective surgery or therapeutic treatment necessary to correct or substantially modify a physical or mental condition which is stable or slowly progressive and constitutes a substantial handicap to employment, but is of such nature that such correction or modification may reasonably be expected to eliminate or substantially reduce the handicap within a reasonable length of time, (B) necessary hospitalization in connection with surgery or treatment, (C) prosthetic and orthotic devices, (D) eye glasses and visual services as prescribed by a physician skilled in the diseases of the eye or by an optometrist, whichever the individual may select, (E) special services (including transplantation and dialysis), artificial kidneys, and supplies necessary for the treatment of individuals suffering from end-stage renal disease, and (F) diagnosis and treatment for mental and emotional disorders by a physician or licensed psychologist in accordance with State licensure laws;

(5) maintenance, not exceeding the estimated cost of subsistence, during rehabilitation;

(6) interpreter services for the deaf, and reader services for those individuals determined to be blind after an examination by a physician skilled in the

diseases of the eye or by an optometrist, whichever the individual may select;
 (7) recruitment and training services for handicapped individuals to provide them with new employment opportunities in the fields of rehabilitation, health, welfare, public safety, and law enforcement, and other appropriate service employment;

(8) rehabilitation teaching services and orientation and mobility services for the blind;

(9) occupational licenses, tools, equipment, and initial stocks and supplies;

(10) transportation in connection with the rendering of any vocational rehabilitation service; and

(11) telecommunications, sensory, and other technological aids and devices.

(b) Vocational rehabilitation services, when provided for the benefit of groups of individuals, may also include the following:

(1) in the case of any type of small business operated by individuals with the most severe handicaps the operation of which can be improved by management services and supervision provided by the State agency, the provision of such services and supervision, alone or together with the acquisition by the State agency of vending facilities or other equipment and initial stocks and supplies; and

(2) the construction or establishment of public or nonprofit rehabilitation facilities and the provision of other facilities and services which promise to contribute substantially to the rehabilitation of a group of individuals but which are not related directly to the individualized rehabilitation written program of any one handicapped individual.

NON-FEDERAL SHARE FOR CONSTRUCTION

SEC. 105. For the purpose of determining the amount of payments to States for carrying out part B of this title, the non-Federal share, subject to such limitations and conditions as may be prescribed in regulations by the Commissioner, shall include contributions of funds made by any private agency, organization, or individual to a State or local agency to assist in meeting the costs of construction or establishment of a public or nonprofit rehabilitation facility, which would be regarded as State or local funds except for the condition, imposed by the contributor, limiting use of such funds to construction or establishment of such facility.

PART B—BASIC VOCATIONAL REHABILITATION SERVICES STATE ALLOTMENTS

SEC. 110. (a) For each fiscal year, each State shall be entitled to an allotment of an amount bearing the same ratio to the amount authorized to be appropriated under subsection (b)(1) of section 100 for allotment under this section as the product of (1) the population of the State and (2) the square of its allotment percentage bears to the sum of the corresponding products for all the States. The allotment to any State (other than Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands) under the first sentence of this subsection for any fiscal year which is less than one-quarter of 1 per centum of the amount appropriated under section 100(b)(1), or \$2,000,000, whichever is greater, shall be increased to that amount, the total of the increases thereby required being derived by proportionately reducing the allotments to each of the remaining such States under the first sentence of this subsection, but with such adjustments as may be necessary to prevent the allotment of any such remaining States from being thereby reduced to less than that amount.

(b) Whenever the Commissioner determines that any amount of an allotment to a State for any fiscal year will not be utilized by such State in carrying out the purposes of this title, he shall make such amount available for carrying out the purposes of this title to one or more other States to the extent he determines such other State will be able to use such additional amount during such year for carrying out such purposes. Any amount made available to a State for any fiscal year pursuant to the preceding sentence shall, for the purposes of this part, be regarded as an increase of such State's allotment (as determined under the preceding provisions of this section) for such year.

PAYMENTS TO STATES

SEC. 111(a). From each State's allotment under this part for any fiscal year, the Commissioner shall pay to such State an amount equal to the Federal share

of the cost of vocational rehabilitation services under the plan for such State approved under section 101, including expenditures for the administration of the State plan, except that the total of such payments to such State for such fiscal year may not exceed its allotment under subsection (a) of section 110 for such year and such payments shall not be made in an amount which would result in a violation of the provisions of the State plan required by clause (18) of section 101(a), and except that the amount otherwise payable to such State for such year under this section shall be reduced by the amount (if any) by which expenditures from non-Federal sources during such year under this title are less than expenditures under the State plan for the fiscal year ending June 30, 1972, under the Vocational Rehabilitation Act.

(b) The method of computing and paying amounts pursuant to subsection (a) shall be as follows:

(1) The Commissioner shall, prior to the beginning of each calendar quarter or other period prescribed by him, estimate the amount to be paid to each State under the provisions of such subsection for such period, such estimate to be based on such records of the State and information furnished by it, and such other investigation, as the Commissioner may find necessary.

(2) The Commissioner shall pay, from the allotment available therefor, the amount so estimated by him for such period, reduced or increased, as the case may be, by any sum (not previously adjusted under this paragraph) by which he finds that his estimate of the amount to be paid the State for any prior period under such subsection was greater or less than the amount which should have been paid to the State for such prior period under such subsection. Such payment shall be made prior to audit or settlement by the General Accounting Office, shall be made through the disbursing facilities of the Treasury Department, and shall be made in such installments as the Commissioner may determine.

CLIENT ASSISTANCE

SEC. 112. (a) The Commissioner shall set aside out of funds appropriated under section 305 for special projects and demonstrations up to \$2,500,000 but no less than \$1,000,000 for the fiscal year ending on June 30, 1973, and up to \$5,000,000 but no less than \$1,000,000 each for the two succeeding fiscal years to establish in no less than ten nor more than twenty geographically dispersed regions client assistance pilot projects (hereinafter in this section referred to as "projects") to provide counselors to inform and advise all clients and client applicants in the project area of all available benefits under this Act and to assist them in their relationships with projects, programs, and facilities providing services to them under this Act.

(b) The Commissioner shall prescribe regulations which shall include the following requirements:

(1) All employees of such projects shall not be presently serving as staff, consultants or receiving benefits of any kind directly or indirectly from any rehabilitation project, program or facility.

(2) The staff of such projects shall be afforded reasonable access to policy-making and administrative personnel in State and local rehabilitation programs, projects, and facilities.

(3) The project shall submit an annual report, through the State agency designated pursuant to section 101, to the Commissioner on the operation of the project during the previous year, including a summary of the work done and a uniform statistical tabulation of all cases handled by such project. A copy of each such report shall be submitted to the appropriate Committees of the Congress by the Commissioner, together with a summary of such reports and his evaluation of such projects, including appropriate recommendations.

(4) Each State agency may enter into cooperative arrangements with institutions of higher education to secure the services in such projects of graduate students who are undergoing clinical training activities in related fields. No compensation with funds appropriated under this Act shall be provided to such students.

(5) Reasonable assurance shall be given by the appropriate State agency that all clients or client applicants within the project area shall have the opportunity to receive adequate service under the project and shall not be pressured against or otherwise discouraged from availing themselves of the services available under such project.

(6) The project shall be funded, administered, and operated directly by the State agency designated pursuant to section 101.

PART C—INNOVATION AND EXPANSION GRANTS

STATE ALLOTMENTS

SEC. 120. (a)(1) From the sums available pursuant to section 100(b)(2) for any fiscal year for grants to States to assist them in meeting the costs described in section 121, each State shall be entitled to an allotment of a amount bearing the same ratio to such sums as the population of the State bears to the population of all the States. The allotment to any State under the preceding sentence for any fiscal year which is less than \$50,000 (or such other amount as may be specified as a minimum allotment in the Act appropriating such sums for such year) shall be increased to that amount, and for the fiscal years ending June 30, 1973, and June 30, 1974, no State shall receive less than the amount necessary to cover up to 90 per centum of the cost of continuing projects assisted under section 4(a)(2)(A) of the Vocational Rehabilitation Act, except that no such project may receive financial assistance under both the Vocational Rehabilitation Act and this Act for a total period of time in excess of three years. The total of the increase required by the preceding sentence shall be derived by proportionately reducing the allotments to each of the remaining States under the first sentence of this section, but with such adjustments as may be necessary to prevent the allotment of any of such remaining States from thereby being reduced to less than \$50,000.

(b) Whenever the Commissioner determines that any amount of an allotment to a State for any fiscal year will not be utilized by such State in carrying out the purposes of this section, he shall make such amount available for carrying out the purposes of this section to one or more other States which he determines will be able to use additional amounts during such year for carrying out such purposes. Any amount made available to a State for any fiscal year pursuant to the preceding sentence shall, for purposes of this part, be regarded as an increase of such State's allotment (as determined under the preceding provisions of this section) for such year.

PAYMENTS TO STATES

SEC. 121. (a) From each State's allotment under this part for any final year, the Commissioner shall pay to such State or, at the option of the State agency designated pursuant to section 101(a)(1), to a public or nonprofit organization or agency, a portion of the cost of planning, preparing for, and initiating special programs under the State plan approved pursuant to section 101 to expand vocational rehabilitation services, including programs to initiate or expand such services to individuals with the most severe handicaps, or of special programs under such State plan to initiate or expand services to classes of handicapped individuals who have unusual and difficult problems in connection with their rehabilitation, particularly handicapped individuals who are poor, and responsibility for whose treatment, education, and rehabilitation is shared by the State agency designated in section 101 with other agencies. The Commissioner may require that any portion of a State's allotment under this section, but not more than 50 per centum of such allotment, may be expended in connection with only such projects as have first been approved by the Commissioner. Any grant of funds under this section which will be used for direct services to handicapped individuals or for establishing or maintaining facilities which will render direct services to such individuals must have the prior approval of the appropriate State agency designated pursuant to section 101.

(b) Payments under this section with respect to any project may be made for a period of not to exceed three years beginning with the commencement of the project as approved, and sums appropriated for grants under this section shall remain available for such grants through the fiscal year ending June 30, 1976. Payments with respect to any project may not exceed 90 per centum of the cost of such project. The non-Federal share of the cost of a project may be in cash or in kind and may include funds spent for project purposes by a cooperating public or nonprofit agency provided that it is not included as a cost in any other federally financed program.

(c) Payments under this section may be made in advance or by way of reimbursement for services performed and purchases made, as may be determined by the Commissioner, and shall be made on such conditions as the Commissioner finds necessary to carry out the purposes of this section.

TITLE III—COMPREHENSIVE REHABILITATION SERVICES

DECLARATION OF PURPOSE; AUTHORIZATION OF APPROPRIATIONS

SEC. 200. (a) The purpose of this title is to authorize grants (supplementary to grants for vocational rehabilitation services under title I of this Act) to assist the several States in developing and implementing continuing plans for meeting the current and future needs of handicapped individuals for whom a vocational goal is not possible or feasible, including the assessment of disability and rehabilitation potential, and for the training of specialized personnel needed for the provision of services to such individuals and research related thereto.

(b) In order to make grants to carry out the purposes of this title, there is authorized to be appropriated \$30,000,000 for the fiscal year ending June 30, 1973, \$50,000,000 for the fiscal year ending June 30, 1974, and \$80,000,000 for the fiscal year ending June 30, 1975.

STATE ALLOTMENTS

SEC. 201. (a) From sums appropriated to carry out the provisions of this title for each fiscal year, less the amounts reserved by the Commissioner for projects under section 204, each State shall be entitled to an allotment of an amount bearing the same ratio to such sums as the product of (1) the population of the State, and (2) its allotment percentage bears to the sum of the corresponding products for all of the States. The allotment to any State under the preceding sentence for any fiscal year which is less than \$150,000 shall be increased to that amount, the total of the increases thereby required being derived by proportionately reducing the allotments to each of the remaining States under the preceding sentence, but with such adjustments as may be necessary to prevent the allotment of any such remaining States from being thereby reduced to less than that amount.

(b) Whenever the Commissioner determines that any amount of an allotment to a State for any fiscal year will not be utilized by such State in carrying out the purposes of this section, he shall make such amount available for carrying out the purposes of this section to one or more other States to the extent he determines such other State will be able to use additional amounts during such year for carrying out such purpose. Any amount made available to a State for any fiscal year pursuant to the preceding sentence shall, for the purpose of this title, be regarded as an increase in the State's allotment (as determined under the preceding provisions of this section) for such year.

(c) In any fiscal year for which appropriations pursuant to this section do not exceed \$20,000,000, the Commissioner, subsections (a) and (b) of this section and section 202(a) to the contrary notwithstanding and subject to the provisions of section 313, shall carry out the purposes of this title by making grants to States and public or nonprofit organizations and agencies to pay the Federal share of the expenditures for such projects. Projects receiving such grants shall be carried out under the State plan approved under section 101 (except for the priorities in the order of selection required by section 101(a)(5)(A)) in a manner consistent with the State program submitted under section 203.

PAYMENTS TO STATES

SEC. 202. (a) From each State's allotment under this title for any fiscal year, the Commissioner shall pay to such State the Federal share of the expenditures incurred during such year under its State program submitted under section 203 and approved as part of the State plan approved under section 101. Such payments may be made (after necessary adjustments on account of previously made overpayments or underpayments) in advance or by way of reimbursement, and in such installments and on such conditions as the Commissioner may determine.

(b) The Federal share with respect to any State shall be 90 per centum of the expenditures incurred by the State during such year under its State program submitted under section 203 and approved as part of the State plan under section 101.

STATE PROGRAMS

SEC. 203. As a condition for receiving grants under this Act for the fiscal year ending June 30, 1973, a State must submit within one hundred and eighty days after the date of enactment of this Act an amendment to its plan submitted to the Commissioner under section 101 or to the Secretary under section 5 of the

Vocational Rehabilitation Act which includes a program for provision of comprehensive rehabilitation services to bring about the rehabilitation of handicapped individuals under this title. A State shall also include such a program in its plan under section 101 submitted for each subsequent fiscal year. Such program, in addition to those requirements provided in section 101(a)(6), shall (1) designate the State agency or agencies administering the State plan for vocational rehabilitation as the agency or agencies to administer funds provided under this title; (2) provide that comprehensive rehabilitation services will be provided for the rehabilitation of handicapped individuals only in accordance with the individualized written rehabilitation program required by section 102 and only after the requirements of subsection (c) of such section have been met; (3) describe the quality, scope, and extent of the services being provided; (4) demonstrate that the State has studied and considered a broad variety of means for providing comprehensive rehabilitation services under this title, including but not limited to, regional and community centers, halfway houses, services to homebound and institutionalized individuals, and patient-release programs, where such programs are appropriate and beneficial; (5) be approved or disapproved under the criteria and procedures provided with respect to the State plan submitted under section 101; and (6) conform to such other requirements as the Commissioner by regulation may prescribe.

SPECIAL PROJECTS

SEC. 204. From sums appropriated under section 200(b), the Commissioner may retain not to exceed 10 per centum or \$500,000, whichever is smaller, to enable him to make grants to States and public and nonprofit agencies or organizations to pay part of the cost of projects for research and demonstration and training which hold promise of making a substantial contribution to the solution of problems related to the rehabilitation of individuals under this title.

DEFINITION

SEC. 205. For the purposes of this title, the term "rehabilitation" means the goal of achieving, through the provision of comprehensive rehabilitation services, substantial improvement in the ability to live independently or function normally with his family or community on the part of a handicapped individual, who, according to a certification under section 102(c), is not then capable of achieving a vocational goal.

TITLE III—SPECIAL FEDERAL RESPONSIBILITIES

DECLARATION OF PURPOSE

SEC. 300. The purpose of this title is to—

(1) authorize grants and contracts to assist in the construction and initial staffing of rehabilitation facilities;

(2) authorize grants and contracts to assist in the provision of vocational training services to handicapped individuals;

(3) to insure mortgages covering the construction of certain nonprofit rehabilitation facilities and authorize annual interest grants to help meet the costs of making principal payments in connection with such mortgages, whether so insured or not;

(4) authorize grants for special projects and demonstrations which hold promise of expanding or otherwise improving rehabilitation services to handicapped individuals, which experiment with new types or patterns of services or devices for the rehabilitation of handicapped individuals (including opportunities for new careers for handicapped individuals, and for other individuals in programs serving handicapped individuals) and which provide vocational and comprehensive rehabilitation services to handicapped migratory agricultural workers or seasonal farmworkers;

(5) establish and operate a National Center for Deaf-Blind Youths and Adults;

(6) authorize grants and contracts to establish and operate Rehabilitation Centers for Deaf Individuals;

(7) establish and operate National Centers for Spinal Cord Injuries;

(8) provide services for the treatment of individuals suffering from end-stage renal disease;

(9) authorize grants and contracts to assist in the provision of rehabilitation services to older blind individuals and in the application of new types or patterns of services or devices for the benefit of such individuals;

(10) establish a National Advisory Council on Rehabilitation of Handicapped Individuals to advise the Commissioner and Secretary and conduct reviews with respect to programs carried out under this Act;

(11) establish State Advisory Councils to advise Governors and State agencies in carrying out State plans approved under this Act; and

(12) establish uniform grant and contract requirements for programs assisted under this title and certain other provisions of this Act.

GRANTS FOR CONSTRUCTION OF REHABILITATION FACILITIES

SEC. 301. (a) For the purpose of making grants and contracts under this section for construction of rehabilitation facilities, initial staffing, and planning assistance, there is authorized to be appropriated \$35,000,000 for the fiscal year ending June 30, 1973; \$40,000,000 for the fiscal year ending June 30, 1974; and \$45,000,000 for the fiscal year ending June 30, 1975. Amounts so appropriated shall remain available for expenditure with respect to construction projects funded or initial staffing grants made under this section prior to July 1, 1977.

(b) (1) The Commissioner is authorized to make grants to assist in meeting the costs of construction of public or nonprofit rehabilitation facilities. Such grants may be made to States and public or nonprofit organizations and agencies for projects for which applications are approved by the Commissioner under this section.

(2) To be approved, an application for a grant for a construction project under this section must conform to the provisions of section 313.

(3) The amount of a grant under this section with respect to any construction project in any State shall be equal to the same percentage of the cost of such project as the Federal share which is applicable in the case of rehabilitation facilities (as defined in section 645(g) of the Public Health Service Act (42 U.S.C. 291o(a)), in such State, except that if the Federal share with respect to rehabilitation facilities in such State is determined pursuant to subparagraph (b) (2) of section 645 of such Act (42 U.S.C. 291o(b) (2)), the percentage of the cost for purposes of this section shall be determined in accordance with regulations prescribed by the Commissioner designed to achieve as nearly as practicable results comparable to the results obtained under such subparagraph.

(c) The Commissioner is also authorized to make grants to assist in the initial staffing of any public or nonprofit rehabilitation facility constructed after the date of enactment of this section (whether or not such construction was financed with the aid of a grant under this section) by covering part of the costs (determined in accordance with regulations the Commissioner shall prescribe) of compensation of professional or technical personnel of such facility during the period beginning with the commencement of the operation of such facility and ending with the close of four years and three months after the month in which such operation commenced. Such grants with respect to any facility may not exceed 75 per centum of such costs for the period ending with the close of the fifteenth month following the month in which such operation commenced, 60 per centum of such costs for the first year thereafter, 45 per centum of such costs for the second year thereafter, and 30 per centum of such costs for the third year thereafter.

(d) The Commissioner is also authorized to make grants upon application approved by the State agency designated under section 101 to administer the State plan, to public or nonprofit agencies, institutions, or organizations to assist them in meeting the cost of planning rehabilitation facilities and the services to be provided by such facilities.

VOCATIONAL TRAINING SERVICES FOR HANDICAPPED INDIVIDUALS

SEC. 302. (a) For the purpose of making grants and contracts under this section, there is authorized to be appropriated \$30,000,000 for the fiscal year ending June 30, 1973; \$35,000,000 for the fiscal year ending June 30, 1974; and \$40,000,000 for the fiscal year ending June 30, 1975.

(b) (1) The Commissioner is authorized to make grants to States and public or nonprofit organizations and agencies to pay up to 90 per centum of the cost of projects for providing vocational training services to handicapped individuals, especially those with the most severe handicaps, in public or nonprofit rehabilitation facilities.

(2) (A) Vocational training services for purposes of this subsection shall include training with a view toward career advancement; training in occupational skills; related services, including work evaluation, work testing, provision of occupational tools and equipment required by the individual to engage in such training, and job tryouts; and payment of weekly allowances to individuals receiving such training and related services.

(B) Such allowances may not be paid to any individual for any period in excess of two years, and such allowances for any week shall not exceed \$30 plus \$10 for each of the individual's dependents, or \$70 whichever is less. In determining the amount of such allowances for any individual, consideration shall be given to the individuals' need for such an allowance, including any expenses reasonably attributable to receipt of training services, the extent to which such an allowance will help assure entry into and satisfactory completion of training, and such other factors, specified by the Commissioner, as will promote such individual's capacity to engage in gainful and suitable employment.

(3) The Commissioner may make a grant for a project pursuant to this subsection only on his determination that (A) the purpose of such project is to prepare handicapped individuals, especially those with the most severe handicaps, for gainful and suitable employment; (B) the individuals to receive training services under such project will include only those who have been determined to be suitable for and in need of such training services by the State agency or agencies designated as provided in section 101(a)(1) of the State in which the rehabilitation facility is located; (C) the full range of training services will be made available to each such individual, to the extent of his need for such services; and (D) the project, including the participating rehabilitation facility and the training services provided, meet such other requirements as he may prescribe in regulations for carrying out the purposes of this subsection.

(c)(1) The Commissioner is authorized to make grants to public or nonprofit rehabilitation facilities, or to an organization or combination of such facilities, to pay the Federal share of the cost of projects to analyze, improve, and increase their professional services to handicapped individuals, their management effectiveness, or any other part of their operations affecting their capacity to provide employment and services for such individuals.

(2) No part of any grant made pursuant to this subsection may be used to pay costs of acquiring, constructing, expanding, remodeling, or altering any building.

MORTGAGE INSURANCE FOR REHABILITATION FACILITIES

SEC. 303 (a) It is the purpose of this section to assist and encourage the provision of urgently needed facilities for programs for handicapped individuals.

(b) For the purpose of this section the terms "mortgage", "mortgagor", "mortgagee", "maturity date", and "State" shall have the meanings respectively set forth in section 207 of the National Housing Act.

(c) The Commissioner, in consultation with the Secretary of Housing and Urban Development, and subject to the provisions of section 313, is authorized to insure up to 100 per centum of any mortgage (including advances on such mortgage during construction) in accordance with the provisions of this section upon such terms and conditions as he may prescribe and make commitments for insurance of such mortgage prior to the date of its execution or disbursement thereon, except that no mortgage of any public agency shall be insured under this section if the interest from such mortgage is exempt from Federal taxation.

(d) In order to carry out the purpose of this section, the Commissioner is authorized to insure any mortgage which covers construction of a public or nonprofit rehabilitation facility, including equipment to be used in its operation, subject to the following conditions:

(1) The mortgage shall be executed by a mortgagor, approved by the Commissioner, who demonstrates ability successfully to operate one or more programs for handicapped individuals. The Secretary may in his discretion require any such mortgagor to be regulated or restricted as to minimum charges and methods of financing, and, in addition thereto, if the mortgagor is a corporate entity, as to capital structure and rate of return. As an aid to the regulation or restriction of any mortgagor with respect to any of the foregoing matters, the Commissioner may make such contracts with and acquire for not to exceed \$100 such stock of interest in such mortgagor as he may deem necessary. Any stock or interest so purchased shall be paid for out of the Rehabilitation Facilities Insurance Fund (established by subsection (h) of this section), and shall be redeemed by the mortgagor at par upon the termination of all obligations of the Commissioner under the insurance.

(2) The mortgage shall involve a principal obligation in an amount not to exceed 90 per centum of the estimated replacement cost of the property or project, including equipment to be used in the operation of the rehabilitation facility, when the proposed improvements are completed and the equipment is installed, but not including any cost covered by grants in aid under this Act or any other Federal Act.

(3) The mortgage shall—

(A) provide for complete amortization by periodic payments within such term as the Commissioner shall prescribe, and

(B) bear interest (exclusive of premium charges for insurance and service charges, if any) at not to exceed such per centum per annum on the principal obligation outstanding at any time as the Commissioner finds necessary to meet the mortgage market.

(e) The Commissioner shall fix and collect premium charges for the insurance of mortgages under this section which shall be payable annually in advance by the mortgagee, either in cash or in debentures of the Rehabilitation Facilities Insurance Fund (established by subsection (h) of this section) issued at par plus accrued interest. In the case of any mortgage such charge shall be not less than an amount equivalent to one-fourth of 1 per centum per annum nor more than an amount equivalent to 1 per centum per annum of the amount of the principal obligation of the mortgage outstanding at any one time, without taking into account delinquent payments or prepayments. In addition to the premium charge herein provided for, the Commissioner is authorized to charge and collect such amounts as he may deem reasonable for the appraisal of a property or project during construction; but such charges for appraisal and inspection shall not aggregate more than 1 per centum of the original principal face amount of the mortgage.

(f) The Commissioner may consent to the release of a part or parts of the mortgaged property or project from the lien of any mortgage insured under this section upon such terms and conditions as he shall by regulation prescribe.

(g) (1) The Commissioner shall have the same functions, powers, and duties (insofar as applicable) with respect to the insurance of mortgages under this section as the Secretary of Housing and Urban Development has with respect to the insurance of mortgages under title II of the National Housing Act. The Commissioner may, pursuant to a formal delegation agreement containing regulations prescribed by him, delegate to the Secretary of Housing and Urban Development authority to administer this section and section 304 of this Act in accordance with such delegation agreement.

(2) The provisions of subsections (e), (g), (h), (i), (j), (k), (l), and (n) of section 207 of the National Housing Act shall apply to mortgages insured under this section; except that, for the purposes of their application with respect to such mortgages, all references in such provisions to the General Insurance Fund shall be deemed to refer to the Rehabilitation Facilities Insurance Fund (established by subsection (h) of this section) and all references in such provisions to "Secretary" shall be deemed to refer to the Commissioner of the Rehabilitation Services Administration within the Department of Health, Education, and Welfare.

(h)(1) There is hereby created a Rehabilitation Facilities Insurance Fund which shall be used by the Commissioner as a revolving fund for carrying out all the insurance provisions of this section. All mortgages insured under this section shall be insured under and be the obligation of the Rehabilitation Facilities Insurance Fund.

(2) The general expenses of the operations of the Rehabilitation Services Administration relating to mortgages insured under this section may be charged to the Rehabilitation Facilities Insurance Fund.

(3) Moneys in the Rehabilitation Facilities Insurance Fund not needed for the current operations of the Rehabilitation Services Administration with respect to mortgages insured under this section shall be deposited with the Treasurer of the United States to the credit of such fund, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States. The Commissioner may, with the approval of the Secretary of the Treasury, purchase in the open market debentures issued as obligations of the Rehabilitation Facilities Insurance Fund. Such purchases shall be made at a price which will provide an investment yield of not less than the yield obtainable from other investments authorized by this section. Debentures so purchased shall be canceled and not reissued.

(4) Premium charges, adjusted premium charges, and appraisals and other fees received on account of the insurance of any mortgage under this section, the receipts derived from property covered by such mortgages and from any claims, debts, contracts, property, and security assigned to the Commissioner in connection therewith, and all earnings as the assets of the fund, shall be credited to the Rehabilitation Facilities Insurance Fund. The principal of, and interest paid and to be paid on, debentures which are the obligation of such fund, cash insurance payments and adjustments, and expenses incurred in the handling, management, renovation, and disposal of properties acquired, in connection with mortgages insured under this section, shall be charged to such fund.

(5) There are authorized to be appropriated to provide initial capital for the Rehabilitation Facilities Insurance Fund, and to assure the soundness of such fund thereafter, such sums as may be necessary, except that the total amount of outstanding mortgages insured shall not exceed \$250,000,000.

ANNUAL INTEREST GRANTS FOR MORTGAGES FOR REHABILITATION FACILITIES

SEC. 304. (a) To assist States and public or nonprofit agencies and organizations to reduce the cost of borrowing from other sources for the construction of rehabilitation facilities, the Commissioner, subject to the provisions of section 313, may make annual interest grants to such agencies.

(b) Annual interest grants under this section with respect to any rehabilitation facility shall be made over a fixed period not exceeding forty years, and provision for such grants shall be embodied in a contract guaranteeing their payment over such period. Each such grant shall be in an amount sufficient to reduce by 4 per centum the net effective interest rate otherwise payable on the loan or to equal one-half of such rate, whichever is the lesser amount: *Provided*, That the amount on which such grant is based shall be approved by the Commissioner.

(c) (1) There are authorized to be appropriated to the Commissioner such sums as may be necessary for the payment of annual interest grants in accordance with this section.

(2) Contracts for annual interest grants under this section shall not be entered into in an aggregate amount greater than is authorized in appropriation Acts; and in any event the total amount of interest grants which may be paid pursuant to contracts entered into under this section shall not exceed \$1,000,000 with respect to contracts entered into prior to June 30, 1973; \$2,000,000 with respect to contracts entered into prior to June 30, 1974; and \$4,000,000 with respect to contracts entered into prior to June 30, 1975.

(3) Not more than 15 per centum of the funds expended under this section may be used within any one State in any one fiscal year.

SPECIAL PROJECTS AND DEMONSTRATIONS

SEC. 305. (a) (1) For the purpose of making grants under this section for special projects and demonstrations (and research and evaluation connected therewith), there is authorized to be appropriated \$50,000,000 for the fiscal year ending June 30, 1973, \$125,000,000 for the fiscal year ending June 30, 1974, and \$150,000,000 for the fiscal year ending June 30, 1975.

(2) Of the amounts appropriated pursuant to paragraph (1) of this subsection, 10 per centum, but in no event more than \$10,000,000, in each such fiscal year shall be available only for the purpose of making grants under subsection (c) of this section, and there is authorized to be appropriated in each such fiscal year such additional amount as may be necessary to equal, when added to the amount made available for the purpose of making grants under such subsection, an amount of \$10,000,000 to be available for each such fiscal year.

(b) The Commissioner, subject to the provisions of section 313, shall make grants to States and public or nonprofit agencies and organizations for paying part of the cost of special projects and demonstrations (and research and evaluation in connection therewith) (1) for establishing facilities and providing services which, in the judgment of the Commissioner, hold promise of expanding or otherwise improving rehabilitation services to handicapped individuals, especially those with the most severe handicaps, and (2) for applying new types or patterns of services or devices (including opportunities for new careers for handicapped individuals and for other individuals in programs servicing handicapped individuals).

(c) The Commissioner, subject to the provisions of section 313, is authorized to make grants to any State agency designated pursuant to a State plan approved under section 101, or to any local agency participating in the administration of such a plan, to pay up to 90 per centum of the cost of projects or demonstrations for the provision of vocational or comprehensive rehabilitation services to handicapped individuals who, as determined in accordance with rules prescribed by the Secretary of Labor, are migratory agricultural workers or seasonal farmworkers, and to members of their families (whether or not handicapped) who are with them, including maintenance and transportation of such individuals and members of their families where necessary to the rehabilitation of such individuals. Maintenance payments under this section shall be consistent with any maintenance payments made to other handicapped individuals in the State under this Act.

Such grants shall be conditioned upon satisfactory assurance that in the provision of such services there will be appropriate cooperation between the grantee and other public or nonprofit agencies and organizations having special skills and experience in the provision of services to migratory agricultural workers, seasonal farmworkers, or their families. This subsection shall be administered in coordination with other programs serving migrant agricultural workers and seasonal farmworkers, including programs under title I of the Elementary and Secondary Education Act of 1965, section 311 of the Economic Opportunity Act of 1964, the Migrant Health Act, and the Farm Labor Contractor Registration Act of 1963.

(d) The Commissioner is authorized to make contracts or jointly financed cooperative arrangements with employers and organizations for the establishment of projects designed to prepare handicapped individuals for gainful and suitable employment in the competitive labor market under which handicapped individuals are provided training and employment in a realistic work setting and such other services (determined in accordance with regulations prescribed by the Commissioner) as may be necessary for such individuals to continue to engage in such employment.

(e)(1) The Commissioner is authorized, directly or by contract with State vocational rehabilitation agencies or experts or consultants or groups thereof, to provide technical assistance (A) to rehabilitation facilities, and (B) for the purpose of removal of architectural and transportation barriers, to any public or nonprofit agency, institution, organization or facility.

(2) Any such experts or consultants shall, while serving pursuant to such contracts, be entitled to receive compensation at rates fixed by the Commissioner, but not exceeding the pro rata pay rate for a person employed as a GS-18, under section 5332 of title 5, United States Code, including traveltime, and while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

NATIONAL CENTER FOR DEAF-BLIND YOUTHS AND ADULTS

SEC. 306. (a) For the purpose of establishing and operating a National Center for Deaf-Blind Youths and Adults, there is authorized to be appropriated \$5,000,000 for construction, which shall remain available until expended, and \$800,000 for operations for the fiscal year ending June 30, 1973; \$1,200,000 for operations for the fiscal year ending June 30, 1974; and \$2,000,000 for operations for the fiscal year ending June 30, 1975.

(b) In order—

(1) to demonstrate methods of (A) providing the specialized intensive services, and other services, needed to rehabilitate handicapped individuals who are both deaf and blind, and (B) training the professional and allied personnel needed adequately to staff facilities specially designed to provide such services and training to such personnel who have been or will be working with deaf-blind individuals;

(2) to conduct research in the problems of, and ways of meeting the problems of rehabilitating, deaf-blind individuals; and

(3) to aid in the conduct of related activities which will expand or improve the services for or help improve public understanding of the problems of deaf-blind individuals;

the Commissioner, subject to the provisions of section 313, is authorized to enter into an agreement with any public or nonprofit agency or organization for payment by the United States of all or part of the costs of the establishment and operation, including construction and equipment, of a center for vocational rehabilitation of handicapped individuals who are both deaf and blind, which center shall be known as the National Center for Deaf-Blind Youths and Adults.

(c) Any agency or organization desiring to enter into such agreement shall submit a proposal therefor at such time, in such manner, and containing such information as may be prescribed in regulations by the Commissioner. In considering such proposals the Commissioner shall give preference to proposals which (1) give promise of maximum effectiveness in the organization and operation of such Center, and (2) give promise of offering the most substantial skill, experience, and capability in providing a broad program of service, research, training, and related activities in the field of rehabilitation of deaf-blind individuals.

REHABILITATION CENTERS FOR DEAF INDIVIDUALS

SEC. 307. (a) For the purpose of making grants and contracts for the expansion and improvement of vocational or comprehensive rehabilitation services for deaf individuals (through the establishment of centers or other means), there is authorized to be appropriated \$2,000,000 for the fiscal year ending June 30, 1973; \$4,000,000 for the fiscal year ending June 30, 1974; and \$7,000,000 for the fiscal year ending June 30, 1975. Funds appropriated pursuant to this subsection shall remain available until expended.

(b) In order to—

(1) demonstrate methods of (A) providing the specialized services needed to rehabilitate and make maximum use of the vocational potential of deaf individuals, and (B) training the specialized professional and allied personnel required adequately to staff facilities designed to provide such services and training personnel who have been or will be working with such individuals;

(2) conduct research in the nature and prevention of the problems of such deaf individuals and in the rehabilitation of these individuals; and

(3) improve the understanding of the general public, employers in particular, of both the assets and problems of such deaf individuals; the Commissioner, subject to the provisions of section 313, is authorized to make grants to or contracts with any public or nonprofit agency or organization for payment by the United States of all or part of the costs of the establishment and operation, including construction and equipment, of one or more centers for the vocational rehabilitation of deaf individuals whose maximum vocational potential has not been achieved, which shall be known as Rehabilitation Centers for Deaf Individuals.

(c) Any agency or organization desiring to receive a grant or enter into a contract under this section shall submit a proposal therefor at such time, in such manner, and containing such information as may be prescribed in regulations by the Commissioner. In considering such proposals the Commissioner shall give preference to proposals which (1) give promise of maximum effectiveness in the organization and operation of a Rehabilitation Center for Deaf Individuals, and (2) give promise of offering the substantial capability in providing a broad program of service and related research, training, and other activities in the field of rehabilitation of deaf individuals whose maximum vocational potential has not been achieved.

(d) For the purposes of this section, the Commissioner shall prescribe regulations to—

(1) provide a means of determining the population of deaf individuals whose maximum vocational potential has not been achieved;

(2) insure that, in carrying out the purposes of this section, provision has been made for coordination between the agency or organization receiving funds under this section on the one hand, and the State and local educational agencies in the area to be served on the other; and

(3) provide that an advisory board, comprised of qualified professional and expert individuals in the fields of rehabilitation and education of deaf individuals, be appointed to assure proper functioning of a center established under this section in accordance with its stated objectives and to provide assistance in professional, technical, and other related areas; and that at least one-third of the members of such board shall be deaf individuals.

(e) To be eligible to receive vocational or comprehensive rehabilitation services under this section, a deaf individual must be sixteen years of age or older, must have reached the age at which the compulsory school attendance laws of the State in which he resides are no longer applicable to him, and must be an individual whose maximum vocational potential (as defined in regulations which the Commissioner shall prescribe) has not been achieved.

(f) Programs carried out under this section shall be coordinated with programs carried out by the Bureau of Education for the Handicapped within the Office of Education in order to achieve a consistent education and rehabilitation philosophy to provide for continuity of services and program purpose, and to avoid unnecessary duplication or overlap of programs.

NATIONAL CENTERS FOR SPINAL CORD INJURIES

SEC. 308. (a) For the purpose of establishing and operating National Centers for Spinal Cord Injuries, there is authorized to be appropriated \$15,000,000 for the fiscal year ending June 30, 1973; \$25,000,000 for the fiscal year ending June 30, 1974; and \$30,000,000 for the fiscal year ending June 30, 1975. Funds appropriated under this section shall remain available until expended.

(b) In order—

(1) to help establish national centers with special competencies in providing prompt, complete vocational and comprehensive rehabilitation services and acute medical care to individuals with spinal cord injuries;

(2) to assist in meeting the costs of such services to such individuals;

(3) to encourage and assist the study and development of methods for the provision of such services and, where appropriate and desirable, to carry out necessary related research and training; and

(4) to develop new methods of achieving cooperation with and among community and other public and nonprofit organizations concerned with the problems of spinal cord injury;

the Commissioner, subject to the provisions of section 313, is authorized to enter into an agreement with any public or nonprofit agency or organization to pay all or part of the costs of the establishment and operation, including construction and equipment, of centers to carry out the purposes of this subsection, which centers shall be known as National Centers for Spinal Cord Injuries.

(c) Any agency or organization desiring to enter into such an agreement shall submit a proposal therefor at such time, in such manner, and containing such information as may be prescribed in regulations by the Commissioner. In considering such proposals the Commissioner shall provide an opportunity for submission of comments by the State agency administering the State plan under section 101, and shall give preference to proposals which (1) give promise of maximum effectiveness in the organization and operation of National Centers for Spinal Cord Injuries, and which include provisions to—

(A) establish, on an appropriate regional basis, a multidisciplinary system of providing vocational and comprehensive rehabilitation services, specifically designed to meet the special needs of individuals with spinal cord injuries including, but not limited to, acute medical care and periodic inpatient or outpatient followup;

(B) demonstrate and evaluate the benefits to individuals with spinal cord injuries served in, and the degree of cost effectiveness of, such a regional system;

(C) demonstrate and evaluate existing, new, and improved methods and equipment essential to the care, management, and rehabilitation of individuals with spinal cord injuries;

(D) demonstrate and evaluate methods of community outreach for individuals with spinal cord injuries and community education in connection with the problems of such individuals in areas such as housing, transportation, recreation, employment, and community activities;

and (2) give promise of offering substantial skill, experience, and capability in providing a comprehensive program of services and related activities in the field of rehabilitation of individuals with spinal cord injuries.

GRANTS FOR SERVICES FOR END-STAGE RENAL DISEASE

SEC. 309. (a) For the purpose of providing services under this section for the treatment of individuals suffering from end-stage renal disease there is authorized to be appropriated \$25,000,000 for the fiscal year ending June 30, 1973; \$25,000,000 for the fiscal year ending June 30, 1974; and \$25,000,000 for the fiscal year ending June 30, 1975. Funds appropriated under this subsection shall remain available until expended.

(b) From sums available pursuant to subsection (a) of this section for any fiscal year, the Commissioner shall make grants to States and public and nonprofit agencies and organizations and agencies for paying part of the cost of projects for providing special services (including transplantation and dialysis), artificial kidneys, and supplies necessary for the rehabilitation of individuals suffering from end-stage renal disease.

(c) Payments under this section may be made in advance or by way of reimbursement for services performed and purchases made, as may be determined by the Commissioner, and shall be made on such conditions as the Commissioner finds necessary to carry out the purposes of this section.

REHABILITATION SERVICES FOR OLDER BLIND INDIVIDUALS

SEC. 310. (a) For the purpose of providing rehabilitation services to older blind individuals, there is authorized to be appropriated \$10,000,000 for the fiscal year ending June 30, 1973; \$20,000,000 for the fiscal year ending June 30, 1974; and \$30,000,000 for the fiscal year ending June 30, 1975.

(b) In order—

(1) to demonstrate methods of (A) providing the specialized intensive services, as well as other services, needed to rehabilitate older blind individuals, and (B) training the professional and allied personnel needed to provide such services;

(2) to conduct research in the problems of, and ways of meeting the problems of rehabilitating older blind individuals; and

(3) to aid in the conduct of related activities which will expand or improve the services for, and help improve public understanding of, the problems of older blind individuals,

the Commissioner, subject to the provisions of section 313, is authorized to make grants to and contracts with States and public and nonprofit agencies to pay all or part of the costs of projects and demonstrations (1) for providing vocational or comprehensive rehabilitation services to older blind individuals, which, in the judgment of the Commissioner, hold promise of expanding or otherwise improving such services, and (2) for applying new types or patterns of such services or devices to, or for the benefit of, older blind individuals.

(c) For the purpose of this section, the term "older blind individuals" means individuals, age 55 and older, whose severe visual impairment makes gainful employment less readily attainable in the light of current employment practices.

NATIONAL ADVISORY COUNCIL ON REHABILITATION OF HANDICAPPED INDIVIDUALS

SEC. 311. (a) There is established in the Department of Health, Education, and Welfare a National Advisory Council on Rehabilitation of Handicapped Individuals (hereinafter referred to in this section as the "Council") consisting of twenty members appointed by the Commissioners without regard to civil service laws shall be from among persons who are leaders in fields concerned with rehabilitation or in public affairs, and ten of such twenty shall be selected from among leading medical, educational, or scientific authorities with outstanding qualifications in the rehabilitation of handicapped individuals. Eight of such twenty members shall be persons who are themselves handicapped or who have received vocational rehabilitation services. Each such member of the Council shall hold office for a term of four years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor is appointed shall be appointed for the remainder of such term and except that, of the members first appointed, five shall hold office for a term of two years, and five shall hold office for a term of one year, as designated by the Commissioner at the time of appointment. None of such members shall be eligible for reappointment until a year has elapsed after the end of his preceding term. The Council shall meet not less than four times a year at the call of the Chairman, who shall be selected from among its membership by the members.

(b) The Council shall—

(1) provide policy advice and consultation to the Secretary and the Commissioner on the planning (including determination of priorities), conduct, and review of programs (including research and training) authorized under this Act;

(2) review the administration and operation of vocational rehabilitation (including research and training) programs under this Act, including the effectiveness of such programs in meeting the purposes for which they are established and operated and the integration of research and training activities with service program goals and priorities, make recommendations with respect thereto, and make annual reports of its findings and recommendations (including recommendations for changes in the provisions of this Act) to the Secretary and the Commissioner for annual transmittal to the Congress;

(3) advise the Secretary and the Commissioner with respect to the conduct of independent evaluations of programs (including research and training) carried out under this Act; and

(4) provide such other advisory services as the Secretary and the Commissioner may request.

(c)(1) Adequate technical assistance and support staff for the Council shall be provided from the Office for the Handicapped, the Rehabilitation Services Administration, or from any other Federal agency, as the Council may reasonably request.

(2) There is authorized to be appropriated for the purpose of carrying out this section \$100,000 for the fiscal year ending June 30, 1973, and \$150,000 for each of the two succeeding fiscal years.

(d) The Council shall review the possible duplication among vocational rehabilitation programs and other programs serving handicapped individuals within the same geographical areas and shall make annual reports of the extent to which unnecessary duplication or overlap exists, together with its findings and recommendations, concurrently to the Commissioner and the Congress. In making these reports, the Council shall seek the opinions of persons familiar with vocational rehabilitation and the employment of persons who have received vocational and comprehensive rehabilitation services in each State as well as persons familiar with labor, business and industry, education and training, health, and manpower programs.

(e) Members of the Council, while attending meetings or conferences thereof, or otherwise serving on business of the Council, or at the request of the Commissioner, shall be entitled to receive compensation at rates fixed by the Commissioner, but not exceeding the daily pay rate for a person employed as a GS-18 under section 5332 of title 5, United States Code, including traveltime, and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

STATE ADVISORY COUNCILS

SEC. 312. (a) For the purpose of establishing State Advisory Councils, there is authorized to be appropriated \$2,000,000 for the fiscal year ending June 30, 1973, and for the two succeeding fiscal years.

(b) Any State which receives assistance under this Act may establish and maintain a State Advisory Council, which shall be appointed by the Governor, or, in the case of a State in which members of the State board which governs vocational rehabilitation are elected (including election by the State legislature), by such board.

(c)(1) Such a State Advisory Council shall include as members persons who who are familiar with problems of vocational rehabilitation in the State and the administration of vocational rehabilitation programs, and who are experienced in the education and training of handicapped individuals; persons who are representative of labor and management, including persons who have knowledge of the employment of persons who have received vocational rehabilitation services and of the employment of the handicapped individuals; and individuals who are handicapped and who are receiving or who have received vocational rehabilitation services and who shall constitute a majority of the total membership of the State Advisory Council.

(2) Such a State Advisory Council, in accordance with regulations prescribed by the Commissioner, shall—

(A) advise the Governor and the State agency on the development of, and policy matters arising in, the administration of the State plan approved pursuant to section 101;

(B) advise with respect to long-range planning and studies to evaluate vocational rehabilitation programs, services, and activities assisted under this Act; and

(C) prepare and submit to the Governor through the State agency having authority over vocational rehabilitation programs, and to the National Advisory Council on Rehabilitation of Handicapped Individuals established pursuant to section 311, an annual report of its recommendations, accompanied by such additional comments of the State agency as that agency deems appropriate.

(d) Upon the appointment of any such Advisory Council the appointing authority under subsection (b) of this section shall inform the Commissioner of the establishment of, and membership of, its State Advisory Council. The Commissioner shall, upon receiving such information, certify that each council is in compliance with the membership requirements set forth in subsection (b) (1) of this section.

(e) Each such State Advisory Council shall meet within thirty days after certification has been accepted by the Commissioner under subsection (d) of this section and select from among its membership a chairman. The time, place, and manner of subsequent meetings shall be provided by the rules of the State Advisory Council, except that such rules must provide that each such council meet at least four times each year, including at least one public meeting at which the public is given the opportunity to express views concerning vocational rehabilitation.

(f) Each such State Advisory Council is authorized to obtain the services of such professional, technical, and clerical personnel as may be necessary to enable them to carry out their functions under this section.

GENERAL GRANT AND CONTRACT REQUIREMENTS

Sec. 313. (a) The provisions of this section shall apply to all projects (including annual interest grants) approved and assisted under this title. The Commissioner shall insure compliance with this section prior to making any grant or entering into any contract or agreement under this title, except projects authorized under sections 302, 309, 311, and 312.

(b) To be approved, an application for assistance for a construction project under this title must—

(1) contain or be supported by reasonable assurances that (A) for a period of not less than twenty years after completion of construction of the project it will be used as a public or nonprofit facility, (B) sufficient funds will be available to meet the non-Federal share of the cost of construction of the project, and (C) sufficient funds will be available, when construction of the project is completed, for its effective use for its intended purpose;

(2) provide that Federal funds provided to any agency or organization under this title will be used only for the purposes for which provided and in accordance with the applicable provisions of this section and the section under which such funds are provided;

(3) provide that the agency or organization receiving Federal funds under this title will make an annual report to the Commissioner, which he shall summarize and comment upon in the annual report to the Congress submitted under section 504;

(4) be accompanied or supplemented by plans and specifications in which due consideration shall be given to excellence of architecture and design, and to the inclusion of works of art (not representing more than 1 per centum of the cost of the project), and which comply with regulations prescribed by the Commissioner related to minimum standards of construction and equipment (promulgated with particular emphasis on securing compliance with the requirements of the Architectural Barriers Act of 1968 (Public Law 90-480)), and with regulations of the Secretary of Labor relating to occupational health and safety standards for rehabilitation facilities; and

(5) contain or be supported by reasonable assurance that any laborer or mechanic employed by any contractor or subcontractor in the performance of work on any construction aided by payments pursuant to any grant under this section will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with Davis-Bacon Act, as amended (40 U.S.C. 276a-276a5); and the Secretary of Labor shall have, with respect to the Labor standards specified in this paragraph, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

(c) Upon approval of any application for a grant or contract for a project under this title, the Commissioner shall reserve, from any appropriation available therefor, the amount of such grant or contract determined under this title. In case an amendment to an approved application is approved, or the estimated cost of a project is revised upward, any additional payment with respect thereto may be made from the appropriation from which the original reservation was made or the appropriation for the fiscal year in which such amendment or revision is approved.

(d) If, within twenty years after completion of any construction project for which funds have been paid under this title, the facility shall cease to be a public or nonprofit facility, the United States shall be entitled to recover from the applicant or other owner of the facility the amount bearing the same ratio to the then value (as determined by agreement of the parties or by action brought in the United States district court for the district in which such facility is situated) of the facility, as the amount of the Federal participation bore to the cost of construction of such facility.

(e) Payment of assistance or reservation of funds made pursuant to this title may be made (after necessary adjustment on account of previously made overpayments or underpayments) in advance or by way of reimbursement, and in such installments and on such conditions, as the Commissioner may determine.

(f) A project for construction of a rehabilitation facility which is primarily a

workshop may, where approved by the Commissioner as necessary to the effective operation of the facility, include such construction as may be necessary to provide residential accommodations for use in connection with the rehabilitation of handicapped individuals.

(g) No funds provided under this title may be used to assist in the construction of any facility which is or will be used for religious worship or any sectarian activity.

(h) When in any State, funds provided under this title will be used for providing direct services to handicapped individuals or for establishing facilities which will provide such services, such services must be carried out in a manner not inconsistent with the State plan approved pursuant to section 101.

(i) Prior to making any grant or entering into any contract under this title, the Commissioner shall afford reasonable opportunity to the appropriate State agency or agencies designated pursuant to section 101 to comment on such grant or contract.

(j) With respect to any obligation issued by or on behalf of any public agency for which the issuer has elected to receive the benefits of mortgage insurance under section 303 or annual interest grants under section 304, the interest paid on such obligations and received by the purchaser thereof (or his successor in interest) shall be included in gross income for the purposes of chapter 1 of the Internal Revenue Code of 1954.

TITLE IV—RESEARCH AND TRAINING

DECLARATION OF PURPOSE

SEC. 400. The purpose of this title is to authorize Federal assistance to States and public or nonprofit agencies and organizations to—

(a) plan and conduct research, demonstrations, and related activities in the rehabilitation of handicapped individuals, and

(b) plan and conduct courses of training and related activities designed to provide increased numbers of training rehabilitation personnel, to increase the levels of skills of such personnel, and to develop improved methods of providing such training.

AUTHORIZATION OF APPROPRIATIONS

SEC. 401. (a) In order to make grants and contracts to carry out the purposes of this title, there is authorized to be appropriated:

(1) For the purpose of carrying out section 402 of this title, \$75,000,000 for the fiscal year ending June 30, 1973, \$100,000,000 for the fiscal year ending June 30, 1974, and \$150,000,000 for the fiscal year ending June 30, 1975, of which 15 per centum, 25 per centum, and 25 per centum of the amounts appropriated in the first, second, and third such fiscal years, respectively, shall be available for the purpose of carrying out activities under section 402(b)(2).

(2) For the purpose of carrying out section 403 of this title, \$50,000,000 for the fiscal year June 30, 1973, \$75,000,000 for the fiscal year ending June 30, 1974, and \$100,000,000 for the fiscal year ending June 30, 1975.

(b) Funds appropriated under this title shall remain available until expended.

RESEARCH

SEC. 402. (a) The Commissioner is authorized to make grants to and contracts with States and public or nonprofit agencies and organizations, including institutions of higher education, to pay part of the cost of projects for the purpose of planning and conducting research, demonstrations, and related activities, which bear directly on the development of methods, procedures, and devices to assist in the provision of vocational and comprehensive rehabilitation services to handicapped individuals, especially those with the most severe handicaps, under this Act. Such projects may include medical and other scientific, technical, methodological, and other investigations into the nature of disability, methods of analyzing it, and restorative techniques; studies and analyses of industrial, vocational, social, psychological, economic, and other factors affecting rehabilitation of handicapped individuals; special problems of homebound and institutionalized individuals; studies and analyses of architectural and engineering design adapted to meet the special needs of the handicapped individuals; and related activities which hold promise of increasing knowledge and improving methods in the rehabilitation of handicapped individuals and individuals with the most severe handicaps.

(b) In addition to carrying out projects under subsection (a) of this section, the Commissioner is authorized to make grants to pay part or all of the cost of the following specialized research activities:

(1) Establishment and support of Rehabilitation Research and Training Centers to be operated in collaboration with institutions of higher education for the purpose of providing coordinated and advanced programs of research in rehabilitation, and training of rehabilitation research personnel, including, but not limited to, graduate training. Grants may include funds for services rendered by such a center to handicapped individuals in connection with such research and training activities.

(2) Establishment and support of Rehabilitation Engineering Research Centers to (A) develop innovative methods of applying advanced medical technology, scientific achievement, and psychological and social knowledge to solve rehabilitation problems through planning and conducting research, including cooperative research with public or private agencies and organizations, designed to produce new scientific knowledge, equipment, and devices suitable for solving problems in the rehabilitation of handicapped individuals and for reducing environmental barriers, and to (B) cooperate with the Office for the Handicapped and State agencies designated pursuant to section 101 in developing systems of information exchange and coordination to promote the prompt utilization of engineering and other scientific research to assist in solving problems in the rehabilitation of handicapped individuals.

(3) Conduct of a program for spinal cord injury research in support of the National Centers for Spinal Cord Injuries established pursuant to section 308 which will (A) insure dissemination of research findings among all such centers, (B) provide encouragement and support for initiatives and new approaches by individual and institutional investigators, and (C) establish and maintain close working relationships with other governmental and voluntary institutions and organizations engaged in similar efforts, in order to unify and coordinate scientific efforts, encourage joint planning, and promote the interchange of data and reports among spinal cord injury investigators.

(4) Conduct of a program for international rehabilitation research, demonstration, and training for the purpose of developing new knowledge and methods in the rehabilitation of handicapped individuals in the United States, cooperating with and assisting in developing and sharing information found useful in other nations in the rehabilitation of handicapped individuals, and initiating a program to exchange experts and technical assistance in the field of rehabilitation of handicapped individuals with other nations as a means of increasing the levels of skill of rehabilitation personnel.

(e) The provisions of section 313 shall apply to assistance provided under this section, unless the context indicates to the contrary.

TRAINING

SEC. 403. (a) The Commissioner is authorized to make grants to and contracts with States and public or nonprofit agencies and organizations, including institutions of higher education, to pay part of the cost of projects for training, traineeships, and related activities designed to assist in increasing the numbers of personnel trained in providing vocational and comprehensive rehabilitation services to handicapped individuals and in performing other functions necessary to the development of such services.

(b) In making such grants or contracts, funds made available for any year will be utilized to provide a balanced program of assistance to meet the medical, vocational, and other personnel training needs of both public and private rehabilitation programs and institutions, to include projects in rehabilitation medicine, rehabilitation nursing, rehabilitation counseling, rehabilitation social work, rehabilitation psychology, physical therapy, occupational therapy, speech pathology and audiology, workshop and facility administration, prosthetics and orthotics, specialized personnel in services to the blind and the deaf, recreation for ill and handicapped individuals, and other fields contributing to the rehabilitation of handicapped individuals, including homebound and institutionalized individuals. No grant shall be made under this section for furnishing to an individual any one course of study extending for a period in excess of four years.

REPORTS

SEC. 404. There shall be included in the annual report to the Congress required by section 504 a full report on the research and training activities carried out under this title and the extent to which such research and training has contributed directly to the development of methods, procedures, devices, and trained personnel to assist in the provision of vocational or comprehensive rehabilitation services to handicapped individuals and those with the most severe handicaps under this Act.

TITLE V—ADMINISTRATION AND PROGRAM AND PROJECT EVALUATION

ADMINISTRATION

SEC. 500. (a) In carrying out his duties under this Act, the Commissioner shall—

(1) cooperate with, and render technical assistance (directly or by grant or contract) to States in matters relating to the rehabilitation of handicapped individuals;

(2) provide short-term training and instruction in technical matters relating to vocational and comprehensive rehabilitation services, including the establishment and maintenance of such research fellowships and traineeships, with such stipends and allowances (including travel and subsistence expenses), as he may deem necessary, except that no such training or instruction (or fellowship or scholarship) shall be provided any individual for any one course of study for a period in excess of four years, and such training, instruction, fellowships, and traineeships may be in the fields of rehabilitation medicine, rehabilitation nursing, rehabilitation counseling, rehabilitation social work, rehabilitation psychology, physical therapy, occupational therapy, speech pathology and audiology, prosthetics and orthotics, recreation for ill and handicapped individuals, and other specialized fields contributing to the rehabilitation of handicapped individuals; and

(3) disseminate information relating to vocational and comprehensive rehabilitation services, and otherwise promote the cause of the rehabilitation of handicapped individuals and their greater utilization in gainful and suitable employment.

(b) The Secretary is authorized to make rules and regulations governing the administration of this title and titles V and VI of this Act, and to delegate to any officer or employee of the United States such of his powers and duties under such titles, except the making of rules and regulations, as he finds necessary to carry out the provisions of such titles. Such rules and regulations, as well as those prescribed by the Commissioner of the Rehabilitation Services Administration under titles I, II, III, and IV of this Act shall be published in the Federal Register, on at least an interim basis, no later than ninety days after the date of enactment of this Act.

(c) The Secretary is authorized (directly or by grants or contracts) to conduct studies, investigations, and evaluation of the programs authorized by this Act, and to make reports, with respect to abilities, aptitudes, and capacities of handicapped individuals, development of their potentialities, their utilization in gainful and suitable employment, and with respect to architectural, transportation, and other environmental and attitudinal barriers to their rehabilitation, including the problems of homebound, institutionalized, and older blind individuals.

(d) There is authorized to be included for each fiscal year in the appropriation for the Department of Health, Education, and Welfare such sums as are necessary to administer the provisions of this Act.

(e) In carrying out their duties under this Act, the Secretary and the Commissioner, respectively, shall insure the maximum coordination and consultation, at both national and local levels, with the Administrator of Veterans' Affairs and his designees with respect to programs for and relating to the rehabilitation of disabled veterans carried out under title 38, United States Code.

(f) With respect to the administration of the program authorized by section 309, the Secretary shall insure that the provision of services under such section is coordinated with similar services provided or paid for under health programs pursuant to other Federal laws.

PROGRAM AND PROJECT EVALUATION

SEC. 501. (a)(1) The Secretary shall measure and evaluate the impact of all programs authorized by this Act, in order to determine their effectiveness in achieving stated goals in general, and in relation to their cost, their impact on related programs, and their structure and mechanisms for delivery of services, including, where appropriate, comparisons with appropriate control groups composed of persons who have not participated in such programs. Evaluations shall be conducted by persons not immediately involved in the administration of the program or project evaluated.

(2) In carrying out his responsibilities under this subsection, the Secretary, in the case of research, demonstrations, and related activities carried out under

section 402, shall, after taking into consideration the views of State agencies designated pursuant to section 101, on an annual basis—

(A) reassess priorities to which such activities should be directed; and

(B) review present research, demonstration, and related activities to determine, in terms of the purpose specified for such activities by subsection

(a) of such section 402, whether and on what basis such activities should be continued, revised or terminated.

(3) The Secretary shall, within twelve months after the date of enactment of this Act, and on each April 1 thereafter, prepare and furnish to the appropriate committees of the Congress a complete report on the determination and review carried out under paragraph (2) of this subsection, together with such recommendations, including any recommendations for additional legislation, as he deems appropriate.

(b) Effective after June 30, 1973, before funds for the programs and projects covered by this Act are released, the Secretary shall develop and publish general standards for evaluation of the program and project effectiveness in achieving the objectives of this Act. He shall consider the extent to which such standards have been met in deciding, in accordance with procedures set forth in subsections (b), (c), and (d) of section 101, whether to renew or supplement financial assistance authorized under any section of this Act. Reports submitted pursuant to section 504 shall describe the actions taken as a result of these evaluations.

(c) In carrying out evaluations under this title, the Secretary shall, whenever possible, arrange to obtain the specific views of persons participating in and served by programs and projects assisted under this Act about such programs and projects.

(d) The Secretary shall publish the results of evaluative research and summaries of evaluations of program and project impact and effectiveness no later than ninety days after the completion thereof. The Secretary shall submit to the appropriate committees of the Congress copies of all such research studies and evaluation summaries.

(e) The Secretary shall take the necessary action to assure that all studies, evaluations, proposals, and data produced or developed with assistance under this Act shall become the property of the United States.

OBTAINING INFORMATION FROM FEDERAL AGENCIES

SEC. 502. Such information as the Secretary may deem necessary for purposes of the evaluations conducted under this title shall be made available to him, upon request, by the agencies of the executive branch.

AUTHORIZATION OF APPROPRIATIONS

SEC. 503. There is authorized to be appropriated such sums as the Secretary may require, but not to exceed an amount equal to one-half of 1 per centum of the funds appropriated under titles I, II, III, and IV of this Act or \$2,000,000, whichever is greater, to be available to conduct program and project evaluations as required by this title.

REPORTS

SEC. 504. Not later than one hundred and twenty days after the close of each fiscal year, the Secretary shall prepare and submit to the President and to the Congress a full and complete report on the activities carried out under this Act. Such annual reports shall include (1) statistical data reflecting, with the maximum feasible detail, vocational and comprehensive rehabilitation services provided handicapped individuals during the preceding fiscal year, (2) specifically distinguish among rehabilitation closures attributable to physical restoration, placement in competitive employment, extended or terminal employment in a sheltered workshop or rehabilitation facility, employment as a homemaker or unpaid family worker, and provision of comprehensive rehabilitation services, and (3) include a detailed evaluation of services provided with assistance under title I of this Act to those with the most severe handicaps and of comprehensive rehabilitation services provided pursuant to title II of this Act.

SHELTERED WORKSHOP STUDY

SEC. 505. (a) The Secretary shall conduct an original study of the role of sheltered workshops in the rehabilitation and employment of handicapped individuals, including a study of wage payments in sheltered workshops. The study shall

incorporate guidelines which are consistent with criteria provided in resolutions adopted by the Committee on Labor and Public Welfare of the United States Senate or the Committee on Education and Labor of the United States House of Representatives, or both.

(b) The study shall include site visits to sheltered workshops, interviews with handicapped trainees or clients, and consultations with interested individuals and groups and State agencies designated pursuant to section 101.

(c) Any contracts awarded for the purpose of carrying out all or part of this study shall not be made with individuals or groups with a financial or other direct interest in sheltered workshops.

(d) The Secretary shall report to the Congress his findings and recommendations with respect to such study within twenty-four months after the date of enactment of this Act.

TITLE VI—OFFICE FOR THE HANDICAPPED

ESTABLISHMENT OF OFFICE

SEC. 600. There is established within the Office of the Secretary in the Department of Health, Education, and Welfare an Office for the Handicapped (hereinafter in this title referred to as the "Office"). The Office shall be headed by a Director, who shall serve as a Special Assistant to the Secretary and shall report directly to him, and shall be provided such personnel as are necessary to carry out the functions set forth in section 601. In selecting personnel to fill all positions in the Office, the Secretary shall give special emphasis to qualified handicapped individuals.

FUNCTION OF OFFICE

SEC. 601. It shall be the function of the Office, with the assistance of agencies within the Department, other departments and agencies within the Federal Government, handicapped individuals, and public and private agencies and organizations, to—

(1) prepare and submit to the Secretary, for submission to the Congress within eighteen months after the date of enactment of this Act, a long-range projection for the provisions of comprehensive services to handicapped individuals and for programs of research, evaluation, and training related to such services and individuals;

(2) analyze on a continuing basis and submit to the Secretary, for inclusion in his report submitted under section 504, a report on the results of such analysis, program operation to determine consistency with applicable provisions of law, progress toward meeting the goals and priorities set forth in the projection required under clause (1), and the effectiveness of all programs providing services to handicapped individuals, and the elimination of unnecessary duplication and overlap in such programs under the jurisdiction of the Secretary;

(3) encourage coordinated and cooperative planning designed to produce maximum effectiveness, sensitivity, and continuity in the provision of services for handicapped individuals by all programs under the jurisdiction of the Secretary;

(4) provide assistance (including staff assistance) to the National Advisory Council on Rehabilitation of the Handicapped established by section 311 of this Act, the National Advisory Council on the Education of the Handicapped established by section 604 of the Education of the Handicapped Act (title VI, Public Law 91-230), and other committees advising the Secretary on programs for handicapped individuals;

(5) develop means of promoting the prompt utilization of engineering and other scientific research to assist in solving problems in education (including promotion of the development of curricula stressing barrier-free design and the adoption of such curricula by schools of architecture, design and engineering), health, employment, rehabilitation, architectural and transportation barriers, and other areas so as to bring about the full integration of handicapped individuals into all aspects of society;

(6) provide a central clearinghouse for information and resource availability for handicapped individuals through (A) the evaluation of systems within the Department of Health, Education, and Welfare, other departments and agencies of the Federal Government, public and private agencies and organizations, and other sources, which provide (i) information and data

regarding the location, provision, and availability of services and programs for handicapped individuals, regarding research and recent medical and scientific developments bearing on handicapping conditions (and their prevention, amelioration, causes, and cures), and regarding the current numbers of handicapped individuals and their needs, and (ii) any other such relevant information and data which the Office deems necessary; and (B) utilizing the results of such evaluation and existing information systems, the development within such Department of a coordinated system of information and data retrieval, which will have the capacity and responsibility to provide general and specific information regarding the information and data referred to in subclause (A) of this clause to the Congress, public and private agencies and organizations, handicapped individuals and their families, professionals in fields serving such individuals, and the general public; and

(7) carry out such additional advisory functions and responsibilities, consistent with the provisions of this title, as may be assigned to it by the Secretary or the President, except that such function or any other function carried out under clauses (1) through (5) of this section shall not include budgetary, policy, or program control by the Office over any program.

AUTHORIZATION OF APPROPRIATIONS

SEC. 602. There is authorized to be appropriated for the purposes of this title \$1,000,000 for the fiscal year ending June 30, 1973, \$2,000,000 for the fiscal year ending June 30, 1974, and \$2,000,000 for the fiscal year ending June 30, 1975.

TITLE VII—MISCELLANEOUS

EFFECT ON EXISTING LAWS

SEC. 700. The Vocational Rehabilitation Act (29 U.S.C. 31 et seq.) is repealed ninety days after the date of enactment of this Act and references to such Vocational Rehabilitation Act in any other provision of law shall, ninety days after such date, be deemed to be references to the Rehabilitation Act of 1972. Unexpended appropriations for carrying out the Vocational Rehabilitation Act may be made available to carry out this Act, as directed by the President. Approved State plans for vocational rehabilitation, approved projects, and contractual arrangements authorized under the Vocational Rehabilitation Act will be recognized under comparable provisions of this Act so that there is no disruption of ongoing activities for which there is continuing authority.

FEDERAL INTERAGENCY COMMITTEE ON HANDICAPPED EMPLOYEES

SEC. 701. (a) There is established within the Federal Government an Interagency Committee on Handicapped Employees (hereinafter in this section referred to as the "Committee"), comprised of the following (or their designees whose positions are Executive Level IV or higher): the Chairman of the Civil Service Commission, the Administrator of Veterans' Affairs, and the Secretaries of Labor and Health, Education, and Welfare. The Chairman of the President's Committee on Employment of the Handicapped and the Chairman of the President's Committee on Mental Retardation shall serve as ex officio members of the Interagency Committee, and the Secretary of Health, Education, and Welfare shall serve as Chairman of the Committee. The resources of such President's Committees shall be made fully available to the Committee established pursuant to this section. The Commissioner shall serve as Executive Director of the Committee. It shall be the purpose and function of the Committee to insure, through the establishment of affirmative action programs, the adequacy of hiring, placement, and advancement practices with respect to handicapped individuals by each department, agency, and instrumentality in the executive branch of Government, and that the special needs of such individuals are being met.

(b) Each department, agency, and instrumentality in the executive branch shall, within one hundred and eighty days after the date of enactment of this Act, submit to the Committee an affirmative action program plan for the hiring, placement, and advancement of handicapped individuals in such department, agency, or instrumentality. Such plan shall include a description of the extent to which and methods whereby the special needs of handicapped employees are being met.

(c) The Committee shall develop and recommend to the Secretary for referral to the appropriate State agencies, policies and procedures which will facilitate

the hiring, placement, and advancement in employment of individuals who have received rehabilitation services under State vocational rehabilitation programs, veterans' programs, or any other program for handicapped individuals, including the promotion of job opportunities for such individuals. The Secretary shall encourage such State agencies to adopt and implement such policies and procedures.

(d) The Committee shall, on June 30, 1973, and at the end of each subsequent fiscal year, make a complete report to the appropriate committees of the Congress with respect to the practices of hiring, placement, and advancement of handicapped individuals by each department, agency, and instrumentality and the effectiveness of the affirmative action programs required by subsection (b) of this section, together with recommendations as to legislation or other appropriate action to insure the adequacy of such practices: Such report shall also include a description of the effectiveness of the Committee's activities under subsection (c) of this section.

(e) An individual who, as a part of his individualized written rehabilitation program under a State plan approved under this Act, participates in a program of unpaid work experience in a Federal agency, shall not, by reason thereof, be considered to be a Federal employee or to be subject to the provisions of law relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

(f)(1) The Secretary of Labor and the Secretary of Health, Education, and Welfare are authorized and directed to cooperate with the President's Committee on Employment of the Handicapped in carrying out its functions.

(2) There are authorized to be appropriated for salaries and expenses of the President's Committee on Employment of the Handicapped \$1,000,000 for the fiscal year ending June 30, 1973, and \$1,250,000 for the fiscal year ending June 30, 1974. In selecting personnel to fill all positions on the President's Committee on Employment of the Handicapped, special consideration shall be given to to qualified handicapped individuals.

NATIONAL COMMISSION ON TRANSPORTATION AND HOUSING FOR HANDICAPPED INDIVIDUALS

SEC. 702. (a) There is established in the Department of Health, Education, and Welfare a National Commission on Transportation and Housing for Handicapped Individuals, consisting of the Secretary of Health, Education, and Welfare (or his designee), who shall be Chairman, the Secretary of Housing and Urban Development, the Secretary of Transportation and the Secretary of the Treasury (or their respective designees), and not more than fifteen members appointed by the Secretary of Health, Education, and Welfare without regard to the civil service laws. The fifteen appointed members shall be representative of the general public, of handicapped individuals, and of private and professional groups having an interest in, and able to contribute to the solution of, the transportation and housing problems which impede the rehabilitation of handicapped individuals.

(b) The Commission, in consultation with the Architectural and Transportation Compliance Board established pursuant to section 703, shall (1) (A) determine how and to what extent transportation barriers impede the mobility of handicapped individuals and aged handicapped individuals and consider ways in which travel expenses in connection with transportation to and from work for handicapped individuals can be met or subsidized when such individuals are unable to use mass transit systems or need special equipment in private transportation, and (B) consider the housing needs of handicapped individuals; (2) determine what measures are being taken, especially by public and other nonprofit agencies and groups having an interest in and a capacity to deal with such problems, (A) to eliminate barriers from public transportation systems (including vehicles used in such systems), and to prevent their incorporation in new or expanded transportation systems and (B) to make housing available and accessible to handicapped individuals or to meet sheltered housing needs; and (3) prepare plans and proposals for such further action as may be necessary to the goals of adequate transportation and housing for handicapped individuals, including proposals for bringing together in a cooperative effort, agencies, organizations, and groups already working toward such goals or whose cooperation is essential to effective and comprehensive action.

(c) The Commission is authorized to appoint such special advisory and technical experts and consultants, and to establish such committees, as may be useful in

carrying out its functions, to make studies, and to contract for studies or demonstrations to assist it in performing its functions. The Secretary shall make available to the Commission such technical, administrative and other assistance as it may require to carry out its functions.

(d) Appointed members of the Commission and special advisory and technical experts and consultants appointed pursuant to subsection (c) shall, while attending meetings or conferences thereof or otherwise serving on business of the Commission, be entitled to receive compensation at rates fixed by the Secretary, but not exceeding the daily pay rate, for a person employed as a GS-18 under section 5332 of title 5, United States Code, including traveltime and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence as authorized by section 5703 of such title 5 for persons in the Government service employed intermittently.

(e) The Commission shall prepare two final reports of its activities. One such report shall be on its activities in the field of transportation carriers of handicapped individuals, and the other such report shall be on its activities in the field of the housing needs of handicapped individuals. The Commission shall, prior to January 1, 1975, submit each such report, together with its recommendations for further carrying out the purpose of this section, to the Secretary for transmittal by him, together with his recommendations, to the President and the Congress. The Commission shall also prepare for such submission an interim report of its activities in each such field within 18 months after the date of enactment of this Act and such additional interim reports as the Secretary may request.

(f) The Commission shall, on a frequent and continuing basis, provide to the Architectural and Transportation Barriers Compliance Board established pursuant to section 703, such data and information as it has acquired or developed during the course of its investigations and studies and such reports as it has submitted under subsection (e) of this section. Such Board shall also provide to the Commission such data and information acquired by it as the Commission may reasonably request.

ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD

SEC. 703. (a) There is established within the Federal Government the Architectural and Transportation Barriers Compliance Board (hereinafter referred to as the "Board") which shall be composed of the heads of each of the following departments or agencies (or their designees whose positions are Executive Level IV or higher):

- (1) Department of Health, Education, and Welfare;
- (2) Department of Transportation;
- (3) Department of Housing and Urban Development;
- (4) Department of Labor;
- (5) Department of the Interior;
- (6) General Services Administration;
- (7) United States Postal Service; and
- (8) Veterans' Administration.

(b) It shall be the function of the Board to: (1) insure compliance with the standards prescribed by the General Services Administration, the Department of Defense, and the Department of Housing and Urban Development pursuant to the Architectural Barriers Act of 1968 (Public Law 90-480), as amended by the Act of March 5, 1970 (Public Law 91-205); (2) investigate and examine alternative approaches to the architectural, transportation, and attitudinal barriers confronting handicapped individuals, particularly with respect to public buildings and monuments, parks and parklands, public transportation (including air, water, and surface transportation whether interstate, foreign, intrastate, or local), and residential and institutional housing; (3) determine what measures are being taken by Federal, State, and local governments and by other public or nonprofit agencies to eliminate the barriers described in clause (2) of this subsection; (4) promote the use of the International Accessibility Symbol in all public facilities that are in compliance with the standards prescribed by the Administrator of the General Services Administration, the Secretary of Defense and the Secretary of Housing and Urban Development pursuant to the Architectural Barriers Act of 1968; (5) make reports to the President and to Congress, which shall describe in detail the results of its investigations under clauses (2) and (3) of this subsection; and (6) make to the President and to the Congress such recommendations for legislation and administration as it deems necessary or desirable to eliminate the barriers described in clause (2) of this subsection.

(c) In carrying out its functions under this section, the Board shall conduct investigations, hold public hearings, and issue such orders as it deems necessary to insure compliance with the provisions of the Acts cited in subsection (b). The provisions of subchapter II of chapter 5, and chapter 7 of title 5, United States Code, shall apply to procedures under this section, and an order of compliance issued by the Board shall be a final order for purposes of judicial review.

(d) The Board is authorized to appoint as many hearing examiners as are necessary for proceedings required to be conducted under this section. The provisions applicable to hearing examiners appointed under section 3105 of title 5, United States Code, shall apply to hearing examiners appointed under this subsection.

(e) The departments or agencies specified in subsection (a) of this section shall make available to the Board such technical, administrative, or other assistance as it may require to carry out its functions under this section, and the Board may appoint, under the terms and conditions specified in subsection (d) of section 702, such other advisers, technical experts, and consultants as it deems necessary to assist it in carrying out its functions under this section.

(f) The Board shall, at the end of each fiscal year, report its activities during the preceding fiscal year to the Congress. Such report shall include an assessment of the extent of compliance with the Acts cited in subsection (b) of this section, along with a description and analysis of investigations made and actions taken by the Board, and the reports and recommendations described in clauses (4) and (5) of subsection (b) of this section.

(g) There is authorized to be appropriated for the purpose of carrying out the duties and functions of the Board under this section \$1,000,000 for the fiscal year ending June 30, 1973; \$1,250,000 for the fiscal year ending June 30, 1974; and \$1,500,000 for the fiscal year ending June 30, 1975.

EMPLOYMENT UNDER FEDERAL CONTRACTS

SEC. 704. (a) Any contract entered into by any Federal department or agency for the procurement of personal property and nonpersonal services (including construction) for the United States shall contain a provision requiring that, in employing persons to carry out such contract the party contracting with the United States shall take affirmative action to employ and advance in employment qualified handicapped individuals as defined in section 7(7). The provisions of this section shall apply to any subcontract entered into by a prime contract or in carrying out any contract for the procurement of personal property and nonpersonal services (including construction) for the United States. The President shall implement the provisions of this section by promulgating regulations within ninety days after the date of enactment of this section.

(b) If any handicapped individual believes any contractor has failed or refuses to comply with the provisions of his contract with the United States, relating to employment of handicapped individuals, such individual may file a complaint with the Department of Labor. The Department shall promptly investigate such complaint and shall take such action thereon as the facts and circumstances warrant consistent with the terms of such contract and the laws and regulations applicable thereto.

NONDISCRIMINATION UNDER FEDERAL GRANTS

SEC. 705. No otherwise qualified handicapped individual in the United States, as defined in section 7(7), shall, solely by reason of his handicap, be excluded from the participation in, be denied the benefits of or be subjected to discrimination under any program or activity receiving Federal financial assistance.

Mr. BRADEMAS. The Select Subcommittee on Education of the Committee on Education and Labor will come to order for the purpose of receiving testimony on H.R. 17, the Rehabilitation Act of 1973, and identical bills.

The Chair would like to observe by way of background that H.R. 17 is identical to the Rehabilitation Act of 1972, which was passed unanimously by both the House of Representatives and the Senate last October, but which President Nixon vetoed after the 92d Congress had adjourned, which, of course, meant Congress had no opportunity to vote to override the veto.

The Chair would declare further that on January 3, 1973, when the 93d Congress convened, he joined with the distinguished chairman of the Committee on Education and Labor, Mr. Perkins of Kentucky, and the distinguished ranking member, Mr. Quie of Minnesota, along with my distinguished colleagues, the gentlelady from Hawaii, Mrs. Mink, and Mr. Hansen of Idaho, to introduce H.R. 17, which is, as the Chair already indicated, identical to the bill vetoed by the President last year.

The Chair would also point out, since January 3, 115 Members of the House, on both sides of the aisle, have joined to cosponsor this measure which would extend and improve upon the 52-year-old vocational rehabilitation program as well as authorize significant new programs for those with severe disabilities, with particular emphasis on deaf persons and those suffering from severe kidney disease or spinal cord injury.

The Chair must say, speaking for himself—and I doubt that members of the subcommittee or the full committee would disagree—the list of those sponsoring H.R. 17, both Democrats and Republicans, is most encouraging evidence that the bipartisan support received by the Rehabilitation Act in the 92d Congress can be anticipated again in the 93d.

One other note that should be of interest to those attending and participating in this hearing is that, throughout the drafting of the Rehabilitation Act from its inception through the markup sessions in the Select Education Subcommittee and full Committee on Education and Labor and in the conferences held to reconcile the differing versions passed by the House and Senate, we worked in the closest way possible with senior officials at the Department of HEW concerned with the rehabilitation of handicapped persons, including our distinguished witness this morning.

It goes without saying, of course, that the fact of our cooperation only further increased the astonishment that many of us felt, both Republicans and Democrats alike, at the President's veto of this bipartisan measure to aid handicapped people. So we scheduled this hearing today in order to receive a comprehensive statement with respect to the objections of the administration to the Rehabilitation Act which, to reiterate, the 92d Congress passed without a dissenting vote in either body.

The Chair would like to make one final observation, which is to say that he hopes that the cooperation that characterized the relationship between this subcommittee and the distinguished former Secretary of HEW, Elliot Richardson, and his associates, will be evidenced once again in our relationships with new officials at the Department of HEW.

Speaking for myself as chairman of this subcommittee, I intend to do everything I can to insure that we solicit and take into account the views of the administration on the various legislative matters that come before this subcommittee.

So, Mr. Kurzman, we are pleased to have you with us this morning and we welcome you.

STATEMENT OF STEPHEN KURZMAN, ASSISTANT SECRETARY FOR LEGISLATION, HEW

Mr. KURZMAN. Thank you. Mr. Chairman and members of the subcommittee, it is a great pleasure to appear before the Select Subcommittee on Education to discuss the extension of the Vocational Rehabilitation Act. I would like to introduce, at the outset, my colleagues at the table here. On my right is Mr. Philip J. Rutledge, Deputy Administrator of the Social and Rehabilitation Service of the Department of HEW, and on my left is Mr. Corbett Reedy, who is Acting Commissioner of the Rehabilitation Services Administration.

My remarks will be directed in particular to H.R. 8395, the Rehabilitation Act of 1972, which was rejected by the President at the end of the 92d Congress.

I should like to begin my testimony by noting an important coincidence. These hearings are taking place just after the dedication ceremony honoring the late Mary Switzer and renaming the HEW South Building as the "Mary E. Switzer Memorial Building." We were pleased, Mr. Chairman, that you were able to attend that ceremony.

As you know, for more than 40 years, Mary Switzer was one of the major advocates within HEW and its predecessor agencies for the vocational rehabilitation program. Her efforts and those of many members of this subcommittee have over the decades contributed greatly to the program's successful growth. I hope that we can work closely together to produce a bill extending the vocational rehabilitation program which will preserve the excellent record which has been so painstakingly achieved.

This administration enthusiastically supports the vocational rehabilitation program, which is directed toward assisting vulnerable individuals who, without vocational rehabilitation, would not be able to function physically or mentally in a work setting as their more fortunate peers can. The State formula grant program is one of the most successful of HEW's activities. It has done much to assist handicapped individuals who would depend on others for their well-being, to attain the maximum degree of self-sufficiency and personal satisfaction. No program is more consistent in its objectives with the historic American ideals of independence and equal opportunity for every individual. For this reason, the program has enjoyed widespread, and deserved, public support. The great success of this program is attributable principally to three factors.

First, and by far the most important, is its clear goal: the achievement of self-sufficiency through employment. The clarity of this goal makes the program much more accountable to the public since employment is a measurable concept. It also facilitates sound management because all concerned with the program are clear as to its mission.

Second, the program is not only humanitarian, it is cost-effective. Resources invested today in preventing or reducing dependency can yield major long-term economies in the application of society's resources.

One disabled individual may, during a lifetime, receive anywhere from \$30,000 to \$100,000 in public assistance payments. But if he

were not dependent, and had an average annual income of \$8,000, the same individual in a family of four would pay taxes totalling \$42,000 over his lifetime.

When a handicapped person is helped to become a contributing member of society, he is transformed from a charge on the public into a productive person able to contribute through his taxes to helping others.

Third, a sound Federal-State partnership has developed in this program. General policies are formulated jointly, but administration of the program is decentralized so that the States have considerable flexibility in implementation of policy.

These major strengths of the program are also essential parts of this administration's views on extension of the act. We seek to improve the program by building upon its strengths.

The Nixon administration has continued the growth of the vocational rehabilitation program and the development of new initiatives in it which were begun in the Eisenhower administration. For example, when President Nixon took office in 1969, the basic service program authorized by section 2 of the Vocational Rehabilitation Act was funded at \$346 million. The President's budget request for section 2 in fiscal year 1974 would increase funding to \$610 million.

With the growth of the program, we have had to make choices and set priorities. Because of our emphasis in general on providing Federal assistance where it is most needed, we have sought to target services on the severely disabled and on disabled public assistance recipients.

The administration has set a target of reaching and serving all disabled public assistance recipients. During fiscal year 1972, the program served 191,600 such individuals, 51,084 of whom were rehabilitated and placed in jobs. Additional funds for rehabilitating disabled public assistance recipients are anticipated under title XVI in the Social Security Amendments of 1972, which will become effective on January 1, 1974.

As you know, title XVI federalizes the administration of such assistance to needy aged, blind, and disabled persons. Under section 1615 of title XVI, the Secretary is required to provide for the referral of any blind or disabled individual under 65 to the State vocational rehabilitation agency for a review of his disability and a diagnosis of his need for whatever rehabilitation services are available under the State vocational rehabilitation plan. The Secretary is then authorized to reimburse the State agency for the cost of such services. The fiscal year 1974 budget contains \$40 million for this new effort to tie together resources for the benefit of the handicapped.

In addition, we are in the process of developing for the vocational rehabilitation program itself a "weighted case closure system" which will give greater weight to the closing of more difficult cases than to successes achieved with relatively easier ones.

Preliminary studies indicate that such a system would result in greater effort to serve those with the greatest need for assistance, who are often the more severely disabled.

Apart from services, title XVI of the Social Security Act also represents a major step forward for the disabled with regard to their income. When the new adult assistance program goes into effect on January 1, 1974, it will establish a Federal floor on income for the

aged, blind, and disabled. Nationally uniform eligibility requirements will replace the multiplicity of requirements that now exist in the State-administered programs. These varying requirements have resulted in great inequities for the disabled and the blind.

The new Federal floor will provide a minimum income of \$130 a month for an individual and \$195 a month for a couple. State governments may, at their option, supplement these levels. The fiscal year 1974 budget request for this program is \$1.7 billion for the first half year of assistance payments and \$150 million in "hold harmless" payments for States which supplement the Federal payment floor. It is estimated that 6 million aged, blind, and disabled persons will receive payments in the last half of fiscal year 1974 under this new program.

In addition, the Social Security Amendments of 1972 also extended medicare coverage to all the disabled who have been social security disability beneficiaries for 2 or more years. This new coverage, effective July 1, 1973, is expected to add 1.7 million disabled persons to the medicare program and increase benefit outlays by \$1.5 billion.

Clearly, the administration is deeply committed to assisting the disabled both through support of improved vocational rehabilitation services and through major commitments to increasing their income and expanding their health care opportunities.

I should say, Mr. Chairman, in response to your opening statement which we made clear to the committee, both in our testimony before you and in all of those consultations which you referred to thereafter, I should say at the outset, too, that H.R. 8395, last year's extension bill, contains, in one form or another, most of the innovations proposed or supported by the administration.

These included increased training allowances for VR clients being trained for employment through special projects in rehabilitation facilities; extension of the basic State formula grant program to American Samoa and the trust territories; authority to reallocate unmatched section 2 funds, authorization of joint funding and administration with other public agencies; increased funds for evaluation; and consultation with consumers in program development at the State level.

H.R. 17, introduced in this session by Chairman Perkins and cosponsored by yourself, Mr. Chairman, also includes these provisions.

However, while the administration strongly supports the vocational rehabilitation program and urged that legislation be enacted to extend it, we strongly opposed certain provisions of H.R. 8395, and it was these additional provisions which led the President to veto the bill.

First, the authorization levels set for the program were in the aggregate far too high. The authorizations for the first year totaled over \$1.089 billion and thus exceeded budget requests by at least \$423 million, an increase of more than 60 percent. Such an authorization increase only widens the expectation gap and raises false hopes, for these levels are far higher than the Congress would appropriate or the Executive could or would approve. They are also far beyond the amounts which could be used effectively.

Second, H.R. 8395 contained provisions which would have diverted the vocational rehabilitation program from its clear employment-oriented mission to a medical and social service mission not unlike that of numerous existing health and social service programs administered by HEW. As I mentioned earlier, the employment mission is one of the hallmarks of success of the vocational rehabilitation program.

The proposed change would have undercut its major strength and would have duplicated such existing nonemployment programs as medicare, medicaid, social services under the Social Security Act, the developmental disabilities program, and education programs for the handicapped.

Third, H.R. 8395 would have established a number of new, independent, categorical aid programs which would have weakened the management of the vocational rehabilitation program and raised costs without providing commensurate results. Separate authorizations were added for services to the severely handicapped, the aged blind, those suffering from end-stage renal disease, the spinal cord injured, and the deaf. The objectives of all of these new authorities can be achieved under existing law and in fact are being pursued.

The extreme categorization reflected in H.R. 8395 would thus have required duplication of effort and waste. It would have required excessive and costly administration and fostered additional bureaucracies at the Federal, State, and local levels.

It seemed to us to have been based on the false premise that we in Washington, and only we, know what is best for handicapped people and must order State and local priorities in accordance with our views.

Finally, we also had strong objections to those provisions in H.R. 8395 which would have vested policy and program management in the Commissioner of the Rehabilitation Services Administration, rather than in the Secretary of HEW. The Secretary cannot be expected to administer a program effectively when all statutory power to set policy and manage the program is vested in the Commissioner.

This fragmentation of power prevents effective, coordinated management of programs designed to assist the handicapped, which, as I noted, expanded a number of agencies within HEW, principally including the Social Security Administration.

Often the results of such fragmentation at the Federal level are uncoordinated, isolated program efforts at the local level which do not benefit those individuals and groups which the legislation is designed to serve.

Further impediments to good management were presented by the provisions establishing new organizational units with responsibilities for the disabled, including an Office of the Handicapped in the Office of the Secretary of HEW; a National Commission on Transportation and Housing for Handicapped Individuals, also in HEW; an Architectural Barriers Compliance Board, apparently independent of HEW; and a Federal Interagency Committee on Handicapped Employees.

Such a proliferation of entities would be highly undesirable since it would fragment accountability for results and further complicate the already almost incomprehensible administrative maze of Federal activities. We desperately need consolidation, not further proliferation in the Federal structure.

Finally, the administration objected to the creation of mortgage insurance and interest subsidy programs for rehabilitation facilities. Basic State formula funds are now available for construction grants, if the States choose to use them for this purpose.

In conclusion, Mr. Chairman, the administration wishes to cooperate with the Congress in extending the vocational rehabilitation program. We hope that by spelling out our objections to H.R. 8395, we can convince this subcommittee that the programs should not be burdened with changes which will, in the end, reduce its proven effectiveness in helping handicapped people achieve independence through employment.

Thank you for the opportunity to testify. We will be happy to answer any questions you may have.

Mr. BRADEMAS. Thank you very much, Mr. Kurzman. The Chair wants to say he is very pleased to welcome as a new member of the subcommittee the gentleman from Florida, Mr. Lehman. We are very glad to have you with us.

Mr. LEHMAN. Sorry I can't stay steadily, because I have to move back and forth, but I am certainly interested in the subject matter of this meeting, and I will attend as many meetings as I possibly can.

Mr. BRADEMAS. Thank you. Mr. Kurzman, you indicated at the outset of your statement that "this administration enthusiastically supports the vocational rehabilitation program."

I just wondered what your posture would be if you enthusiastically were opposed to it.

Mr. KURZMAN. Is that a question, Mr. Chairman? We think doubling, almost doubling the program over the 4 years of this administration, in terms of its overall size, is a rather clear indication of our support. We also came up before the Congress when the program was up for extension and very strongly recommended that it be extended for a number of years and, we feel, improved, and we testified very enthusiastically for it last year before you.

Mr. BRADEMAS. Of course, what you just said is not true, Mr. Kurzman. Although on the surface it appears that you make a good case when you talk about doubling the amount of Federal dollars, the fact of the matter is that the percentage of increase of funds during the present administration's 4 years has dropped for vocational rehabilitation from 29 percent in 1970 to 3 percent in the 1974 budget request. If you look at the percentage increase over previous years for vocational rehabilitation programs you will see that they have gone steadily down in the last several years. In any event, Mr. Kurzman, I have this to say—

Mr. KURZMAN. Let me answer that first, Mr. Chairman, because I think it is not quite fair. Obviously, as a percentage of the total Federal budget, with the enormous growth in the Federal budget over those years and the enormous growth in the HEW budget, the program may well be a smaller percentage now than it was before, but we are talking about a base in this Department alone of over \$80 billion, with an increase in the 1974 budget requested by the President last week of \$10 billion in our own budget.

When we look at this program alone and at the appropriations authorizations for it—and I will be happy to submit this for the record, a table which goes back to 1966—you will see very steady growth in the appropriations for this program, which were supported by this administration. The growth which starts in 1966 at \$224 million for the program and goes up into 1972 with \$687 million.

REHABILITATION SERVICES ADMINISTRATION
AUTHORIZATIONS AND APPROPRIATIONS—VOCATIONAL REHABILITATION ACT (REVISED)

[In thousands of dollars]

	1966		1967		1968		1969		1970		1971		1972	
	Authori- zations	Appro- priations	Authori- zations	Appro- priations	Authori- zations	Appro- priations	Authori- zations	Appro- priations	Authori- zations	Appro- priations	Authori- zations	Appro- priations	Authori- zations	Appro- priations
Basic State grants, sec. 2	300,000	160,500	350,000	236,000	400,000	287,000	500,000	345,900	² 600,000	436,000	³ 700,000	503,000	⁴ 700,000	560,000
Innovation, sec. 3	5,000	3,000	7,000	2,500	9,000	2,205	3,200	3,200	6,000	3,200	10,000	3,200	10,000	10,000
Grants for special projects secs. 4 and 7 ¹	80,000	58,145	104,000	69,885	117,000	73,089	80,000	71,400	115,000	72,465	140,000	80,700	140,000	107,818
Construction and staffing of facilities, sec. 12	1,500	1,500	7,000	4,500	9,000	2,669	10,000	⁶ 2,890	20,000	3,442	30,000	2,300	30,000	3,601
Rehabilitation facility improvement grants, sec. 13	1,500	1,310	9,000	6,000	14,000	9,500	10,000	10,000	20,000	9,906	30,000	11,300	30,000	12,500
Vocational evaluation and work adjustment, sec. 15							50,000		75,000		100,000		100,000	
Subtotal	388,000	224,455	477,000	318,885	549,000	374,463	653,200	433,390	836,000	525,613	1,010,000	600,500	1,010,000	683,919
Other items under the Vocational Rehabilitation Act: Center for deaf-blind youths and adults, sec. 16											(825,000)		(890,000)	
Total	388,000	224,455	477,000	318,885	549,000	374,463	653,200	433,990	836,000	525,583		3,100		600
												603,600		684,519

¹ After reduction by sec. 410, Public Law 91-404.

² Revised 1970 (500,000).

³ Revised 1971 (515,000).

⁴ Revised 1972 (580,000).

⁵ See the following table:

Research grants, sec. 4(a)(1) and sec. 7	20,770	22,050	21,988	21,425	20,003	20,955	19,255
Special center secs. 4(a)(1)	7,575	8,575	10,225	10,275	9,761	10,275	11,841
Regional research institute						403	362
Research training, sec. 4(a)(1)							
and sec. 7	24,800	29,700	31,700	31,700	27,700	27,700	27,000
Rehabilitation of the mentally retarded, sec. 4(a)(1)							
Expansion grants, sec. 4(a)(2)-(A)	5,000	6,310	7,276	8,000	4,151	5,565	7,000
Statewide planning, sec. 4(a)(2)-(B)(old)		3,250	1,900		9,560	12,800	38,660
Projects with industry, sec. 4(a)(2)(B)(new)					450	1,000	1,000
New opportunities, sec. 4(a)(2)(C)(D)					900	2,000	2,000
Total	58,145	69,885	73,089	71,400	72,465	80,700	107,818

* Includes \$1,000,000 in 1968 available in 1969.

AUTHORIZATIONS AND APPROPRIATIONS—VOCATIONAL REHABILITATION ACT
[In thousands of dollars]

	1966		1967		1968		1969		1970		1971		1972	
	Authori- zations	Appro- priations	Authori- zations	Appro- priations	Authori- zations	Appro- priations	Authori- zations	Appro- priations	Authori- zations	Appro- priations	Authori- zations	Appro- priations	Authori- zations	Appro- priations
Basic State grants, sec. 2	300,000	160,500	350,000	236,000	400,000	287,000	500,000	345,900	600,000	436,000	700,000	503,000	700,000	580,000
Revised in appropriations act														
Innovation grants, sec. 3	5,000	3,000	7,000	2,560	9,000	2,205	3,200	3,200	500,000	436,000	515,000	503,000	580,000	580,000
Special projects, sec. 4 and 7	80,000	58,145	104,000	69,885	117,000	73,683	80,000	71,400	6,000	8,260	10,000	3,200	10,000	10,000
Construction and staffing, sec. 12	1,500	1,500	7,000	4,500	9,000	2,669	10,000	2,890	115,000	72,465	140,000	80,700	140,000	107,818
Facility improvement, sec. 13	1,500	1,310	9,000	6,000	14,000	9,500	10,000	10,000	20,000	3,442	30,000	2,300	30,000	3,601
Vocational evaluation and work adjustment, sec. 15									20,000	9,906	30,000	11,300	30,000	12,500
Center for deaf-blind youths and adults, sec. 16							50,000		75,000		100,000		100,000	
								600		570		3,100		600
Total	388,000	224,455	477,000	318,885	549,000	374,463	653,200	433,990	836,000	525,583	1,010,000	603,600	1,010,000	684,519
								(736,000)			(825,000)		(890,000)	

Now, it seems to me that is a very pronounced, dramatic increase. It is one of the biggest in our Department, and it was requested by us.

Mr. BRADEMAs. Yes, and what is good for the HEW goose ought to be good for the DOD gander. When the President tells us what a marvelous job he is doing in reducing the percentage of the overall "GNP" represented by the military budget at the same time that his real dollar budget requests for the Department of Defense go up, I think it is not unfair to make that point on the other side of the coin.

But, Mr. Kurzman, let me ask you this question. You said that the administration enthusiastically supports this program. I must say I found it very difficult, as the chairman of this subcommittee, to get anything but rather generalized responses on the part of the administration on their objections to the legislation that Congress unanimously approved.

Why is it so difficult for you to tell us what you want?

Mr. KURZMAN. I don't think it is difficult at all, Mr. Chairman. We tried to get through to the Congress on this.

Mr. BRADEMAs. Do you have a bill you could give us today?

Mr. KURZMAN. As soon as the Senate approves the nomination of our Secretary, and we are in a position to present legislation to the Congress, we will be happy to send our bill up. At this point I am testifying on our position as to last year's bill and as to why the President vetoed it. I think our responses are specific.

Mr. BRADEMAs. The HEW Secretary-designate, Mr. Weinberger, was the Director of the Office of Management and Budget, wasn't he, at the time of the veto?

Mr. KURZMAN. That is correct.

Mr. BRADEMAs. I assume he knew about the bill, did he not?

Mr. KURZMAN. I assume so.

Mr. BRADEMAs. Well, this is February. We want to work. We want to move. Now, where is your bill?

Mr. KURZMAN. As soon as I said, Mr. Chairman, the Senate sees fit to confirm Mr. Weinberger's nomination as Secretary, the Department will be in a position to send up its bill. At this point, what I understood I was being asked to testify to was why the President vetoed it, and you charge we haven't got reasons, and I would like to give you specific reasons.

Mr. BRADEMAs. Let me address that response specifically, Mr. Kurzman. Let us look at the history of the Vocational Rehabilitation Act over the past few years. Its authorization was due to expire June 30, 1971. We awaited the administration's proposals for extending and improving the act.

No recommendation was forthcoming. We were told HEW couldn't get clearance from the Office of Management and Budget. So Congress was, therefore, forced to move.

On December 3, 1970, we approved an extension to the Vocational Rehabilitation Act authorization through June 30, 1972. We took this action, as you will recall, to give the administration further time to submit proposals. On December 31, 1970, the President signed the extension in the form of Public Law 91-610.

On May 13, 1971, H.R. 8395 was introduced by Chairman Perkins, and members of this subcommittee worked closely with the former Commissioner of the Rehabilitation Services Administration, and the Administrator of the Social and Rehabilitation Service—as well as

with your own office and the office of the general counsel of HEW, and with a wide variety of organizations, local, State, and private, for the handicapped—in the development of this legislation.

On January 31, 1972, this subcommittee began hearings on the bill introduced by Mr. Perkins, H.R. 8395, and my own bill, and related bills, to extend and strengthen the act.

The administration proposals were still not available—apparently you could not get clearance from OMB. We held hearings for 4 days and the administration's testimony at that time was basically favorable and no strong objections were voiced.

This subcommittee reported out H.R. 8395, with amendments, on February 9, 1972—and the administration's proposals were still not available.

On February 24, 1972, the full committee reported H.R. 8395 out, and the administration proposals were not available because you still could not receive clearance from OMB.

March 17, 1972, Senator Taft introduced S. 3368, similar in many respects to H.R. 8395, in the Senate, and March 20, 1972, about a year ago, the House approved H.R. 8395 by a vote of 327 to 0.

On May 15-18, 1972, the Senate looked at this measure, and, again, the administration witnesses testified in a basically favorable manner to the House legislation. On September 20, 1972, the Senate committee reported an amended version of H.R. 8395 and on September 26, 1972, the Senate passed S. 3978 by a vote of 70 to 0.

On October 11, 1972, we completed 4 days of action in conference on H.R. 8395, and the conferees—and I was one, so I think I can speak from personal knowledge—attempted, wherever we could, to respond to the suggestions of the administration.

On October 13, 1972, the Senate agreed without dissent to the conference report.

On October 14, 1972, the House agreed without dissent to the conference report.

And on October 27, 1972, the President, after Congress had adjourned, vetoed the Rehabilitation Act of 1972.

So from the time of the veto to the present, members of this subcommittee, and the staff at my instructions, have continued to try to get from the administration some indication of the substantive objections to the act in order to be able to take these objections into consideration.

On January 22, I wrote a letter, as chairman of this subcommittee, to Secretary-designate Weinberger, requesting his comments on H.R. 17, the bill identical to the vetoed legislation. We received a response—a form letter, saying, in effect, "Thank you, we have heard from you."

On January 23, 1973, a letter of invitation to testify was sent to the Secretary-designate or his representative.

So, here we are today. I think, Mr. Kurzman, that, given the legislative history this subcommittee has experienced, we ought not to be too optimistic about getting some specific responses.

Mr. KURZMAN. Mr. Chairman, if I may, I would like to say this.

Mr. BRADEMAs. Please, I do want to put a specific question to you and then please feel free to comment on what I said.

You said in your testimony you think we have too much money in this bill. Now, I must tell you that as one who sat through those conference sessions, at no point in time did you, or any responsible figure in HEW, come to me—as the House sponsor of this bill, and chairman of the subcommittee—and raise Cain about the dollar amounts in this bill. It is not true to say that you did that.

Mr. KURZMAN. Mr. Chairman, I must disagree. We consistently have opposed the features which I have mentioned in my statement. Those features existed in the bills which were introduced that you have referred to by various members of the committee and subcommittee.

Mr. BRADEMAs. Do you have some evidence for that statement?

Mr. KURZMAN. Yes, I do. I am looking at Secretary Richardson's own testimony which you referred to.

Mr. BRADEMAs. I am not interested in that. I am interested in the administration's statements during the conference.

Mr. KURZMAN. I am, because you referred to it on January 2, 1972.

Mr. BRADEMAs. You inferred I am not telling the truth.

Mr. KURZMAN. No, what I say is this.

Mr. BRADEMAs. What letters do you have to me, or what statements did you give me during the conference, that indicated there was too much money in the bill?

Mr. KURZMAN. We have requested, Mr. Chairman, over and over again in hearings which you chaired or were present at, our preferred language on authorizations.

Mr. BRADEMAs. I didn't ask that. You are talking about apples and I am asking about oranges. What about the conference?

Mr. KURZMAN. Well——

Mr. BRADEMAs. You just said you have evidence of your opposition to the authorizations during the conference. I want to know what is the basis for that proposition?

Mr. KURZMAN. My office made available to the conferees lists of objections to the bills. On those lists were all of the items I have mentioned here today. In our testimony before this subcommittee, we objected to all of the things we objected to today.

Mr. BRADEMAs. That is not what I asked you about. You keep talking about something else. If you want to avoid the question, do so.

Mr. KURZMAN. I have responded to the substance of the question, Mr. Chairman. I can't say I spoke to you personally.

Mr. BRADEMAs. I know what the substance of it is. Don't tell me the substance of my question to you, Mr. Kurzman.

Mr. KURZMAN. No, but the substance of my answer is that we certainly did not mislead this subcommittee or the Congress in what we wanted in the bill. We said repeatedly there should be some such authorization, not specific figures, in all of the bills we testified to.

Mr. BRADEMAs. That is a generalized comment of no relevance at this point.

Mr. KURZMAN. It is relevant because in your own bill you referred to this.

Mr. BRADEMAs. Will you veto every bill that has dollar amounts in it?

Mr. KURZMAN. We certainly feel very much opposed, as I said here, to having very high authorization figures. These appear in the press and on television and people think the program has "x" billion dollars in it.

Mr. BRADEMAs. Some people do.

Mr. KURZMAN. Most people do because most people don't understand the sophisticated difference between an authorization and appropriation.

Mr. BRADEMAs. You could not prove such an assertion.

Mr. KURZMAN. Certainly people's expectations go up when they see such figures.

Mr. BRADEMAs. I would respectfully suggest to you that you have no scientific evidence for that assertion. You have no basis to prove that.

Mr. KURZMAN. I think commonsense, Mr. Chairman, shows that people rely on what they need and it is a mistake to tell them they are getting 60 percent more than anybody intends to vote for in terms of appropriations.

Mr. BRADEMAs. How much money would you want for the bill?

Mr. KURZMAN. I could give you our budget requests, what we asked for in the 1973 revised budget.

Mr. BRADEMAs. What I want to know is how much money you want for 1973, 1974, 1975, and 1976 for the basic State program? What are the administration's recommendations for those 4 years?

Mr. KURZMAN. I will give you 1973 and 1974, and obviously 1975 and 1976 will have to await the President's budgets for those years. For 1973 what we are asking for is for the total program \$639 million, and for the section II program itself, it is \$589 million.

For the total program in the 1974 budget, an increase to \$650 million, and in the basic State grant program, section 4, it is \$609 million, again an increase.

Mr. BRADEMAs. What is the relationship between that request and the amount originally requested for fiscal 1973?

Mr. KURZMAN. I don't offhand have it. The 1973 revised figure is lower than the \$730 million original figure because the President is seeking, given the act of Congress, to limit total spending for 1973 to \$250 billion. The revised one, the \$589 million figure, is an increase of \$30 million over the 1972 budget.

Mr. BRADEMAs. Well, I think we ought to get those figures. It is clear there has been some shifting of judgment there.

Mr. KURZMAN. I don't know of shifting. This appeared in the budget that was sent to Congress last week.

Mr. BRADEMAs. You talked about a revised budget I thought I heard you say?

Mr. KURZMAN. Definitely the 1973 figures are revised to fit under the 1973 ceiling.

Mr. BRADEMAs. That is the shifting I am talking about.

Mr. KURZMAN. I see. I thought you talked about what I changed last week. You did not.

Mr. BRADEMAs. I think I ought to express my astonishment that as we meet here in February of the first session of this Congress, the administration still has apparently come to no judgment on the specific authorization request for the basic State program for this very important legislation. That is why, you see, Mr. Kurzman, I, for one, find it very difficult, really, to take you very seriously when you ask us to await your recommendations. Because, if I understand you correctly, you are not going to give us any specific legislative proposal. Is that correct?

Mr. KURZMAN. Yes, we take the same position we have consistently on all of this authorizing legislation, that we would recommend such sums as may be appropriated, because we think that this kind of over-promise is what has led to so much dissatisfaction with Government and skepticism about Government.

But we are following the practice of all prior Presidents, as far as I know, of not forecasting budgets beyond the fiscal year for which the President has submitted his budget.

Mr. BRADEMAs. You have testified, Mr. Kurzman, to the success of the vocational rehabilitation program in terms of cost effectiveness. I believe the administration has said that for every dollar spent for rehabilitation, some \$35 are returned in tax dollars.

Given the posture of the administration, I should have thought it would be useful to invest somewhat more, rather than less, in this kind of program.

Mr. KURZMAN. We are investing more. One of the questions as to how much more, of course, is how much the Congress and the administration has agreed to spend for the benefit of the disabled in toto. As I referred to this in my opening statement, the Congress passed and the President signed into law some enormous increase in Federal expenditures for income and health needs of disabled people in this country, requiring an additional expenditure from the Federal Treasury on an annual basis of over \$2½ billion a year.

The programs I am referring to, and we could supply these for the record, in 1972, totaled \$13.1 billion. Given the enactment of the Congress and the President's approval of them, these will increase to \$15.9 billion in 1973, and \$18.6 billion in 1974; involving a cumulative increase of \$5.5 billion over 2 years, going to substantially the same constituency, the same population which is potentially aided by the vocational rehabilitation program.

What this means is a choice by the Congress to spend Federal funds for these purposes and this naturally requires that it be taken into consideration when considering the increase in the vocational rehabilitation program itself, the service program. The services, however, do rise in the budget.

Mr. BRADEMAs. What percentage, Mr. Kurzman, of rehabilitation clients are welfare recipients? Do you have any idea?

Mr. RUTLEDGE. In the last 3 years, between 15 percent and 17 percent.

Mr. KURZMAN. As I indicated, we are setting a target for the coming year to increase that substantially.

Mr. BRADEMAs. I raised this because that 15 percent are clearly receiving both rehabilitation and welfare funds—there seems to be some terribly wasteful duplication here.

Mr. KURZMAN. I don't understand the point, Mr. Chairman.

We are claiming with the duplication, or the duplication is the whole variety of programs that last year's bill would have created entirely new authorities for, which, in our judgment, are covered by existing programs and these new programs.

Mr. BRADEMAs. What are those programs?

Mr. KURZMAN. The most glaring obviously is the title II program for the severely handicapped without a vocational outcome. In our view, most of those services could be or are being provided under a whole variety of existing programs—medicare, medicaid, social service for the welfare recipients under the Social Security Act, the developmental disabilities program, and education programs to the handicapped.

Our feeling is that having yet another set of authorities to deal with, this deserving group under the label or of under the aegis of the vocational rehabilitation administration is not only duplicative of those other authorities, but waters down a program we think is successful because it has a vocational outcome.

This happens to be the kind of thing that could be measured. It is so frustrating in the social, welfare, and human service fields, and many Members of Congress and I know the subcommittee have been very concerned about it, and the Administration and Department are, too.

We have no way of knowing whether the programs really work and the reason is that in so many instances the outcome is not the goal, the goal is not something that is quantifiable. It is not observable in mathematical terms.

But a vocational outcome is. And this program is one of the few that is targeted on a specific outcome and we are able to measure it and are able to see where we are going and we see that it does a good job, and is improving in that job.

Mr. BRADEMAs. I should think you would want, therefore, to ask for more investment in it.

Mr. KURZMAN. We have and very consistently asked for more.

Mr. BRADEMAs. I mean significantly more.

Mr. KURZMAN. The question is, compared to what?

Mr. BRADEMAs. Compared to the \$5 billion increase in the military, for example.

Mr. KURZMAN. Well, compared to the \$5 billion over 2 year's increase in income and medical care assistance to this same population, the same vulnerable group of the handicapped.

Mr. BRADEMAs. I thought you said that was 15 percent?

Mr. KURZMAN. No, no, no. I think you misunderstood.

Mr. BRADEMAs. I guess I did.

Mr. KURZMAN. The 5.5 over the 2-year increase I referred to covers a variety of programs, most of which have nothing to do with welfare recipients. Only some of them have something to do with welfare recipients.

Mr. BRADEMAs. I would like to get a breakdown.

Mr. KURZMAN. I offered that information for the record already. One of the major items is medicare for the disabled in 1974, part of that \$2.7 billion increase between 1973 and 1974 is \$1.6 billion for medicare for the disabled, which Congress proposed the administration approve in H.R. 1, last week.

Now, that will cover many of the same kinds of medical services for precisely the same people that would have been aided under last year's vocational rehabilitation bill, title II. There is no need to cover them twice.

Mr. BRADEMAS. Just let me ask you one other question because I am monopolizing the colloquy and I must apologize to my colleagues.

You speak about the inequities of categorical programs. What about the spinal cord injury program which was a subject of concern before our subcommittee?

Mr. KURZMAN. We feel very much concerned about that and in fact have made this one of the targets of our efforts which I referred to in my statement to increase the concentration of service in the existing vocational rehabilitation program on the more severely disabled and we have figures which indicate the extent to which that effort is moving.

Mr. BRADEMAS. Are you saying you oppose a specific provision for spinal cord injuries in the bill? Is that it?

Mr. KURZMAN. We do because, well, we proposed in our bill last year, as you will recall, to make a reference in the special projects program, make a specific reference to the spinal cord injured and the low achieving deaf, I believe, but without earmarking of specific funds. And what we objected to on this account in the bill that was rejected was that it had specific dollar amounts, and the kind of categorization which requires us to set up a whole separate administrative unit for that purpose and restricts our flexibility in dealing with the needs as they are presented by project applications.

Instead, we would have another set of boxes in HEW added to our 370-plus boxes for each line appropriation and would have added the State level administration, which mirrors our administration generally without another set of boxes and the same is true at the local level, the local rehabilitation agencies and in the private sector.

One of our enormous problems is somehow drawing the service together for the people who need them, services that are funded one way or another by the Federal Government and in a much more expanded way by the addition of State and local and private moneys, and we have been pressing for that, as you know, through the allied services bill.

This further categorization, adding to our 370 plus, is what we object to very sincerely, not merely because it is a bureaucratic concern, not merely because it makes the Department unmanageable, but because it really affects the way in which services are provided at the local level.

Mr. BRADEMAS. Well, I appreciate that observation. Speaking for myself, I have two observations before yielding to Mr. Hansen. I am never very much impressed by the tactic of the current Administration which says, "Look at the enormous list of programs." That, to some extent, is a matter of who is deciding what categories are important. I am much more concerned about the effectiveness of the programs, and that the programs make a real impact on the lives of the people whom they were meant to serve.

The other point I would make is that I was grateful for the letter that I received as chairman of the subcommittee just a year ago this month from former Secretary Richardson. He said, "I want to express

my gratitude for the cooperation shown by the Select Subcommittee on Education in working with the administration on legislation to renew the Vocational Rehabilitation Act." And the Secretary went on to say he was pleased to note that some of the administration's proposals to improve the act had been incorporated in the subcommittee's bill. He added that although he thought there were some provisions in the bill which he thought unnecessary, and some administration proposals that had not been incorporated, nevertheless, and I quote, "I want to commend the subcommittee for its work with us, toward our shared objective in improving the capacity of the vocational rehabilitation program in serving the handicapped."

Now, as chairman of this subcommittee for the last 4 years, I take great pride in the fact that we have developed a good working relationship between the majority and minority members of the subcommittee. Bill after bill has been reported out of this subcommittee unanimously, such as the Environmental Education Act, the Drug Abuse Education Act, the National Institute of Education Act, the Comprehensive Older Americans Service Act, the Vocational Rehabilitation Act, and I could list others.

The members of this subcommittee have tried to work with each other, on both sides of the aisle, and I am going to make every effort I can, as chairman, to continue in that bipartisan fashion.

But I must say that when we bring bills out of this subcommittee unanimously, out of our full committee unanimously, and they pass the House of Representatives unanimously, and the Senate of the United States unanimously, and one knows from private conversations with the highest officials of the Department of HEW that they support these measures, then you can imagine our astonishment when the President vetoes them.

I have a very real question as to the extent to which this administration seeks to continue the cooperative pattern established between the Republican and Democratic members of this subcommittee. This is not a partisan matter, but this is a matter between the Congress and the executive branch. I must say the veto by the President of the Rehabilitation Act, which has enormous support in Congress, and, by definition, in the country too since we were reelected, fills me with great dismay for the future. One wonders how seriously we are supposed to take officials of the Department of HEW when they come up here, since we have taken your proposals into account even if we don't agree with all of them.

I confess, Mr. Kurzman, that I have listened with great interest, and no great illumination, to what you have had to say. And as I said yesterday in another connection, I am, at this point, rather less interested in what the administration says about helping the handicapped and much more interested in what they do.

Mr. HANSEN. Thank you, Mr. Chairman.

First of all, I would join our chairman, Mr. Secretary, in extending a warm welcome to you to the hearings. I expect that this is the first of a long series on a great many issues to which we will give our joint attention in the coming months.

I would say also that while I share many of the views expressed by the chairman, I want to emphasize my own personal very high

regard for you and thanks for the opportunities we have had in the past months to work closely together on many of these matters of mutual interest and I look forward to continuing the pleasant relationship in the coming months.

I must say, however, that the veto, the news of the veto came as a great shock and surprise to me. I had been involved in the development of the legislation and, as you know, I had served as one of the House conferees and I gained the impression throughout all of my work with the legislation that we were going down pretty much the same road as the administration had indicated and I could not recall any evidence, during the course of our committee consideration and at the time the bill was in conference, that there were pointed and specific objections raised.

As I reviewed all of the first letters and memos received during the course of the consideration of the bill, it tends to confirm my own recollection. I would refer to a communication forwarded to the Senate actually on the same legislation, a letter signed by Edward Newman, Commissioner of the Social and Rehabilitation Service, of September 6, addressed to Mr. Steinberg containing comments on the proposed legislation.

Now I will indicate one or two quotes from that letter: "The draft bill represents a logical reorganization and rationalization of existing authority and proposed additional ones."

Then there is a specific reference in an area in which I have a very strong personal interest and that is in the proposed National Center for Spinal Cord Injuries. The letter in that instance says, "The proposed authorization for a National Center for Spinal Cord Injuries should be graduated," the point here being we should graduate the authorization over the years, "\$10 million for 1973, \$15 million for 1974 and \$20 million for 1975 were suggested."

I am not going through the whole thing, but I think it might be useful, Mr. Chairman, and I would ask unanimous consent to include the letter and the attached comments as a part of the record.

Mr. BRADEMAS. Without objection, it will be so ordered.

[The letter and documents follow:]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
SOCIAL AND REHABILITATION SERVICE,
Washington, D.C., September 6, 1972.

JONATHAN STEINBERG,
U.S. Senate, Washington, D.C.

DEAR MR. STEINBERG: In accordance with your request and additional questions posed by Ms. Walker, we have prepared the enclosed discussion paper of the possible impact on the present program of vocational rehabilitation services that would be occasioned by the inclusion in the Act of proposed changes seen in the Second Committee Print.

Also enclosed are (1) tables showing the numbers served and rehabilitated for some twenty cost ranges in FY 1971. We have just received these analyses and have not had time to verify the accuracy of the computations; however, our statistical staff feel that they are accurate reflection of the general practices; and (2) a section-by-section technical discussion of the Second Committee Print.

We are heartened by the obvious interest of the Subcommittee in wanting to build in incentives to serve those seriously disabled who are not now being well served. However, as the enclosed materials elaborate, we do have some serious questions regarding the model of eligibility and services presented in the Second Committee Print, as we understand it. If our discussion seems to suggest that we are missing some key points, we would be happy to discuss this further with you.

Sincerely yours,

EDWARD NEWMAN, *Commissioner.*

Enclosures.

**MEAN AND MEDIAN COSTS OF PERSONS REHABILITATED IN STATE VOCATIONAL REHABILITATION AGENCIES,
FISCAL YEAR 1971**

	Mean cost	Median cost	Number
All rehabilitated cases reporting cost ¹ -----	\$742	\$374	240,940
Lower 50 percent of rehabilitated cases-----	142	104	120,470
Upper 50 percent of rehabilitated cases-----	1,342	864	120,470
Total number reporting no cost-----			23,006
Total number not reported-----			27,326
Total rehabilitated, fiscal year 1971-----			291,272

¹ Preliminary figures.

VOCATIONAL REHABILITATION, UNITED STATES SUMMARY
TABLE NO. 39.—RESPONSE DISTRIBUTION

	Total	00 Reference	02 Application	04 6 month	06 18 month	26 Rehabilitation	28 NOT— rehabilitation	30 NOT— rehabilitation
Cost case services—All:								
Total.....	463,886	10,078	100,196	2,924	5,254	263,946	58,226	28,254
No cost.....	39,783	0	0	284	761	23,006	7,926	7,836
\$1 to \$9.....	188,320	8,669	88,469	581	1,351	59,194	14,545	15,512
\$100 to \$199.....	41,774	697	6,404	518	619	25,569	6,878	2,089
\$200 to \$299.....	29,034	275	1,877	320	507	20,510	4,415	780
\$300 to \$399.....	27,701	136	1,096	264	312	21,790	3,531	516
\$400 to \$499.....	38,795	126	1,091	264	421	30,796	5,465	642
\$500 to \$599.....	25,251	56	517	175	271	20,323	3,692	276
\$600 to \$799.....	17,279	20	272	172	234	13,886	2,594	201
\$800 to \$999.....	11,623	14	112	41	132	9,436	1,787	101
\$1,000 to \$1,199.....	8,777	8	87	24	87	7,072	1,420	83
\$1,200 to \$1,399.....	6,830	11	82	12	80	5,514	1,086	45
\$1,400 to \$1,599.....	5,108	5	35	17	58	4,175	784	34
\$1,600 to \$1,799.....	4,207	3	20	11	54	3,482	609	37
\$1,800 to \$1,999.....	7,340	6	23	22	84	6,055	1,108	28
\$2,000 to \$2,499.....	4,513	3	18	7	55	3,768	645	16
\$2,500 to \$2,999.....	3,155	3	23	3	34	2,614	452	14
\$3,000 to \$3,499.....	2,233	3	13	2	25	1,866	398	12
\$3,500 to \$3,999.....	1,592	3	6	2	25	1,312	236	6
\$4,000 to \$4,499.....	1,114	2	8	2	16	1,944	141	4
\$4,500 to \$4,999.....	4,231	21	39	3	102	3,487	560	19
\$5,000 to \$14,999.....	226	16	14	0	0	144	44	3
Not reported.....	0	0	0	0	0	0	0	0
Aggregate dollar cost.....	226,436,169	1,194,437	6,739,723	917,098	3,181,347	178,719,637	32,920,858	2,763,069
Mean dollar cost of services.....	527.6	118.5	67.2	342.2	708.0	741.7	654.4	135.3

TECHNICAL COMMENTS ON COMMITTEE PRINT DRAFT 2—REHABILITATION ACT
OF 1973—SEPTEMBER 4, 1972

Comments and suggested technical changes are listed in the order the item appears in the bill. Most significant comments are starred.

The draft bill represents a logical reorganization and rationalization of existing authorities and proposed additional ones. The suggestions which follow are intended to clarify, or elaborate but not to change radically any new proposals in the draft except as noted in Tabs dealing with issues related to the cost/duration model for comprehensive services for severely disabled persons, and the proposed substitution of a fair hearings and appeals procedure and ombudsman function for the client advocacy and appeals sections in the draft bill.

SPECIFIC COMMENTS

* 1. Initial staffing has been dropped from the definition of "construction" on p. 7. Was this inadvertent? It has been retained in "establishment" on p. 10.

2. On p. 25 reference is made to the individualized written rehabilitation program developed by the "rehabilitation facility". This should be changed to the "State agency." The State agency is the official body administering the service programs for eligible individuals. The "State agency" purchases services from facilities, workshops, or specialists in private practice such as doctors. While each of these vendors of specialized services may be technically in charge of his unique service to the client, the State agency as the responsible agency must agree and approve any such service plan for the individual.

3. On page 31 Section 111 (a)(1), the draft should read "or" by a licensed psychologist instead of "and".

* 4. On page 31 where services are listed, we find no reference to "services to the families of handicapped individuals when such services will contribute substantially to the rehabilitation of such individuals". This is provided for in Section 11(a)(2)(H) of present Act. Was this omission inadvertent?

* 5. On p. 33, references to physical and mental restoration services, maintenance and training are not conditioned, as in the present Act, upon consideration of eligibility for any similar benefit by way of pension, compensation, or insurance. Was this intentional?

6. On p. 33, conform references to psychologists in Section 111(a)(5) to Section 111(a)(1).

* 7. On p. 35, see Section 112 on Innovation and Expansion Grants.

Do we want to follow the Innovation grant philosophy or the Expansion philosophy in the present Act for this new authority? Innovation grants were approved by Regional office if they met certain criteria. Other than that proforma type approval, the State really did what it wanted to do (under State Plan) and States controlled the funds by allotment. Expansion grants, on the other hand, involve the approval of specific activities for specific purposes and are at the discretion of the Secretary, also the control of the funds State by State.

The new Section 112, by remaining silent on the role of the Secretary in the approval process seems to put the Expansion authority that we now have into the Innovation grant mold. The Section might more appropriately be entitled "Innovation Grants."

The following should be deleted: . . . "And sums appropriated for grants under this section shall remain available for such grants through the close of June 30, 1976."

This language is inconsistent with the allotment and reallocation provisions that apply to formula grants. If the money were available to the State for longer than 1 year the State would never relinquish its allotment for reallocation.

8. On p. 38. See Section 113 on Client Advocacy. We assume that the client advocacy system would be in effect in all geographic areas where "programs" are in effect, not "projects" which are not usually statewide. We suggest, also, that each State be granted by the Secretary an amount no less than \$50,000 nor more than \$150,000 for this purpose. This is consistent with sums for the State advisory councils and recognizes variations in need for funds for this purpose.

9. P. 40. See Section 114 on Experimental Appeals Projects. See other Tab for a discussion of an alternative approach to assuring clients, and applicants prompt and relevant attention through the establishment of a fair hearing and appeal procedure.

*10. On p. 42, See Section 121 on State Programs. Language seems to imply that a formal State plan would be submitted each year. This provision need be

effected only once—following enactment of three amendments—since Section 102 requires that an approved State plan must contain these provisions. Under the present Act, an annual submission is not required, although States do submit each year a description of their current and anticipated program and financial activities. The concern of the committee that the program reflect implementation of the requirement would be satisfied by the program and financial plan.

*11. P. 44 and p. 49. See Section 200 and 201. The authorization in the VR Act for construction for 1972 is \$30 million. A like amount was authorized for training services. We suggest that \$30 million for construction and \$30 million for training services, projects, including workshop improvement projects, should be maintained for each of the three years. These amounts are comparatively modest in the light of increased costs due to inflation, and increased reliance in the years ahead upon facilities and training services to back up efforts to bring greater numbers of severely disabled into the programs. More highly specialized services will be needed for the older blind, the multiply handicapped, and greater numbers of people from assistance roles with severe impairments complicated by low motivation associated with chronic dependency.

12. On p. 48. See Section 200 on Construction. Why is "in exceptional cases" included in the section permitting the inclusion of residential accommodations in workshops? Residential accommodations are traditionally an integral part of rehabilitation centers and many workshops.

13. On p. 59. See Section 204 on Special Projects and Demonstrations. This section should include the authority now in Section 400(e) for the Secretary directly or by contract to provide technical assistance to rehabilitation facilities, and in the case of removal of architectural barriers to any public or private agency or institution.

*14. P. 68. See Section 267 on National Centers for Spinal Cord Injuries. The proposed authorizations for National Centers for Spinal Cord Injuries should be graduated. \$10 million for 1973, \$15 million for 1974 and \$20 million for 1975 are suggested. Such amounts would permit the establishment of and staffing of some centers in existing physical facilities where this is appropriate. It would permit, also, the construction, staffing (and payment for provision of services to some clients) in a number of low income areas where resources of all kinds are limited or nonexistent.

15. On p. 83. See Section 211(f) on State Advisory Council and the reference to "amount not to exceed \$50,000." This is redundant since an earlier section provides for amounts no less than \$50,000 nor more than \$150,000.

*16. On p. 85. See Section 302 on Research. At top of page substitute "disabled" for "handicapped" in order to permit wider latitude in research activities.

17. On p. 86. See Section 302 on Research. At top of page insert after "handicapped" the following "and problems of environmental barriers."

*18. On p. 87. See Section 302 on Research. At top of page note subsection (c). This language appears in several places in the act. It tends to be limiting in connection with the development of new and innovative services which is the objective of several programs authorized in the Act. The committee's purpose could be achieved by language such as the following from Section 4(a) of the present Act: "Any grant of funds under this subsection which will be used for direct services to handicapped individuals or for establishing facilities which will render direct services to such individuals must have the prior approval of the appropriate State agency."

19. On p. 88 and 89. See Section 303 Training and Section 400 on Administration. No grant shall be made under these sections for furnishing to an individual any one course of study extending for a period in excess of two years. This will seriously hinder the recruitment of individuals into courses of study in rehabilitation professions such as physical medicine, speech therapy, research and other disciplines in current short supply. Was this intended or inadvertent?

20. On p. 89. See Section 400(a)(4) on Administration. The amount of \$50,000 should be \$150,000 as provided for in earlier sections of the Act.

21. On p. 90 and 91. See Sections 400(d) and 400(e). These might be moved to Section 204 and made a part of special projects.

*22. On p. 101. See Section 602 on Architectural and Transportation Barriers Compliance Board. This board should have responsibility for insuring compliance not only with the standards prescribed by the GSA, as indicated, but also the standards prescribed by the Department of Defense and the Department of Housing and Urban Development under the same legislation, PL 90-480.

Some functions of the proposed National Commission on Transportation and Housing provided for in Section 413 of HR 8395 have not been included in those assigned to the Architectural and Transportation Barriers Compliance Board in Section 602. Reference is made to the requirement that the Commission "(A) determine how transportation barriers impede mobility of the handicapped and aged handicapped and consider how travel expenses in connection with transportation to and from work can be met or subsidized when such individuals are unable to use mass transit systems or need special equipment in private transportation and (B) consider the housing needs of the handicapped."

Does the committee intend that this Board concentrate primarily on environmental and attitudinal barriers with respect to transportation, parks, housing and the like, but not be concerned with other aspects of the housing and transportation needs of disabled individuals?

23. P. 99. See Section 601 Federal Interagency Committee on Handicapped Employees. The following language is offered for inclusion in this section in order to make possible more widespread use by State vocational rehabilitation of Federal agencies as sites for work experience for rehabilitation clients. "An individual who, as a part of his rehabilitation under a State plan approved under this Act, participates in a program of work experience in a Federal agency, shall not, by reason thereof, be considered to be a Federal employee or to be subject to the provisions of law relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits."

THE COST DURATION MODEL FOR COMPREHENSIVE REHABILITATION SERVICES FOR SEVERELY DISABLED PERSONS—SEPTEMBER 4, 1972

INTRODUCTION

As we understand the Second Committee Print, intake for services for any disabled person would be as follows: i) he applies; ii) is accepted for services if he has a vocational handicap and there is a reasonable chance he can benefit from rehabilitation services or comprehensive services; iii) if a determination of (ii) cannot be made, he would receive extended evaluation for up to eighteen months, or until a determination could be made; iv) at such time as his direct case service costs (purchased services and maintenance) exceeded the average of all cases under Part B, he would be reclassified as a "seriously handicapped individual" and service costs would then be provided under Part C; v) services would continue as long as he was showing improvement in his status, either toward a vocational goal, or in his ability to function effectively in family and community. No reference is made to intake practices or continuation of services for severely handicapped individuals once Part C funds are exhausted, except that a State plan requirement would " * * * show the order to be followed in selecting those to whom vocational rehabilitation services will be provided, which order shall place special emphasis on severely handicapped individuals" (Section 102 (a)(5)). Presumably these services would be continued under Part B.

DISCUSSION

The major problem we find to this approach is that we have no experience in being able to assess the numbers by disabling condition and service needs of the more severely disabled who may need non-vocational goals under the new provisions. Present estimates (c.f. enclosed tables) are that two percent of the most "expensive" cases now served account for up to twenty percent of case service costs. The rehabilitation program is closed ended in terms of funding. Therefore, until experience gives some basis for distinguishing between those for whom there is some assurance that services will produce benefits from those for whom such assurances are not present, there is a need for some control. Otherwise, available funds may be quickly depleted on relatively few cases.

We suggest an approach which will make the following types of people eligible for rehabilitation services:

- (1) Those who are assessed to meet the requirements of Part B.
- (2) Those who, upon assessment, cannot be determined whether they can meet the requirements of Part B. (These individuals will become eligible for Part C until such time as a Part B determination can be made.)
- (3) Those who, after Part B determination is indicated, are no longer considered feasible for a vocational outcome but who can be re-evaluated for an alternative independent living objective under Part C.

A "severely handicapped individual" could be further defined by reference to the vocational impact of the disability on him, either as shown by his immediate past, or probable future, that is, a severely handicapped person would be one in whom a physical or mental disability has prevented his performing any kind of gainful activity for a full year, or if recently disabled, is likely to prevent engaging in a gainful occupation for at least a full year.

Such a definition would be in line with the major studies of disability, Social Security and the National Health Survey. If worked into the definition of severely handicapped individual, it would help keep the vocational outcome in mind in the provision of Part C services.

Follow along services should be available for all clients, both B and C, who will require such services in order to insure that the goals of vocational rehabilitation and independent living can be maintained and sustained.

Part C services should be provided only from funds made available under that Part, at least until necessary experience and data is gained. To facilitate the development of this experience in as many models as possible, we would also suggest that a waiver of Statewideness be written into Part C so that each State could, if felt necessary, limit provision of these services to certain areas, or to certain types of services. Such a waiver is seen as essential in light of the minimum allotments that would be available.

Tab A, appended, presents a fuller discussion of the problems that might arise with the cost/duration model. It also gives a summary of staff discussions on the problems of defining "severely handicapped individual" from which the above conclusions were reached.

TAB A: DISCUSSION OF ISSUES RELATED TO THE COST DURATION FOR COMPREHENSIVE REHABILITATION SERVICES FOR SEVERELY DISABLED PERSONS

1. Presently available data is such that means, medians, or percentiles can be computed for total cost of services (purchased services and maintenance) to show the number of individuals at each of twenty ranges of cost.

2. However, many problems remain in such a definition. Among these are:

(a) Case service costs do not reflect the value of the time spent by State agency counselors and other agency counselors and other agency staff on a particular case. For the severely disabled who need a variety of services provided over time, as well as counseling with their personal problems, this time can be of significant proportions. Severely handicapped individuals require more counseling and may actually require more counselors.¹

(b) One service, training, is the single most potent service in contributing to both duration and cost of a rehabilitation plan.² This duration and cost can be more a reflection of the capacity of the individual to benefit from a particular type of training than of severity of disability. Also, while many severely disabled persons need extensive training to become employable, not all disabled persons receiving extended training are severely disabled.

(c) As proposed, a definition based on cost is circular, and tends to be self-fulfilling, i.e., comprehensive rehabilitation services are defined in terms of being more expensive; more expensive services defines one as severely handicapped; a severely handicapped person gets comprehensive rehabilitation services.

3. Access to the program would be easier for the more severely disabled at the point of intake, as the only criteria for acceptance would be some reasonable expectation that services would lead to a gainful employment. The emphasis on evaluation would also serve the same purpose. Not known is the extent to which access for the more severely disabled without immediate vocational potential would dilute the program which is available for vocational services to those not so severely disabled. The program might soon reflect more than 15 percent.

4. The present pattern of services would probably be altered. More expensive and longer plans would be written. Since severe handicap is defined in terms of length of service and cost, more severely disabled persons would be served. Whether these would also be some of the same persons now receiving services is not known, though there would be some justifiable overlap, some not so justifiable.

¹ Counseling and placement represented 29.3% of all costs in FY 1972 for a total cost of \$184,715,842. Rehabilitations numbered 291,272, for an average counseling-placement cost of \$634. A average counseling cost of the 1,001,660 served was \$184.

² Training accounted for 42% of the service dollar in FY 1972, or \$146,912,156 for an average of \$504 (23% of all costs.) Maintenance costs reflect, in part, the length of training. Total maintenance cost in FY 1972 was \$53,884,000, for an average of \$185 per person rehabilitated.

6. Caseloads would depend on the number of persons accepted without vocational. The Part C money could take care of some of the more expensive cases, allowing Part B money to be applied more widely. The level of overall funding would probably have more impact on total numbers served than would the special set aside. It is obvious, however, that without more funds for FY 1973 to serve more severely disabled through the 15 percent Part C provision there would result fewer served overall, as compared to FY 1972. An interacting consideration is the impact which any priority to serve the more severely handicapped would have on the present practice of "first come-first served." It is conceivable that the program might have to delay services to a less severely handicapped person while it serves more severely handicapped persons.

7. Finally, there is the concern that the clear accountability and mission of the program could be lost if the distinction between services directed to vocational goals—the present practice—becomes confused with services provided without a vocational goal in mind. Presently, vocational placement provides a clearly measured outcome in which there is little room for judgment. The person is gainfully occupied or he is not. (This recognizes that there are qualitative differences in placement: competitive employment, self employment, sheltered employment, homemaker.)

Diffuse goals, or goals not so easily documented, may cause a loss of this accountability. Social services are in their present trouble in part because the outcome of services may not be so recognizable, or have such current payoff. Who can truly assess the value to an adult of the services he received as a child?

ALTERNATIVES

Throughout RSA there is a recognition that the rehabilitation program can make a contribution to severely disabled persons who may not at a point in time have vocational capacity, and that the third requirement of eligibility—vocational outcome—is in some cases an artificial barrier that prevents timely response to individual needs. There is also agreement that a fiscal incentive may be the best way to assure proper attention by the States to the rehabilitation needs of the severely handicapped. Comments which follow are made in the light of the concerns reported above, and in an effort to be responsible to what is understood of the goal of the Subcommittee in its proposed bill.

1. The first alternative would be to further develop and refine the concept of cost/duration as a model for determining severe handicap. The program has always adhered to a functional definition of disability and handicap, that is, the limitations that are imposed by any given condition in light of other factors that affect the individual—social, psychological, economic, environmental, etc. Services are prescribed to lessen or remove that limitation, and services can be defined in part by cost, in part by the time it takes to provide them, and in part by the total time for a series or array of services to be utilized.

In developing a cost/duration model, normative data would have to be established specifically for that purpose. Presently available data and recording practices are inadequate for this purpose. Attempting to look at historical data would be only an approximation of what is needed. Language would be needed in the bill and bill report that would enable such a procedure, but not limit to specifics as "average cost" as in Section 100(1) of the draft bill, but rather "... appreciably more costly and of appreciably greater duration ..." as in Section 100(9). Then as data is developed, it could be modified through administrative issuance rather than be held to a rigid "average."

2. One way to change basic definitions of severely handicapped individual in terms other than cost/duration would be to enumerate the services needed, as was proposed in 1963-64 in some internal work at RSA. Thus a "severely handicapped individual" would be one "... who cannot be rehabilitated through the usual rehabilitation procedures and facilities, but who requires additional specialized facilities and a combination of services over a period of time." Such a definition has limitations; there is an implied normative standard of what is usual in terms of services and time required for rehabilitation, but it is not precisely spelled out. (It is the need for normative data that the Senate draft has focused on average cost.)

3. Another way to define severely handicapped would be in terms of some extended version of the basic definition of handicapped individual, so that severe handicap would be one which has prevented a person from doing any kind of gainful work for a period of a year, or for whom the disability (if of recent origin)

is likely to prevent him from doing any kind of work for at least a year. A definition of this type would have the advantage of being in line with the definitions used in the two major surveys of disability, the Social Security studies and the National Health Survey. Some questions remain, however, principally the degree to which factors other than specific physical or mental limitations contribute to the inability to work, in contrast to the effects of educational, social, environmental and other limitations interacting with the disability.

4. A third approach to the question of severe handicap would be to adopt a presumptive approach, so that any persons with a specific disabling condition would be presumed to be severely handicapped (e.g., all blind, deaf, spinal cord injured, etc., are severely handicapped.) To the degree that a specific disabling condition can be identified, this approach would be simple to administer. It, however, falls woefully short of being a true descriptor of severe handicap in that it does not recognize individual differences in response of a person to a specific condition, nor does it recognize the cumulative effects of several conditions not on the list, which may in the aggregate be more disabling than a single condition.

5. A fourth means of identifying severe handicap would be in terms of functional limitation and goal outcome. This is the approach adopted by H.R. 8395, in which a severely handicapped person is one who "... is under a physical or mental disability so serious that it limits substantially his ability to function in his family and community as one without such serious disability may be expected to function, and, who, with the assistance of comprehensive rehabilitation services can reasonably be expected to improve substantially his ability to live independently and function normally in his family and community." Once goals are clearly expressed, then the use of funds from different sources as directed to achievement of the goal becomes clear. The approach of Title III of H.R. 8395 is fluid, so that one individual would be served under either Title I or Title III, depending on whatever goals were clear for him at any particular time in the rehabilitation process.

6. An fifth approach, related to (5), would be to assess the probability of outcome on a proximal-distal scale. In this approach, an individual for whom there is a vocational goal at any point of the process from intake on would be considered a Part B client. If the vocational goal was not in sight, or was so remote in time that the actual likelihood of success was impossible to determine, the person would be a Part C case. Such an approach would keep in mind the vocational direction of the program, and would not serve to deny services because of an unpredictable outcome of a series of contingencies (i.e., if this step is successfully achieved, then that step may be possible).

7. A sixth approach would be a reflection of all previously discussed procedures: define in terms of what might happen to the individual in the absence of services, i.e., "without services, there is little likelihood that this individual can (a) become employed, or (b) improve his status in terms of normal relationships with family and community."

This reverse approach would have the advantage of forcing consideration of other possible services which might be available for the individual. It would also in some measure establish a priority where intervention is a must to prevent deterioration of the individual. One problem looms very large, however: there is no normative data on which to base a conclusion of probable outcome without services. In the present program operation there are undoubtedly individuals who are never known to the program who, nonetheless, become rehabilitated. However, having never come under the scope of the program, there is no way to accurately describe them, their condition, and the means through which rehabilitation was achieved.

BENEFITS TO BE GAINED

All the foregoing approaches to definition of severe handicap refer to a capacity to benefit from services. Any benefit short of employment, or any benefit gained while in rehabilitation plan eventually leading to vocational rehabilitation, must be defined in terms of gain per unit of time. At present, there is no normative data which could be used to either track improvement from one status to another, or to demonstrate that such gain is faster or slower for one individual as compared to another.

Such data is a must if the program is to begin efforts toward individuals for whom there is little chance of vocational rehabilitation. Historical data is inadequate for measurement of benefits gained; however, such data and standards could be developed with experience. The expertise and necessary technology is currently available to develop these measures.

Mr. HANSEN. I am not really much interested, I think the Chair knows this, and maybe not as much as the Chair is, in going back and fighting the old battles over the past months and years, except to the extent that they can be useful and furnish guidance in future actions.

My hope is that in a genuine spirit of cooperation we can move together with some dispatch in the development of consideration and passing of this legislation. The administration and obviously the Congress, views these matters from different perspectives and this is a part of the system. The genius of the system is that it does provide the mechanisms for exchange of information and ideas in a cooperative decisionmaking, and the Congress seems to be much more willing to move ahead with an expeditious consideration of this legislation than has the administration.

I would express the hope and just raise a question for your response or any other comments you care to make on what we might expect now, following the confirmation of the new Secretary. I can readily acknowledge the necessity for this step being taken, so that someone can go forth with the administration of these matters. But following that action, which I would anticipate would take place within the next day or two, what might we expect in terms of active cooperative effort between those in HEW and members of this subcommittee in developing and moving quickly to an acceptable vocational rehabilitation bill?

Mr. KURZMAN. Congressman Hansen, I want to thank you, first, for your very kind remarks at the outset, and to say we have very much appreciated your help on these and other matters and we certainly want to maintain the relationship not only with you, but the entire subcommittee which we have had in the past.

I deeply regret if we did not get our message through. I must say I feel that we did state our position repeatedly. I think there is a tendency, and this is a difficulty in the business I am in of straddling the constitutional divide between the executive and legislative branches is that there is a tendency on both sides to hear what we want to hear and I was looking back at Secretary Richardson's testimony here last February and I see how he commented upon the bills that had up to then been introduced before the subcommittee, which contained many of the categorical features, particularly for the severely disabled and then for whole lists of specifically disabled people and how much of his testimony was directed at the administration's and his personal feelings that this kind of specificity in the law was what has caused us the greatest problem in the aggregate for all of HEW's programs and all of the vulnerable groups we are seeking to help in conjunction with the States and localities and the private sector.

It is the delivery end, the end where the Chairman says you are actually trying to help where we are focused on, too, and I think there is a legitimate and sincere difference of viewpoint about what helps the disadvantaged, the vulnerable groups in the service field in the end better. Does it help to have 306 boxes, growing by leaps and bounds every year, and with this corresponding match at the State and local levels and in the private sector I have already described and with the guilt-mindedness that sets in each of the boxes, feeling that it has its own constituency and its own concern and its own files and its own statistics and it does not want to talk to anybody else.

If we can get out of that box, we feel that we will make a substantial breakthrough in helping the people who need help in this country from the social service programs. We think we can't break out of that box if the Congress goes on adding these specific very narrow categorical programs one after another, we think, also that if they start—well they are clearly duplicating now among our over 300, having a lot of overlapping on one another. These have different administrative structures necessarily set up under the law to deal with overlapping jurisdictions. That becomes even more tragic because in their effort to reach the same constituency they tend to fall over one another and there tends to be more people lost in the shuffle and people who need a variety of services get only one or get none.

All of this is to say that we argued this point again and again and again, not merely in this program, but in all of our human service programs. We feel it deeply. We are sorry, I am personally sorry, that we did not convey it adequately to the subcommittee before, but I certainly want to stress it now and I understood this was the purpose of this hearing really, is to explore why the President felt as he did about the bill and why he felt it necessary to veto it. This is one of the prime concerns.

There were organizational changes and authorization levels.

Mr. HANSEN. I think if you read things that came right from HEW during the process of the consideration and particularly later stages of the consideration of this bill, if you read it, I think a fair reading of it would tell us on the subcommittee we were on the right road, that there may be small differences, but for the most part it had general approval.

Mr. KURZMAN. Well, as I say, one of the great problems is not only the question of how people perceive what you say and how they tend to want to perceive it, just as we all do in accordance with our own desires, but also the problem that we will never be able, no administration is ever able to say throughout the passage of a bill, given all of the changes that can be made and all of the different steps, from subcommittee to full committee, from full committee to the floor and then to the other House and through the same steps there and then into conference, at any given point, yes, this is going to be satisfactory certainly and for sure and it is very unfortunate when Members of Congress ask for that kind of assurance during the process. We can't give it and I don't think anyone ever can for any executive branch because the President is entitled under the Constitution to see the bill as it finally comes out and see it in the context of all of the other things that have come out of the Congress, and as I said in this particular instance, with regard to the handicapped and the disabled, enormous advances were made in other legislation, primarily in H.R. 1, involving an enormous expenditure of public funds.

And it seems to me that, for example, was a factor which was entirely proper for the administration, the President, to take into consideration in his final consideration of this bill.

Mr. HANSEN. That only gives us some indication of what the future holds because we still genuinely want to work with the President. I think we have a right to ask for the kind of clear indication of each step along the way that will enable those of us, and this subcommittee falls in that category, who genuinely want to achieve a piece of legislation that reflects the collective judgment of all of us who have a part in it, so that we will decide and implement it and it will work.

What might we expect in the coming days?

Mr. KURZMAN. Well, I have discussed the question with Mr. Weinberger as to our legislative program and he has assured me and he has assured others in HEW that as soon as he is confirmed and has the legal authority and constitutional right to act as Secretary, he will address himself very promptly to all of the pending measures, reintroductions of measures and legislative programs in general.

He is well aware of the fact that this matter, the Vocational Rehabilitation Act and the Older Americans Act, both of which expired last June and which Congress did not enact until October and which were vetoed, are very high priority items, so we will be turning our attention to that immediately, as soon as he has been confirmed.

And I assure you we will do everything in our power, and this is my job, to make sure that the administration's views are clear.

Mr. HANSEN. Thank you, Mr. Chairman.

Mr. BRADEMAS. Mr. Lehman.

Mr. LEHMAN. Thank you, Mr. Chairman, and Mr. Kurzman. Being a new Congressman, I don't have the background on what has been happening, but I do know of a specific case, a very dear friend of mine, and what happened to him because of the veto of the bill last year. I refer to that section on page 77, the grants for the renal disease service.

This is a gentleman whose name is E. G. Smith. He is a retired policeman. He is not a young man any more and has given a lot of service to the community. His wife is now on a kidney machine. In the last year his entire life savings that he had made as a policeman have been totally wiped out because of the expenditures of keeping his wife alive on a kidney machine.

To veto the kind of legislation that would disillusion and turn away, in a sense, these kinds of citizens, is something, to my way of thinking, that is getting down to the grassroots of what the people think, that their public officers and their public officials and the political system are not really responsive to their basic needs.

I would like to see this kind of law go into effect, where people like E. G. Smith, who has put in time and effort to make this a better country, will not necessarily be wiped out by these kinds of catastrophic diseases covered in the bill. When I see the figures that the chairman referred to about the increase in military appropriations, and we have 5,934 military bases and no kidney machines paid for in Dade County, to me it is because of a lack of governmental priorities.

Maybe I am acting a little like a demagog, but he is a very good friend of mine. I hate to see these things happen.

Mr. KURZMAN. Congressman, if I may, we share your concern about this. I should point out that the Congress did act and the President signed into law a provision in H.R. 1, last year's Social Security Amendments of 1972, section 299(i), which places cases like the one you referred to under medicare, and this is a major new program. It was a congressional and executive response to what was obviously felt to be an enormously draining financially disastrous kind of medical expense. So that provision has gone into law and will become effective on July 1 of this year.

Secondly, the administration in general has taken the position, in the context of national health insurance, which in the last Congress

we proposed a National Health Insurance Partnership Act, that it become Federal law that employers carry and offer their employees health insurance policies which would include catastrophic coverage up to \$50,000 over the lifetime of the covered individual, with a \$2,000 a year renewal of that coverage. We understand that that sort of provision would also help families in the kind of crisis that their constituents have had.

A third point I would make for those who are in a situation in which unfortunately they are below the poverty line, or in the welfare category, or might be placed in such by expenditures for kidney dialysis such as the ones you talked about, and particularly in States which cover the medically indigent under the medicaid law, that is existing opportunity for coverage of these catastrophic costs. So one of the reasons that we are concerned about this particular bill that was vetoed last year is that it did have a provision which overlapped those two authorities already in the law and a third which we would propose for coverage of all catastrophic illness, because then you get into a very different problem of discriminating in favor of one catastrophic illness and forgetting about many, many others which also involve an enormous expense and impact on families.

Mr. LEHMAN. I understand all of these other programs, but I do know that besides this being an emotional disaster for the fine gentleman, it has also been a financial disaster. Somehow or other these programs you mentioned have not really resolved his particular problem. This is a problem that not only affected him but all in his immediate family who tried to come to his aid. It is a terrible burden when you complicate the kind of emotional situation and then put on top of it the financial burden that these kinds of necessities force on a person. It is just more sometimes than a single man can bear.

Whatever it takes, whether this bill or some other bill, I think it is necessary, that we don't leave these people out there on a limb in these kinds of situations.

Mr. KURZMAN. We certainly would not want to.

Mr. BRADEMAS. The Chair is pleased to welcome the distinguished chairman of the full Committee on Education and Labor, the gentleman from Kentucky, Mr. Perkins, and I recognize him for any questions he may want to put.

Chairman PERKINS. Thank you, Mr. Brademas.

First, let me state I am delighted that the chairman of the subcommittee, Mr. Brademas, decided to conduct hearings on this most important legislation. As is always the case he has once again expressed great leadership. He has made a great contribution on behalf of the handicapped people in this country.

It is a great pleasure for me to be here and to express my cooperation. I intend to cooperate wholeheartedly with the chairman and the subcommittee. I also wish to express my deep concern about this legislation being vetoed last year.

Perhaps Mr. Kurzman may repeat what has already been stated, but there are two or three questions I would like to ask. First, I would like to ask you the administration's viewpoint concerning funding of the Vocational Rehabilitation Act. Do you feel that the authorizations set forth in the bill, or the budget figures, more realistically represent what was needed for programs assisting handicapped persons? Do figures clearly represent your viewpoint?

Do you lean toward the budget figures, or do you feel the budget figures are too low?

Mr. KURZMAN. Mr. Chairman, we, as my prepared statement indicates, well, it was the authorization figures in that bill of last year that was vetoed which were one of the three main reasons the President vetoed it. We felt that those figures were far in excess of what could be expected to be appropriated or what the President would approve, or indeed that could really be effectively used.

Chairman PERKINS. Do you think you can operate this program for the fiscal year 1974 on only \$650 million? I am speaking about all of the titles, including title 2 of the bill, the basic program. Can that level of funding efficiently and effectively meet the expressed needs in this field?

Mr. KURZMAN. We feel, Mr. Chairman, yes. What is involved here, what has occurred here over the last 4 years is virtually a doubling in size of that formula grant program. It has been an enormous increase.

Chairman PERKINS. But are you not cutting back from \$675 million in 1973 to \$650 million in 1974?

Mr. KURZMAN. No, the original budget has been revised in the 1973 line, in the 1974 budget to bring the request for the total program down to \$639 or \$640 million. This is less than the original request for 1973, but it still represents virtually a \$22 million increase over fiscal 1972, which is of course the rate at which the program is now operating under the continuing resolution.

Chairman PERKINS. I have always been interested in the formula in the present law and because I feel it targets aid into areas where the need is the greatest.

Does the administration intend to support the present formula in the legislation you may submit, or are you going to propose a different formula?

Mr. KURZMAN. Mr. Chairman, we are not in a position at this point to say what our proposal in the Congress will be, until, as I have indicated earlier, Mr. Weinberger's nomination as Secretary has been confirmed by the Senate. He then has the legal authority, constitutional authority, to make that kind of policy decision for the Department.

I have indicated we will make it. He has already indicated to me he will make it a matter of high priority to get this bill up here. But I can say as to last year we know that the formula was an issue and we did not in the bill we introduced last year propose any change in the allocation formula.

Chairman PERKINS. Let me ask one more question in conclusion. We are all receiving considerable mail from people who are disturbed about the veto of the legislation last year. We have hundreds of such letters in the committee. These people want to see this legislation enacted at the earliest possible date.

I would certainly hate to see the administration complain that there has been inadequate time. If you have any recommendations bring them to us so that we can move toward getting the legislation enacted in the immediate future.

Do you feel that this legislation should be enacted at the earliest possible date or do you feel that we should drag along here 2 or 3 months? What are your views on the timing of this legislation?

Mr. KURZMAN. My view is, and I think it is administration position, that we would like to see this program extended. We would obviously like to see it extended the way we would like to see it extended and, as I say, we would hope that you would give us the opportunity to come up, and we understand this situation.

Chairman PERKINS. Well, we are giving you the opportunity now. Why don't you get your ideas together tonight and tomorrow and then see John Brademas. We cannot procrastinate and hold this Congress up this year.

We have to move this legislation.

Mr. KURZMAN. If the Senate won't procrastinate on Mr. Weinberger's nomination, we will be in a position to take a position on this legislation.

Chairman PERKINS. We have nothing to do here with the nomination. We cannot defer all business before the House committee simply because there is loggerheading over in the Senate about something. We want cooperation here and we want to move forward now.

Mr. KURZMAN. Well, I am afraid constitutionally we can't make a distinction between the House and the Senate.

Chairman PERKINS. Let me thank you, Mr. Brademas. You are doing an excellent job.

Mr. BRADEMAS. Thank you, Mr. Chairman. The Chairman is always welcome before this subcommittee and I know the deep interest he has had in this legislation. We are all the more grateful to him for coming.

I might say to Mr. Kurzman that I plan, shortly, to introduce in the House, on behalf of myself, and Mr. Perkins, and Mr. Quie, and Mrs. Mink, and Mr. Hansen of Idaho, a joint resolution that would clarify certain provisions of the 1973 Supplemental Appropriations Act.

As the chairman was earlier suggesting in colloquy with Mr. Kurzman, there seems to be a technical difficulty, on the part of the administration, in shaking loose the money that Congress appropriated for rehabilitation services—in light of the veto of the Rehabilitation Act.

Mr. KURZMAN. The difficulty was the organic constitutional difficulty. We had no authorization.

Mr. BRADEMAS. I understand that. That is exactly the point I am making.

Chairman PERKINS. Thank you all.

Mr. BRADEMAS. Thank you very much, Mr. Chairman.

Mr. KURZMAN, I think you have heard from the members of the subcommittee, and from the chairman of the full committee, our desire to get from you as rapidly as possible the most specific recommendations the Department has with respect to this legislation. It is not, of course, as you are aware, as if it were something that is brand new. It has been before this subcommittee and before Congress for nearly two years now.

I believe that Mr. Hansen of Idaho, in effect, reinforced my own rather strongly stated observation that, in my own judgment, the administration failed to make clear to the conferees the depth of its apparent hostility to this legislation. And I think I need say no more about that point because if you thought you were getting through,

obviously the members of this subcommittee, and the conferees on both sides of the aisle, did not understand what you were trying to tell us.

So I am inviting you to tell us, as specifically as you can, what your position is. I realize, as you suggested, you would like to see us approve the bill in the form the administration would like to have it. But I hope you realize that we don't work for the administration. You do, but we were elected on our own and so we have our own views and our own judgment.

I think when you see 70 to 0 votes in the Senate, and 327 to 0 votes in the House, that you are witnessing a representative judgment on the part of the elected representatives of the people.

It might behoove you and the administration to go back and, as Cromwell said, consider whether you may not be mistaken. Because the point of view you have expressed with respect to these programs is not one that is widely held on the part of the leaders across the country who deal with these programs. I am sure, as chairman of the subcommittee, I would have heard this point of view before. We are being overwhelmed with expressions of support for the legislation that Congress passed, rather than support for your position.

This is, perhaps, not the place to get into the philosophic discussions which you and I have had on the administration's posture with respect to the proper and most effective way to provide service. I think I understand your view.

I would simply reiterate my own: I think the net result of the administration proposals—both for the appropriate way to organize the administration of service and the amounts of money to be expended—will be bad news for the vulnerable groups in our American life, to use Secretary Richardson's very apt phrase.

You alluded in the opening paragraphs of your statement to the ceremonies in connection with the dedication of the Mary E. Switzer Building. I speak as a cosponsor of the bill that made that dedication ceremony possible—along with the distinguished Senator from Minnesota, Hubert Humphrey. Mary Switzer was a woman for whom I had great admiration.

How ironic it was. There we were, Secretary Richardson and Secretary-Designate Weinberger, and everyone else, saying what a great lady Mary Switzer was, and how important it was to provide services to the vulnerable groups in American life—not 3 months had passed since the President of the United States had vetoed two bills unanimously passed by Congress, one to help older Americans, and the other to help handicapped Americans.

I know that Presidents, like Congressmen, have big egos or they wouldn't be in this line of work. But there ought to come a time, it seems to me, when even the President of the United States might say "Maybe there is something to be said for the point of view of those people up on the Hill who are interested in helping people."

I think the President's budget, taken across-the-board, especially in the Department that you serve, represents an effort to turn back the clock, in terms of social justice in this country, in a most devastating way. Speaking for myself, I speak for no other, I think you will find that that effort will meet with very great resistance up here.

Having said that, I should tell you that my opposition to these directions in no way diminishes my personal regard, or respect, for you or the integrity of your position. I would stress, too, what I said earlier: I have a very great desire to work as closely and cooperatively with the Department of HEW as possible.

But I think it is very important that we feel that we can take you seriously, and that there is substance to the position that you articulate. Therefore, I would plead with you to be as specific and as clear and as candid as you can in your expression of your position on these various issues.

Otherwise you are going to find yourself in a situation which Mr. Hansen and I both expressed here today—that we bend over backwards, in our judgment, to understand your point of view, we approve a bill unanimously, and then we are shocked to find that it seems to have been so profoundly objectionable to the administration.

I don't think it is helpful to you or to us, and I don't think it is helpful to the American people. So if my observations have been sharp this morning it is because I feel very strongly about this problem. But it is also because I really do hope we can get as straightforward and cooperative a meeting of the minds on some of these matters as it is possible for reasonable people to achieve.

Mr. KURZMAN. If I may, Mr. Chairman. I thank you for your personal remarks. I must say we see the facts differently. I would be happy that the record would show Secretary Richardson's testimony in full of last February, which I think detailed a lot of the same objections that we had to the final bill. But I agree with you that we too want to have a close and cooperative relationship with this subcommittee as we can.

I do think there has been a lot of what I referred to in my colloquy with Mr. Hansen earlier, a lot of what each hearing that you wanted to hear. I certainly will do my best to explicate the administration's position as clearly as possible.

Mr. BRADEMAS. I appreciate that. I might say that following that insert I would like to ask unanimous consent that there be inserted in the record the text of the administration's memorandum to the conferees, working on the Rehabilitation Act of 1972.

I don't know if anybody else has any other comments.

Mr. LEHMAN. No.

Mr. BRADEMAS. Thank you very much, Mr. Kurzman. We appreciate your comments.

Mr. KURZMAN. Thank you, Mr. Chairman.

(Whereupon, at 11:30 a.m., the subcommittee recessed, subject to the call of the chair.)

[The following material was submitted for the record:]

THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., February 22, 1972.

Hon. JOHN BRADEMAS,
House of Representatives,
Washington, D.C.

DEAR MR. BRADEMAS: I want to express my gratitude for the cooperation shown by the Select Subcommittee on Education in working with the Administration on legislation to renew the Vocational Rehabilitation Act. I am pleased to note that some of the Administration's proposals to improve the Act have been incorporated in the Subcommittee bill reported to the full Committee.

There are some provisions in the bill which I feel are unnecessary and some sound Administration initiatives have not been incorporated in the bill. Nevertheless, I want to commend the Subcommittee for its work with us toward our shared objective: improving the capacity of the vocational rehabilitation program to serve the handicapped.

With kind regard,
Sincerely,

ELLIOT RICHARDSON, *Secretary.*

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
SOCIAL AND REHABILITATION SERVICE,
Washington, D.C., April 11, 1972.

HON. JOHN BRADEMAS,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. BRADEMAS: As we turn toward the Senate considerations of H.R. 8395, the 1972 Amendments to the Rehabilitation Act, I would be remiss if I did not extend my personal thanks for your leadership and deep concern for the nation's capacity to provide rehabilitative services to handicapped people.

Your personal attention has led to an extraordinary bi-partisan effort to make more visible and expand our commitment to helping disabled people achieve independence and self support.

I am particularly appreciative that you made Jake Duncan available to work with us on the Act. His specific knowledge and programmatic insights were extremely impressive to all of us working on the Bill.

Once again, my sincere personal thanks.

Cordially,

EDWARD NEWMAN, *Commissioner.*

ADMINISTRATION RECOMMENDATIONS ON MAJOR CONFERENCE ISSUES REGARDING VOCATIONAL REHABILITATION BILL

1. SEVERELY HANDICAPPED

We agree that the basic program should be reformed so as to assure that those whose handicaps are most limiting in terms of ability to become gainfully employed should be served by this program before those with lesser handicaps. Though in a limited cost benefit sense this may not seem to be the best use of resources, in fact it is an appropriate utilization of resources since those with lesser handicaps are more likely to be rehabilitated and employed without the intervention of the V.R. program than the more severely handicapped. We also agree that there are some handicapped people whose handicaps are so severe that gainful employment whether competitive or sheltered, is impossible. For these people, for whom the maximum degree of independence is only the minimal functioning necessary to maintain themselves in their home and community, there are other federal forms of program intervention available: health and social services. Resources of these programs should be fully utilized for the non-employable. But we believe that the V.R. program has a role to play in these cases: (1) it is a logical program to arrange for the purchase of services for the non-employable since it is often the program to which such people first are sent, (2) its methods may be effective in dealing with the non-employable population. However, the essence of the program should continue to be employment oriented.—If its efforts in this area are lessened, no other program will compensate for the loss whereas other programs can deal with the non-employable.

Recommendation

a. Reform it so that the most severely disabled are "served first" by requiring as in the Senate bill that priority go to the most severely disabled and that the State submit to HEW its order of priorities with HEW given authority to set national standards to which the States shall conform. The standards will include a definition of severely disabled. However, do not have a specific reservation for the severely handicapped since it will serve only to limit the extent to which the program shall be reformed so as to deal with the severely handicapped.

b. Require the Department to define "most severely handicapped" giving it direction by indicating factors to be considered in developing such a definition. The factors should include non-inclusive list of types of severe handicap (this is probably the best definition though clearly difficult of application). Other factors such as a characterization of the time one would be unable to work if he did not get services or the number of services he must receive are even more difficult of application but may be inserted as factors the department should consider before developing a definition. Do not use a "cost of service" definition.

c. Keep the vocational goal orientation of present law in Title I. However, authorize as in Title III of the House bill, a separate program for non-vocational services to the severely disabled. *Make this program a project grant however* so that some various forms of service delivery can be experimented with. We are talking about something revolutionary in V.R.—dealing with independent living goals—and we should control our efforts in the initial years. We should have the authority to fund any public or private organizations, after consultation with the State agency—not just fund the State. In addition, if a project approach were used, one of the factors in making grants could be that grants would be concentrated in States with the best record of dealing with the severely disabled under Title I. Finally a project grant is a greater protection against Title III becoming a second track dumping ground since we can control the matching share; the kinds of projects, etc.

Other Possibilities

a. If the priority notion does not satisfy those seeking assurance of a minimum State effort on behalf of the severely disabled, "priority" could be characterized as "having at least 10 (or 15) % of the case load severely disabled *and* an increasing proportion of the caseload severely disabled" except for unusual cases in which we could grant a waiver from this standard.

b. If a straight project grant does not satisfy those who want each State to get something under Title III a variation as in the new Juvenile Delinquency law or Emergency School Aid could be adopted: each State must have at least \$100,000 of projects with a pro rata reduction of the \$100,000 if less than \$5 million is appropriated. (This limits your ability to use Title III as an incentive program for States with the best Title I records of dealing with severely disabled.)

Another option for III, though far less satisfactory than a regular project grant, is to give each State a formula allotment and require a State plan *but* require that the State plan set forth each of the projects to be funded in the State and give the Secretary authority to approve them before the plan is approved. This would give HEW some degree of program control since it would in reality be able to negotiate the projects with the States.

2. CLIENTS RIGHTS

We agree with the major policy recommendation articulated in the Senate Report that clients should participate in the decision making process of the V.R. program. This is reflected in our emphasis in our amendments on client participation in policy development and program administration. We also agree that there should be grievances mechanisms for clients. However, we disagree with the idea that a system of client advocacy separate from the counselor-client system is the appropriate vehicle to assure that grievances are dealt with expediently and fairly. The evidence produced as to the problem with the grievance procedure was scant and ambiguous as to the direction a solution should take.

Recommendation

a. Require as in the Senate bill a written work program for each client, the development of which will be joint (client and counselor). We would suggest that the concept of a written document regarding the plan for a client be expanded for data collection purposes as well as due process purposes to require that there be a record on every individual who applies for V.R. assistance including his characteristics and the reason a work plan was not developed for him and services not provided. This will enable us to know more about *who is not being served*.

b. With respect to advocacy and grievances, we recommend a demonstration authority regarding both advocacy (S. 112, and appeals (S. 113) so that methods of handling client grievances can be tested. We think the written program—client participation policy will solve many of the problems in the present system. A mandated client advocacy program in every geographic area with a set aside of at least 1% may be wholly unnecessary and certainly will involve a significant reduction of services, money for an untested idea.

Other possibilities

If it is believed that every State should have some advocacy project, we suggest that this be accomplished by specifying that each State must support one "special program" regarding experimental advocacy or appeals procedures under its Innovation and Expansion Grant authority (S. 111 of Senate bill). A program shall not be statewide but only a single project which has potential for statewide replication.

Another possibility is to require each State to assure in the State plan that it will undertake at least one advocacy—appeals demonstration with potential for replication. Thus, a State will finance the demonstration under its basic program.

3. FEDERAL CONTRACT COMPLIANCE

We support Senate provision.

4. OFFICE OF THE HANDICAPPED

We agree with the idea in both the House and Senate bills that there should be a central point for gathering and disseminating information on the problems of the handicapped and resources available to meet such problems. We disagree with the idea that there should be an Office of the Handicapped in the Office of the Secretary with authority to develop 5 year service plan for all services to the handicapped and comprehensive research and evaluation plans. Such an Office would hinder RSA and OE from asserting the program leadership which the Congress wants each to assume. The "Office" will be another layer through which RSA and OE must work regarding program planning, budgeting, evaluation and research. How can the Commissioner of RSA be the sole accountable person for the programs under the V.R. Act, as the Congress intends if there were an Office of the Secretary unit such as the Office of the Handicapped. *The two are inconsistent.*

Recommendation

We are willing to accept the idea of an information and resource operation in OS. Call it the Office of the Handicapped if you will—but limit its functions to information gathering and dissemination. Eliminate the point in the Senate bill that the Director reports directly to the Secretary. This is at most a fiction and at worst a humiliation to the Director. The Secretary can't have too many people reporting to him. He certainly can't give direct access to people with such a limited function as gathering information and planning for just one target group. The result will be, regardless of who is Secretary of HEW, that the Director will be shuttled between special assistants to the Secretary and never have an impact. If no reporting line is specified, the Office could be placed under the Assistant Secretary for Planning who does have regular access to the Secretary and does have an impact on him. This could be specified in law.

5. APPROPRIATION—AUTHORIZATION LANGUAGE IN TITLE I

Recommendation

We recommend that the Senate appropriation language be retained. Otherwise, you are creating an incentive for States to use V.R. as a refinancing vehicle for social services now closed and financed. You are creating a runaway program similar to social services as long as there are high authorization levels. You are also perpetuating a fiction in the law since the appropriations process controls this program in any event.

6. AGED BLIND SERVICES

Recommendation

Make this program a project grant. Make it part of a general project authority as recommended in 1 above. They are programs whose purposes are exactly the same—to serve severely disabled for non-vocational purposes.

7. COMPLIANCE BOARD

Recommendation

We support the House provision (413) requiring a Commission in HEW to study problems of the handicapped in the housing and transportation fields. This authority should be expanded to include study into problems of architectural barrier compliance generally. We do not think that the need for a Compliance

Board was documented in the hearings. There was no evidence on what the compliance problem is nor on how it should be handled. Legislating a solution, the Board, without this evidence may actually be counter productive. The present departmental efforts may actually be hindered because of confusion as to who is accountable for compliance. There is also a question as to what the Board provision means insofar as the original jurisdiction of the courts is concerned. Again, the provision may in fact be counter productive.

S. RANDOLPH-SHEPPARD

Recommendation

We are not opposed to the Senate changes except for the compulsory arbitration provision. We believe that the settlement of grievances should rest with the courts. If there is a question of "standing to sue," that problem can be solved by inserting a provision in the law making it clear that there is standing to sue on grievances.

THE WHITE HOUSE,
October 27, 1972.

MEMORANDUM OF DISAPPROVAL

REHABILITATION ACT OF 1972 [H.R. 8395]

This measure would seriously jeopardize the goals of the vocational rehabilitation program and is another example of Congressional fiscal irresponsibility. Its provisions would divert this program from its basic vocational objectives into activities that have no vocational element whatsoever or are essentially medical in character. In addition, it would proliferate a host of narrow categorical programs which duplicate and overlap existing authorities and programs. Such provisions serve only to dilute the resources of the vocational rehabilitation program and impair its continued valuable achievements in restoring deserving American citizens to meaningful employment.

H.R. 8395 also would create organizational rigidities in the vocational rehabilitation program which would undermine the ability of the Secretary of HEW to manage the program effectively. The bill also would establish numerous committees and independent commissions which are unnecessary, would waste the taxpayers' dollars, and would complicate and confuse the direction of this program. Finally, the bill would authorize funding far in excess of the budget request and far beyond what can be made available and used effectively.

RICHARD NIXON.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
January 29, 1973.

Hon. JOHN BRADEMAS,
*Chairman, Select Subcommittee on Education, Committee on Education and Labor,
House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: The Secretary has received your letter of January 22, 1973, requesting an expression of this Department's views on H.R. 71 and H.R. 17. A report will be submitted to your Committee as soon as possible.

Sincerely yours,

SIDNEY A. SAPERSTEIN,
Assistant General Counsel for Legislation.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
February 26, 1973.

Hon. JOHN BRADEMAS,
*Chairman, Select Subcommittee on Education, Committee on Education and Labor,
House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: This letter is in response to your request of January 22, 1973, for a report on H.R. 17, a bill "To amend the Vocational Rehabilitation Act to extend and revise the authorization of grants to States for vocational rehabilitation services, to authorize grants for rehabilitation services to those with severe disabilities, and for other purposes."

The bill would replace the current Vocational Rehabilitation Act with a new Act, "The Rehabilitation Act of 1973." The bill is identical to H.R. 8395 of the

92d Congress, which the President vetoed. For reasons stated in the President's Memorandum of Disapproval of October 27, 1972, discussed below and elaborated upon before your Subcommittee by Assistant Secretary Stephen Kurzman on February 7, 1973, we strongly recommend against enactment of this proposal.

The President rejected H.R. 8395 because it would have seriously jeopardized the goals of the vocational rehabilitation program. The bill also contained provisions which would divert the program from its basic vocational objectives into activities that have no vocational element or are essentially medical in character. In addition, the bill would have created several new categorical programs which were duplicative of existing authorities and would have authorized funding for the Act far in excess of the budget request.

H.R. 8395 also would have imposed organizational rigidities in the vocational rehabilitation program which would have undermined the ability of the Secretary of HEW to manage the program effectively. Responsibility for policy and program management would have been vested in the Commissioner of the Rehabilitation Services Administration, rather than the HEW Secretary. It would have established numerous committees and independent commissions which are unnecessary, would waste the taxpayers' dollars, and would complicate the direction and administration of this program.

The Administration strongly supports the Vocational Rehabilitation program and urges that its proposal for extending the program, which was transmitted to the Congress on February 16, 1973, be enacted instead of H.R. 17. A copy of the Administration's proposal, with attachments, is enclosed for your convenience.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this report from the standpoint of the Administration's program, and that enactment of H.R. 17 would not be in accord with the President's program.

Sincerely,

CASPAR W. WEINBERGER,
Secretary.

Enclosures.

STATEMENT OF HON. CHARLES E. BENNETT, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF FLORIDA

Mr. Chairman, I appreciate the opportunity to testify today on the Rehabilitation Act of 1973. As you know this legislation passed the Congress in 1972 but was vetoed by the President and I would personally like to congratulate the committee on holding hearings on this important legislation this early in the 93rd Congress stressing the importance of this legislation and placing it as one of your highest priorities.

I support this legislation to simplify, streamline and coordinate the local, state, federal vocational rehabilitation services, vocational evaluation, work adjustment programs, and provide rehabilitative services for those with sensory disabilities.

This bill includes a section similar to legislation which I have pending, H.R. 105, to create a National Information and Resource Center for the Handicapped. I first introduced this legislation in the 91st Congress and Senator Robert Dole of Kansas introduced a companion bill S. 4002. In the 92nd Congress my bill was H.R. 528. I testified in favor of this legislation almost a year ago today. The reaction from the Department of Health, Education and Welfare and other government agencies, private citizens, and organizations in this field to my bill has been overwhelmingly favorable.

I am very pleased that my bill has been incorporated within the Vocational Rehabilitation Act.

There are 28 million handicapped persons in the United States today. Even though we are spending hundreds of millions of dollars a year on their rehabilitation through many federal programs, at the present time there is no centralized and consolidated center to help these people in their problems of employment, education, transportation, recreation, and other activities. There is no one to direct them to the many public and non-public organizations concerned with their welfare. The federal government is doing an outstanding job through its agencies and departments in helping the handicapped.

As you will probably remember, Mr. Chairman, once we had a Coordinator of Information here on Capitol Hill and now that work is being done largely by the Library of Congress, but new Congressmen coming in don't know where to turn. The same is true of the general population. They come to a Congressman for advice in the handicapped area but there is no one person or agency to which a Congressman can say, "Here we have a letter from a handicapped constituent. Is there any federal program that can assist him?" Unfortunately, right now there is no such central clearing house; therefore, the success or failure of the constituent in obtaining the much needed assistance depends greatly on the ability and experience of the staff of the Congressman, his seniority, and many other things. If the handicapped person does not go through his Congressman, he is even less likely to be aided.

When you consider that many of our constituents are unfamiliar with the ways of the federal bureaucracy and apprehensive about contacting their Congressman, you begin to realize how frustrating it must be for these people who are disabled, and in many cases economically defenseless, to find assistance and answers to their problems.

The National Information and Resource Center for the Handicapped in the Department of Health, Education, and Welfare will bring these varied and diverse programs together and help cut through frustrating levels of red tape in identifying the hundreds of programs for assisting the handicapped. It will provide a clearing house of invaluable information on existing agency and departmental information and resource efforts. A handicapped person, a local agency interested in helping in this field, the Congress, and other governmental or private facilities will have access to a central office for information to assist the handicapped.

The information collected by the Center and distributed on request would include information about day care programs, education, vocational rehabilitation, vocational training, housing, employment, transportation, recreation and many other services through the Center. A disabled person and his family who has a special problem will be able to request the needed information and be assured of a prompt, reliable, accurate response.

I think the values that come about through legislation like this are hard to measure fully in any concrete, material way. You bring about in the lives of the handicapped increased happiness and productivity. Their added earnings also bring money into the Treasury through income taxes. I know from personal experience that most handicapped people only desire an opportunity to help themselves.

STATEMENT OF THE AMERICAN OCCUPATIONAL THERAPY ASSOCIATION

The American Occupational Therapy Association, representing 14,000 members, wishes to record its support for H.R. 17, the Rehabilitation Act of 1972.

Occupational therapists have been working with the problems of disability among the American people since the inception of the vocational rehabilitation program. We have many common aims with this vital public program, and many of the handicapped people served by state rehabilitation agencies are treated by occupational therapists.

We have followed the development of this legislation over the past two years, testifying before the House Select Subcommittee on Education as well as appearing before this Subcommittee. It is important to note that the preceding legislation, H.R. 8395, was passed unanimously by both Houses of the 92nd Congress. The Senate-House Conferees on H.R. 8395 are to be commended for their long and dedicated efforts in evolving an excellent bill. H.R. 17 is identical to that bill.

It is of utmost importance that this legislation be enacted promptly. The shortage of funds that has resulted from the language contained in the Supplemental Appropriations Act, which specified that funds were being appropriated for the Rehabilitation Act of 1972, subsequently vetoed, is reaching crisis proportions. Agencies originally spending at the Fiscal 1973 level, as recommended in the President's Budget, have exhausted their resources and are now withholding essential services from handicapped clients. Any delay will necessitate additional cutbacks in services and, in certain cases, the complete elimination of entire programs.

This measure, H.R. 17, consists of seven major titles. Title I extending the basic Federal-State vocational rehabilitation program is essential to the orderly continuation of services for handicapped Americans. The proposed priority of emphasis on services for the severely handicapped will help focus needed attention on those individuals who present the most difficult challenge.

Title II initiates a supplementary program for those citizens for whom the goal is improvement in their ability to live independently. H.R. 17 would seek to inaugurate this program through special projects grants with an initial authorization of \$30 million. This is a modest beginning, but one that is worthy of total support.

Title III groups together 12 programs identified as special Federal responsibilities. One of these is the construction, improvement and initial staffing of rehabilitation facilities. As Medicare coverage has now been extended to the 1.7 million disabled (beginning July 1, 1973), existing facilities will be even more over-crowded and inadequate without the kind of support envisaged in the bill.

Title IV authorizing research and training has our whole-hearted support. It would encourage continued development of basic and applied research in rehabilitation and the application of the results of that research to the problems of the handicapped. It would help assure the availability of sorely-needed financial resources for the education and training of rehabilitation service personnel, including occupational therapists.

Titles V, VI and VII contain the standard authorities for program administration as well as provision for several new initiatives, including the establishment of an Office for the Handicapped and a National Commission on Transportation and Housing. If we have indeed solved the problem of architectural and transportation barriers for the handicapped, these are "unnecessary", as the veto message suggests. We submit, however, that monumental barriers in housing, transportation and employment still exist and that both the Office and the Commission are, therefore, necessary for the prompt resolution of these problems.

In summary, H.R. 17 would insure the continuation and justifiable expansion of a balanced program of rehabilitation services. It is our belief that any attempt to separate the health and vocational components of rehabilitation programs would be unsound and detrimental to the best interests of handicapped Americans. The long history of this program has clearly shown its success in reducing dependency and preparing handicapped people for a more satisfying and productive life. We strongly endorse the approval of H.R. 17 by the Select Subcommittee on Education.

STATEMENT OF THE AMERICAN OPTOMETRIC ASSOCIATION

The American Optometric Association appreciates this opportunity to support H.R. 17, "The Rehabilitation Act of 1973." We certainly share with the vocational rehabilitation program the common objective of helping handicapped persons achieve greater independence and self-sufficiency.

Visual impairments other than total blindness affect over 1.25 million Americans; an estimated 437,000 of these are classified as legally blind. Visual impairment is the sixth leading cause of limited activity for persons with one or more chronic conditions. In addition, for persons over the age of six, 25.8% of those with severe visual impairment suffer chronic limitation of activity—caused by the visual handicap.

Optometric low vision services could aid 70% of those with low vision. But only 10% actually receive such care.

A sizeable proportion of the 18,000 optometrists-members of the American Optometric Association have specialized in low vision services. They have the necessary qualifications to certify blindness or other visual impairments, and to perform physical restoration services for participants of the vocational rehabilitation program. In order to expand knowledge in this area, the Association maintains two committees concerned with aid to the partially sighted, and orthoptics and visual training.

Licensed optometrists serve the nation in 6,238 municipalities, providing 75% of the public's vision care. They are located in metropolitan areas, as well as small towns and rural sites throughout the country.

Although low vision services are primarily provided in private offices, over 25 low vision and optometric centers now also provide this care, primarily to the poor and the medically indigent. These centers are prime factors in reporting cases of legal blindness to the Model Reporting Area blindness registers in 17 jurisdictions and serve as entry points for federal, federal-state, state and local social and rehabilitation agencies.

In all delivery settings, optometrists utilize special optical aids that clarify, brighten and magnify objects and symbols enabling the partially sighted to perform their work. Visual therapy and the use of telescopic and microscopic lenses, contact lenses and light-control devices are the tools of the optometrists in working with the visually handicapped.

Over the past 25 years, approximately 200,000 blind and visually handicapped persons have found employment through participating in federal-state vocational programs. Basic vocational rehabilitation services to the blind and the visually handicapped have cost approximately \$30 million in this same period. Recent figures estimate the average cost of rehabilitating a visually handicapped person at \$1600. The Association feels that this cost could be lessened considerably if optometrists could certify blindness as well as provide physical restoration, since optometrists are the most easily accessible of eye care specialists and at times the only such specialist in easy access to the potential participant.

A vocational rehabilitation beneficiary should have the freedom to choose his vision care practitioner throughout the rehabilitation process—including the right to select an optometrist to certify eligibility for participation.

As the law stands, optometrists can provide physical restoration services, part two of the rehabilitation process. But these same health care professionals cannot certify the visual condition of these same clients. This is the only federal-state program for the blind which does not permit optometric certification of eligibility.

In 1968 Public Law 90-391, specifying that optometrists may perform physical restorative services, was enacted. However, although Public Law 90-391 theoretically permits the participation of optometrists, the law does not make provisions for the patient to choose his vision care practitioner. The rehabilitation counsellor or medical specialist—not the patient—makes this decision.

As mentioned earlier, the law does not permit optometric participation in the certification process. The eligibility process requires a complete physical examination, followed by a referral to a medical specialist. Those with behavioral disorder may be certified by psychologists—the lone exception in this process.

The American Optometric Association believes that this same exception allowed for psychologists should be granted to optometrists, based on their proven competence and training in the field of vision.

In his September 1970 report to Congress on the Health Professional Educational Assistance Act, former Secretary of Health, Education, and Welfare, Elliot L. Richardson commented that,

"Optometrists are trained to detect any departure from the optimally healthy eye. The scope of optometric services has expanded beyond basic clinical refractions, fabricating and dispensing eye wear; now included are visual lens fitting, visual training, orthoptics, low-vision aids for the partially sighted, artificial eyes, industrial vision-consultation, and public and community health."

We note too that in March 1972 the House of Representatives unanimously voted to allow visually handicapped persons to select their vision care practitioners. House Report 92-928, issued by this committee, reports on page 14:

"The Committee at this point would like to note that it has added language to clarify its intention to allow the rehabilitation client the right to choose an optometrist to determine whether an individual is blind. The Committee feels that because of their current participation in federal-state blind programs under the Social Security Act (Titles II, X, XIX) which provides for optometric certification of blindness, optometrists should play a similar role in the vocational rehabilitation program. Thus, the vocational rehabilitation client will have the freedom to choose his type of vision-care provider."

The American Optometric Association commends the comprehensive nature of this bill. And the Association particularly commends the language of the bill which insures, in Section 103(a)(4), lines 14-17, page 36, and in Section 103(a)(6), lines 1-5, page 37, freedom of choice to the client in selecting the vision care practitioner. In so doing, the bill will extend coverage in the area of the visually handicapped to those previously unable to secure certification; these handicapped persons would be in reasonable proximity of an eye care specialist, should optometrists participate in the first phase of the rehabilitation program.

Since the object of the vocational rehabilitation program is strengthening the handicapped person's self-reliance and self-sufficiency, retention of these provisions to include optometrists in the full rehabilitation process is essential. The visually-handicapped must be afforded every opportunity to improve their sight in order to achieve whatever measure of independence they can.

STATEMENT OF JOHN F. NAGLE, CHIEF OF THE WASHINGTON OFFICE, NATIONAL FEDERATION OF THE BLIND

Mr. Chairman and Members of the Committee: My name is John F. Nagle. I am Chief of the Washington Office of the National Federation of the Blind. My address is 1346 Connecticut Avenue, NW., Washington, D.C. 20036.

Mr. Chairman, the National Federation of the Blind, a nationwide organization with a membership primarily of blind men and women, is appearing here, today, to express our endorsement and support of H.R. 17.

It is our belief that H.R. 17 as Federal law and implemented program policy and practice, will have a substantial effect for good in the lives of severely disabled people.

Although we support H.R. 17 as it was finally passed as H.R. 8395 by the last Congress, we will only indicate several provisions of the bill which we consider particularly outstanding and important.

In recent years, there has been a growing awareness of the problems resulting from discrimination and prejudice, exclusion and denial experienced by many Americans.

But, unfortunately, Mr. Chairman, this awareness was limited to unequal treatment based upon race, sex, and advanced years.

And although blind people and other disabled people have been grossly and greatly victimized by disparaging and discriminatory experiences, these experiences have gone unnoticed, except by the handicapped people, themselves.

Thus, the provision contained in H.R. 17 prohibiting discrimination against the physically and mentally impaired in any Federally assisted program is of major consequence to all disabled people as they strive to surmount the difficulties and disadvantages of their disabilities and endeavor to attain a normal, productive and fulfilling life.

This civil rights for the handicapped provision in H.R. 17 brings the disabled within the law when they have been so long outside of the law.

It establishes that because a man is blind or deaf or without legs, he is not any less a citizen, that his rights of citizenship are not revoked or diminished because he is disabled.

But most important of all, the civil rights for the handicapped provision in H.R. 17 creates a legal remedy when a disabled man is denied his rightful citizenship rights because of his disability.

It gives him a legal basis for recourse to the courts that he may seek to remove needless barriers, unnecessary obstacles and unjustified barricades that impede or prevent him from functioning fully and in full equality with all others.

H.R. 17 also authorizes the use of Federal funds to provide rehabilitation services to older blind persons through vocational rehabilitation agencies.

Since existing law requires the provision of vocational rehabilitation assistance only when such assistance would reasonably be expected to result in employment, and since the overwhelming majority of blind people are beyond the employment age or have additional debilitating disabilities, older blind people are not now being served by the Federal-State vocational rehabilitation program except in a relatively few and exceptional instances.

The rehabilitation for older blind persons provisions of H.R. 17 should result in an ever increasing number of older blind men and women learning the skills of blindness, learning the ways and methods of living and caring for themselves without sight, whereas under existing law, they must continue unhelpt in their desperate need for help.

Mr. Chairman, although the above and other provisions of H.R. 17 are of value, the outstanding feature of H.R. 17, the major and most constructive feature of H.R. 17 is that it expresses as the will of Congress that severely disabled persons shall be given prior and full consideration of their needs for rehabilitation services over the less severely disabled.

Under existing law and practice, the "easy" rehabilitations, the "quick" rehabilitations, are generally served first, the "cheap" rehabilitations are counseled and provided with services to off-set the restrictions and resultant problems of their impairments, while the "tough" cases, the severely disabled, far too often go unhelpt in their grievous need for help.

H.R. 17 as Federal law should change this.

H.R. 17 should result in greater numbers of severely disabled persons being served and assisted by vocational rehabilitation agencies to achieve restoration to normal life and full and fruitful functioning.

The foregoing, Mr. Chairman, are but a few of the beneficial proposals contained in H.R. 17 that are essential legislation if the Federal-State vocational rehabilitation program is to more satisfactorily meet the needs of physically and mentally impaired people,

It is our urgent hope, therefore, that this Sub-committee, that the full Committee and the Congress will act with greatest possible celerity on H.R. 17.

Further, it is our urgent hope that disabled Americans will not be denied the benefits provided for them in H.R. 17 and that this Congress will take all actions necessary, even to the overriding of a Presidential veto, in order to assure to disabled Americans the help that could be available to them under H.R. 17.

In his Memorandum of Disapproval of October 27, 1972, the President gave two main reasons for withholding his endorsement from H.R. 8395, the Rehabilitation Act of 1972, excessive funding and categorical programs.

Mr. Chairman, we would remind the President and this Congress that the Vocational Rehabilitation Program is one of the very few Federally financed activities which is so economically sound that it is an investment of dollars that earn dollars.

It has been said and written many times and in many contexts, that the greatest assets of this nation are our citizens.

Therefore, to assist disabled people, physically and mentally disabled people, to rise up from lives of helplessness and dependency to the attainment of self-confidence and independence;

To assist disabled people to move from a potential lifetime as recipients of relief into gainful and constructive employment;

To assist disabled people to change their lives from total reliance upon the resources of others into tax payers and contributors toward the strength and enrichment of the nation—

And the vocational rehabilitation program does all this and more—

Then dollars spent for such a program are well and wisely spent.

They are an investment that will result in transforming men and women from national burdens and liabilities into national assets.

Thus, we believe, to withhold adequate funding from the vocational rehabilitation program is false and foolish economy.

Mr. Chairman, to object to the vocational rehabilitation amending bill because it would meet the needs of certain disabled people on a categorical basis is to fail utterly to understand that under certain circumstances, the needs of common disability groups of people can and will only be met fully when they are dealt with as separate and distinctively different groups and categories.

And as blind people, we know from much unhappy, frustrating and futile experience that this is so.

To conclude, Mr. Chairman, members of the Committee, we ask and urge you to act favorably and quickly on H.R. 17.

STATEMENT OF DEAN PHILLIPS, NATIONAL EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER, GOODWILL INDUSTRIES OF AMERICA, INC.

MR. CHAIRMAN: We appreciate this opportunity to comment on the Vocational Rehabilitation bill now before the Select Subcommittee on Education for action.

The national Board of Directors of Goodwill Industries of America, Inc., at a recent meeting, adopted the following resolution:

"The Board of Directors of Goodwill Industries of America, Inc., at its Chicago meeting on November 17, 1972, expressed deep concern over the Rehabilitation Act of 1972 failing as a result of Presidential veto. It is hoped Congress will quickly reintroduce this bill and pass it under the name of Vocational Rehabilitation Act. Hopefully, the President, by reason of employment and the economic benefits to be derived, will accept it as most beneficial to this nation."

We would like to further emphasize the urgent need that Congress give speedy approval to the bill now before it at this Session.

We recognize and commend the action of this Subcommittee in developing H.R. 8395 during the last Session.

Our comments and suggestions on this proposed legislation, which was approved without dissenting vote at the last Session, are a matter of record (Hearings, Select Subcommittee on Education on H.R. 8395, p. 308-321).

We have recently polled the member Goodwill Industries across the country to determine the effect on services to the handicapped and disabled if this legislation is delayed. The appropriations for the fiscal year 1973, ending June 30, 1973, are in question. For example, should the delay result in a total appropriation for the state-federal program under Section 2 of the present Act and Section 102 of the proposed bill of less than \$560 million, instead of the original figure of \$610 million set in the President's budget, a large number of local Goodwill Industries will be forced to cut off services to clients usually referred by the state vocational rehabilitation agency during the last four to six months of the fiscal year. This cut can have severe repercussions for the desperately needed expansion of services in the future.

In our testimony (p. 314-317), we illustrated with five specific cases the cost effectiveness of the tax funds spent for the rehabilitation of the handicapped.

During the past 15 years the federal government, through the special grants program under the Vocational Rehabilitation Act, has invested over \$15 million in the improvement and expansion of many local Goodwill Industries located in every section of the country. It is surprising that now the authorization of funds for the implementation of this investment should be classed as fiscal irresponsibility.

On the whole, we believe the bill now under consideration is a good piece of legislation.

Goodwill Industries is primarily concerned with the rehabilitation of disabled people for jobs. It is obvious this task is becoming more difficult if severely disabled persons are to be served. It requires more, not less, medical services if the more severely disabled are to have a chance at gainful employment. To determine when such a goal is not practical is difficult. The philosophy of Goodwill Industries has always been to keep trying. *It cannot be just a cold fiscal decision to shut the door of opportunity.*

We believe it is wise to include, on a pilot basis, provision for certain new services to the severely disabled as this bill authorizes.

The primary responsibility of Goodwill Industries is to serve the physically and mentally disabled. We wish to continue to speak on behalf of this group. We need to expand the services of Goodwill Industries to serve the more severely disabled. With all of the discussion about welfare reform, the needs of this group in society can be overlooked. They haven't demonstrated, marched, or been covered by TV. They have suffered in silence.

We trust Congress will give this legislation the high priority it deserves and that the President will quickly approve it.

STATEMENT OF ELSIE D. HELSEL, PH.D., WASHINGTON REPRESENTATIVE, UCPA WASHINGTON OFFICE, AND E. CLARKE ROSS, FEDERAL PROGRAMS CONSULTANT, UCPA WASHINGTON OFFICE, SUBMITTED IN BEHALF OF UNITED CEREBRAL PALSY ASSOCIATION, INC., NEW YORK, N.Y.

United Cerebral Palsy Associations, Inc., unequivocally endorses H.R. 17 the Rehabilitation Act of 1973 and urges the House to act with all due speed so that rehabilitation services which are already being cut back in the states, because of the delay in passage, can be restored and services to the severely handicapped who have been denied services for so long can be initiated.

UCPA, Inc., has had a particular interest in this bill since it gives such great promise of helping a segment of our clientele that has been particularly challenging but frustrating to us—the severely physical handicapped cerebral palsied individual with an alert mind but categorized as “non-feasible” as soon as he walks in the rehabilitation agency door. Those of us who are privileged to really know these clients as individuals are well aware of their untapped potential. We are well aware of the miraculous things that can be accomplished for them with modern technology. We see similar individuals in other countries of the world working, living in adapted housing, traveling about in adapted transportation, living full productive lives. Yet here in our own country—the richest in the world—we see them written off because a bill authorizing programs for them is “fiscally irresponsible” and “would authorize funding far in excess of the budget request and far beyond what can be made available and used effectively.”

MERITS OF H.R. 17

UCPA is particularly enthusiastic about this bill since for the first time there are to be no second class handicapped citizens. All of the handicapped—even the severely handicapped—are guaranteed their basic constitutional rights as citizens of our land: the right to life, as full and productive as space age technology can provide; the right to liberty, to be free to move about in a barrier free environment—even in the Capitol of the United States; and the right to pursue happiness, whether this comes about through meaningful work or whether it results from just living as independently and in as self-sufficient a manner as possible.

We feel this landmark legislation builds on all the best of the past and puts into practice all of the newer knowledge and skills that we have learned through research. It provides for more effective and efficient delivery of services and for the maximal utilization and coordination of other generic and specialized services. It provides for citizen participation on advisory committees, for public-private partnerships and for, most important of all, the involvement of the handicapped themselves in program decisions. It has the endorsement of the best theoreticians, the best professionals, the best practitioners in the rehabilitation field.

PRESIDENT'S VETO

We were overjoyed when the Rehabilitation Act of 1972 passed both houses of Congress without a single dissenting vote. We were completely stunned when the President vetoed the bill. We found the reasons for the veto inaccurate, unconvincing, unacceptable. They seemed to reflect a complete lack of understanding of what a total rehabilitation program is. There seemed to be no realization that with adequate access and services most of the severely handicapped could be economically productive in some measure; that the number who cannot work at all would be small if the new act were fully implemented and that even that small number has a right to live as independently as present day knowledge will permit.

If the Administration is not willing to provide this measure of assistance to its handicapped then it should be honest enough to face up to the alternatives—euthanasia by deliberate act or by neglect.

SERVING THE SEVERELY HANDICAPPED

Provisions are made in H.R. 17 to serve the severely handicapped, who are clearly not being served under the present program. The Administration seems to believe that the serving of these clients will "jeopardize" the rehabilitative program.

Is the goal of the Rehab program to be the *reduction of dependency* or not? We must carefully evaluate the alternatives to rehabilitating the severely handicapped. If the goal is not the reduction of dependency, an alternative to the expenditure of extra time and money on rehabilitating the severely handicapped is the maintenance of their support through programs such as Aid to the Permanently and Totally Disabled (APTD). As an alternative to rehabilitation, maintenance support is inadequate.

To cite an example, UCPA, Inc. presently has Rehabilitation—Independent Living Programs for the severely disabled cerebral palsied in our affiliates in New York City and Denver, Colorado. The persons served are 18 to 20 years old and have had received no previous rehabilitation services. The time required to train these individuals to reach the level of independent living—where they are vocationally employed—is from 3 to 5 years. The cost of bringing these severely involved cerebral palsied individuals to the level of independent living is between \$3500 and \$5000.

How does this compare to maintenance support of dependent severely disabled persons? Effective January 1, 1974, P.O. 92-603 (H.R. 1) has established a national program providing a guaranteed federal "security" income of \$130 a month for disabled persons under Title XVI of the Social Security Act. This amounts to a minimum of \$1560 a year. We say a minimum because state governments may supplement this amount if they so choose. For a 3 to 5 year period this support would total between \$4680 and \$7800. Over a 40 year span (assuming the adult lived to be 60 years of age) the cost to the taxpayers would be \$312,000.

Is it not more effective to spend extra time and extra money to rehabilitate a severely handicapped individual and in the process add to his self esteem and assist in developing his contributions to society rather than spend even more money and continue to promote his idleness and dependency? Tax dollars can only be saved by reducing dependency, not promoting it.

Many severely disabled people have work potential. However, these people are often written off too early, judged as lacking work potential, and ruled ineligible because of the severity of their disability. But can a quick evaluation accurately judge an individual's potentials? No! For example, in Denver, Colorado three individuals were ruled too severely handicapped for both VR services and extended evaluation. These individuals entered a UCPA affiliate program, participated in a developmental program, and are now gainfully employed.

CONCLUSION

There are numerous other provisions in the bill that UCPA, Inc. warmly endorses. We shall not elaborate on them, as they are contained in our previous statement before this Subcommittee of January 31, 1972. The needs of the severely handicapped remain unmet.

We urge the Congress to pass H.R. 17 immediately. Its passage is long overdue.

STATEMENT OF IRVIN P. SCHLOSS, COORDINATOR OF GOVERNMENTAL RELATIONS,
AMERICAN FOUNDATION FOR THE BLIND

Mr. Chairman and members of the Subcommittee, I appreciate this opportunity to appear before you in support of the Rehabilitation Act of 1973, legislation which substantially extends and improves programs for the rehabilitation of the disabled.

Today, I am representing the American Foundation for the Blind, the national voluntary research and consultant organization in the field of services to blind persons of all ages; the American Association of Workers for the Blind, the national professional membership organization in our field; and the Blinded Veterans Association, the national membership organization of the Nation's war-blinded. All three of these national organizations join in urging enactment of the Rehabilitation Act of 1973 as introduced and as expeditiously as possible.

For handicapped Americans, the Vocational Rehabilitation Act ranks with the Education of the Handicapped Act and the Social Security Act as one of the three major pieces of legislation which can make a profound difference in their lives. As important as all other programs to benefit the handicapped may be, they are still ancillary to the three vital laws to assure basic income maintenance, basic education, and training for independent living and competitive employment as well as placement in a job. The improvements in rehabilitation programs for the disabled made by the Rehabilitation Act of 1973 have the potential for making these programs truly effective in reaching and restoring the Nation's severely handicapped to independent living and genuinely gainful employment.

The three organizations I am representing joined with the American Council of the Blind, the National Council of State Agencies for the Blind, and the National Federation of the Blind in developing proposals for improvements in these programs which have been embodied in the Rehabilitation Act of 1973. These include provisions for rehabilitation services for older blind persons, priorities in services to severely handicapped individuals, increased funding for construction and operation of the National Center for Deaf-Blind Youths and Adults, and increased funding for the basic grant programs under the Act.

The target program to provide rehabilitation services for older blind persons will assure a too long-neglected group of urgently needed services which will make it possible for these individuals to function independently in their own homes instead of having to be institutionalized. For the elderly blind person who chooses to live in a home for the aged or who requires nursing home care, enactment of this legislation can mean full participation in the social, recreation, and other program activities of the institution instead of virtual imprisonment in his room. We have even heard of instances where institutionalized elderly blind persons have been forced to stay in bed because of needless ignorance and anxiety of both the blind individual and institution personnel—ignorance and anxiety which could be readily eliminated by this program.

Enactment of this legislation will fill the most serious gap which exists today in services to the largest group of blind persons in our country—provision of training to blind persons over 55 in basic skills which every blind person must acquire in order to function as independently as possible and minimize the handicapping effects of blindness. Acquiring these basic skills means learning how to perform without sight a variety of ordinary, everyday tasks, such as walking, personal grooming, writing, reading, dialing a telephone, eating, cooking, sewing, home management, and the like which sighted people take for granted because they do them without any special effort. Learning these skills is essential to a blind person for successful accomplishment in school and vocational rehabilitation programs, in a job, and in daily living.

Fortunately, as a result of federally assisted programs, basic nonmedical rehabilitation of the blind in the United States is a well-defined process which utilizes the skills of a variety of professions. These basic rehabilitation services are becoming increasingly available to blind children in elementary and secondary schools. They are readily available for blind persons accepted by state agencies for vocational rehabilitation. But unfortunately, very few blind persons over 55 receive basic rehabilitation services unless they are provided as part of a vocational rehabilitation program, and the number of blind persons over 55 accepted for vocational rehabilitation decreases in direct proportion to their increase in age. The bill you are considering will make these services available to blind persons over 55, a number of whom will then be able to move into vocational rehabilitation programs leading to gainful employment.

The leading causes of blindness in the United States—glaucoma, senile cataracts, diabetic retinopathy, and macular degeneration—are conditions which principally affect people over 40. In addition, blindness is sometimes caused by cardiovascular diseases, such as arteriosclerosis, hypertension, and stroke, as well as other conditions which frequently accompany the aging process. Since the prevalence of blindness in the United States in the light of current scientific knowledge is a function of population growth, we can expect that the number of older blind persons will increase as the number of older persons in the population increases. The most effective way of assuring essential basic nonmedical rehabilitation services to older blind persons is enactment of the target program contained in the Rehabilitation Act of 1973.

For a number of years, it has become increasingly apparent that the federal-state vocational rehabilitation program is not fulfilling its promise of restoration to genuinely gainful employment for the Nation's severely handicapped citizens. According to the National Center for Social Statistics of the Department of Health, Education, and Welfare, the number of public assistance recipients of aid to the permanently and totally disabled under Title XIV of the Social Security Act has more than tripled in the past 14 years from 311,000 in 1958 to 1,136,000 in 1972. This has been the most rapidly growing adult welfare category, exceeded in growth rate only by aid to families with dependent children.

Too many severely handicapped individuals who are capable of genuinely gainful employment in regular industry and business are still in sheltered workshops, where they are paid substantially less than the minimum wage and are deprived of ordinary fringe benefits. More intensive efforts by rehabilitation workers could open better job opportunities for these individuals. The Rehabilitation Act of 1973 is a bill whose provisions can achieve this overdue objective. This bill will result in expansion of the total program and refocus priorities to make sure that the blind, deaf, deaf-blind, mentally retarded, cerebral palsied, multiple amputees, paraplegics, and others with severe handicaps are given the services they need.

With regard to the National Center for Deaf-Blind Youths and Adults, we considered the legislation in 1967 which provided for its establishment and operation as a milestone in meeting the need for highly specialized training and services of these too long-neglected, doubly handicapped individuals. Experience has shown that too many deaf-blind persons have been needlessly institutionalized as mentally retarded when proper training could have resulted in their restoration to normal patterns of living and even gainful employment. Unfortunately, adequate financing for the construction of the Center has not yet been provided. The provisions in the Rehabilitation Act of 1973 specifically authorize the additional funds which will be required for the construction of the Center and progressively increase the authorization for its operation, so that it will be able to serve more deaf-blind individuals than are presently being served in any rehabilitation program in the country.

The provisions in the bill you are considering for the establishment of an Office for the Handicapped in the Department of Health, Education, and Welfare are also significant for the development of improved services to handicapped individuals, their families, and professional workers involved in all aspects of service programs. An Office for the Handicapped in the Office of the Secretary can serve as an effective focal point for fostering coordination of departmentwide activities for handicapped persons which are being carried out by every constituent agency and several special committees. In addition, the national information and resource role this Office will play will be of invaluable assistance.

The Rehabilitation Act of 1973 is one of the most important pieces of legislation for the Nation's disabled to be processed by the Congress. Therefore, we were shocked when the President vetoed H.R. 8395, the Rehabilitation Act of 1972, an identical bill developed cooperatively by the Senate and the House of Representatives of every major national organization concerned with programs for the handicapped were given an opportunity to describe unmet needs and recommend ways of meeting those needs. The vetoed bill represented the best thinking of a variety of authorities for needed improvements in existing rehabilitation programs, establishment of several new target programs to meet specific needs, and increased authorization of financing to make all of the improvements possible.

Although the President's Message of Disapproval stated that the bill would jeopardize the goals of the vocational rehabilitation program and divert it from its basic vocational objectives, the bill would in fact enhance the vocational goals of the program by assuring basic rehabilitation services to individuals previously not served at all, so that many of them would have an opportunity to enter vocational training and become gainfully employed, taxpaying citizens. It would make

it unnecessary for these individuals to become welfare recipients, would free for gainful employment family members otherwise needed to take care of untrained, dependent handicapped individuals, and greatly minimize the need for costly institutionalization. The history of the vocational rehabilitation program under existing law has already demonstrated its value in both human and financial terms of removing dependency of handicapped individuals and harnessing their skills in the productive life of the country. The pending legislation will increase the value of the program by making it available to many more individuals and will prove that funds appropriated to implement it are investments in strengthening our society.

With regard to the criticism that the bill authorizes programs which are essentially medical in character, it should be pointed out that prevention, correction, and amelioration of disability are the major first steps in a sound national rehabilitation policy to make it possible for every American to reach his maximum potential as an individual contributing to the national well-being. More effective programs to prevent, correct, and ameliorate disability in early childhood would eliminate the need for costlier education and rehabilitation services to children and adults.

The criticism that the legislation "would proliferate a host of narrow categorical programs" is not a valid one. These so-called categorical programs should be referred to as target programs designed to meet the special needs of groups of individuals who have been too long neglected to the detriment of themselves, their families, their communities and the Nation. The history of services to special handicapped groups in our population has demonstrated that they are too frequently inadequately served unless there is a target program specifically designed to meet their specialized needs.

The key to effective service to any group is the effectiveness of its administration structure. The legislation would assure the type of organizational structure which would make it possible for the best interests of handicapped individuals to be served. With regard to criticism of the various committees and commissions established by the legislation, it must be remembered that their establishment is dictated by the need to assure effective implementation of their respective responsibilities. Without them, very little has been accomplished in the past; and there is no reason to believe that more would be accomplished unless they are statutorily established.

Of all of the various federally-assisted human services programs, rehabilitation programs for the disabled have demonstrated their value. We believe that the program has come of age and is ready for the increased financing which would make it possible for it to reach and serve the substantial backlog of unserved handicapped individuals who can be restored to the work force of the Nation.

In conclusion, Mr. Chairman, we urge this Subcommittee and the full Committee to take prompt action on the Rehabilitation Act of 1973 as introduced. We hope that the Senate and the House of Representatives will send this legislation to the President as soon as practicable. We hope that the President will approve the bill this time, since it has the promise—more than most legislation in the human services area—of assuring handicapped individuals of an opportunity to earn their own way and live normal lives in the best American tradition.

STATEMENT RE H.R. 17—REHABILITATION AMENDMENTS OF 1973 WITH PARTICULAR REFERENCE TO CONSTRUCTION AND OPERATING FUNDS FOR THE NATIONAL CENTER FOR DEAF-BLIND YOUTHS AND ADULTS BY PETER J. SALMON, LL.D., ADMINISTRATIVE VICE PRESIDENT, THE INDUSTRIAL HOME FOR THE BLIND, AND DIRECTOR NATIONAL CENTER FOR DEAF-BLIND YOUTHS AND ADULTS, NEW HYDE PARK, N.Y.

Congressman Brademas and Members of the Subcommittee: For clarification, may I say that I am Peter J. Salmon, Director of the National Center for Deaf-Blind Youths and Adults at New Hyde Park, Long Island. I am also closely identified with the American Foundation for the Blind as a Trustee, the Blinded Veterans' Association as an adviser, and the American Association of Workers for the Blind as chairman of its legislative committee. Mr. Irvin P. Schloss, who is also identified with these organizations and is co-chairman of the legislative committee of the American Association of Workers for the Blind, has presented a written statement relative to H.R. 17, the Rehabilitation Amendments of 1973. I concur in the statement that has been presented by Mr. Schloss in its entirety.

To conserve the time of the Committee, I am confining this statement to the operating and construction needs of the National Center for Deaf-Blind

Youths and Adults. We made a full presentation of these needs when the 1972 Amendments to the Rehabilitation Act (H.R. 8395) were being considered. A comprehensive statement of our presentation is contained in the report of *Hearings before the Subcommittee on the Handicapped of the Committee on Labor and Public Welfare, United States Senate, Ninety-Second Congress, Second Session, on H.R. 8395, Part 2* (June 2 and 6, 1972), page 1423. In addition the direct reference is made to the operating and construction needs of the National Center in the Conference Report (Report No. 92-1581) which Mr. Perkins, from the committee of conference submitted to accompany H.R. 8395, on page 67. There is a typographical error which we call to the attention of the Committee, where the operating needs of the National Center are spelled out on page 67 in this Conference Report, under *National Center for Deaf-Blind Youths and Adults*, line 7, the amount for FY 1975 should be \$2,000,000., not \$200,000.

Mr. Chairman and members of the Subcommittee, to refresh your memory, we made an urgent appeal for operating funds as follows: \$800,000. for FY 1973; \$1,200,000. for FY 1974; and \$2,000,000. for FY 1975; and for construction funds of \$5,000,000. These were concurred in the Conference Report (92-1581) referred to above, on page 67, as follows

"National Center for Deaf-Blind Youths and Adults—Both the House bill and the Senate amendment contained provisions for a National Center for Deaf-Blind Youths and Adults. The House bill had open ended authorizations for FY 1973, FY 1974, and FY 1975, for this provision. The Senate amendment authorized appropriations of \$5,000,000. for FY 1973 for construction, and \$800,000. for that year for its operation. \$1,200,000. was authorized for FY 1974 and \$2,000,000¹ for FY 1975, for the operation of the center. The conference agreement adopts the Senate authorization figures."

As to the construction, the following statement in Report No. 92-1601, the Conference Report which Mr. Mahon, from the committee of conference, submitted to accompany H.R. 17034, *Making Supplemental Appropriations for the Fiscal Year Ending June 30, 1973, and for Other Purposes*, on page 9, is pertinent:

"Amendment No. 25: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment, which provides that \$5,000,000, for the construction of the National Center for Deaf-Blind Youths and Adults shall remain available until expended."

It is clear that the conferees recognized the urgency of the need for the construction of the Center and made this separate reference to providing the necessary additional funding up to \$5,000,000.

The President's veto of the 1972 Amendments to the Rehabilitation Act (H.R. 8395) results in a very difficult situation in that we had proceeded expeditiously and with the knowledge and consent of the Administration in the development of the plans for the construction of the permanent Center, to be located at Sands Point, Long Island. In the interim our plans have been prepared, and except for a last minute review which is well under way, we can proceed to obtain competitive bids for the construction immediately, and it is estimated that the general contractor can be selected by March 15, 1973. This would permit us to get started on construction in early April, 1973. It is important to mention to you that as of November 30, 1972, we had on hand sufficient funds (\$2,719,402.) to pay all bills for construction up until December 1, 1973. Our dilemma is that it will not be possible, unless a special letter of commitment is received from the Administration, to let bids and make a contract for the construction unless we have all of the necessary money to complete the Center in hand or committed.

Another very important point to bring to you, Mr. Chairman and the members of the Subcommittee, is the fact that the National Center for Deaf-Blind Youths and Adults is a permanent undertaking and it is entirely different from the Research and Training and Research and Demonstration grants, valuable as they are. We feel that the needs of the National Center should be considered on its merits and it should have a separate line in the budget with some assurance of operating funding needs for at least two years, and better, for three years. It is difficult and wasteful to try to conduct a permanent Center and maintain a continuity of operation, including tenure for staff, provision for maintenance costs, and all of the other considerations that go into such an operation, without some assurance of forward funding.

We hesitate to allow ourselves to become emotional and to use any extravagant language or claims as to the desperate need that exists for the building of the

¹ As pointed out above, this was erroneously indicated as \$200,000.

Center as planned and for doing so immediately. The construction industry as customarily occurs, is negotiating for new contracts which, if history in the past repeats itself, will mean additional costs of 12% to 18% per annum. If the program is delayed for six months or a year, a substantial increase in costs would be indicated.

The agencies for the blind, those for the deaf, and those dealing with other handicapped individuals who, from time to time, come in contact with the needs of deaf-blind persons are standing by ready to cooperate fully in this undertaking on behalf of deaf-blind youths and adults. It is estimated that there are approximately 12,000 deaf-blind children and adults in the United States, about equally divided.

The rubella epidemic of 1964 and 1965, for the first time in history, brought into the world a large number of deaf-blind infants, now estimated at more than 5,000; and they will become teenagers in the next six to eight years, and the responsibility of the National Center for Deaf-Blind Youths and Adults will suddenly have a great demand placed upon it at one time for the planning, with the Office of Education, Bureau for the Education of the Handicapped, and schools and agencies dealing with deaf-blind children, for the rehabilitation goals for these children. The Permanent National Center will deal primarily with the hard core deaf-blind population of youths and adults, but the larger number will be served by cooperative arrangements with the various States, with both public and private agencies who conduct programs of rehabilitation. This cooperation is well advanced, and the National Center has three field offices now operating in Los Angeles, California, Atlanta, Georgia, and Chicago, Illinois, and about April 1, 1973, we will open another regional office in Philadelphia, Pa. If funds are provided and the opportunities for service are expanded, we will be opening additional field offices. In fact, we have a fifth one projected within the next year, to be located in Texas. Through all of these, the Center will serve approximately 500 deaf-blind persons each year. Most of these services, particularly for the hard core deaf-blind persons served by the permanent Center itself, will be based on a one-to-one relationship of staff with the clients. It is the neglect over all of the years with respect to the rehabilitation of deaf-blind persons which has left a void that can only be filled by the development of the program of the National Center for Deaf-Blind Youths and Adults and, in particular, by the construction of the permanent Center.

Many of the deaf-blind persons whom we have been serving at the temporary Center and whom we will be serving in the future, will come to us with no more than a fourth grade education, some with no language at all, some who have been isolated either in their own homes or, worse still, in homes for the mentally retarded or mental institutions. As we have indicated previously, we have taken a number of deaf-blind persons to the Center from mental institutions, and in no instance should they have been there in the first place. This is not a deliberate or cruel action on the part of persons concerned, but primarily a lack of communication as between the deaf-blind persons and those who would try to do "something" for them. We must say frankly that even with the best and the speediest possible resolution of the needs of the National Center for Deaf-Blind Youths and Adults, there will still remain a large number of deaf-blind persons who will never receive service. We have demonstrated clearly, however, that given proper opportunity for evaluation, training, and rehabilitation, deaf-blind persons can function well in respect to their needs of daily living, and many of them can be employed. Presently, the largest number of deaf-blind persons, with our help, have found their best opportunity in workshops, but we have broken the barrier with a number of deaf-blind persons who have been placed in industry, and there are at least a half dozen deaf-blind persons who, in recent years, have been able to enter college and receive their Bachelors or Masters Degree. The large number, however, will be those who will never attain these heights, but whose lives will be immeasurably benefited by the substantial group of services that the National Center is prepared to provide for them, but more than this through the experience we are gaining daily and the recruitment of dedicated persons, professional and non-professional who have chosen this field as their life's work.

Our plea, Mr. Chairman and members of the Subcommittee, is this:

Since the National Center is a permanent concept initiated and agreed upon by the Department of Health, Education, and Welfare, with the strong support of the late beloved Mary E. Switzer, and the lifetime dream of another great lady, the late beloved Helen Keller, we feel that special consideration should be given to the immediacy of the needs for going ahead with this program for the National Center that over the years will gradually build up services that will become more and more adequate as the years go by. We have had the full support and interest

of the Members of Congress, all of those in the field of work for the blind and the organizations of blind persons as well as allied fields of endeavor. We feel that notwithstanding the overall concern of the President of the United States for carrying out a program that he feels is in the best interest of our citizens, that he couldn't possibly, if it were forcibly brought to his attention, allow deaf-blind persons to languish any longer without a special emergency approach to moving ahead and doing so immediately.

In summary, Mr. Chairman and members of the subcommittee, what we need is to have some special consideration by the person in authority in HEW, with the cooperation of the Office of Budget Management, to take special notice of the need for the immediate construction of the Permanent National Center for deaf-blind youths and adults, utilizing the available funds for the beginning of construction and providing, as needed, the sums up to \$5,000,000. So that the construction can move ahead. It is not necessary that the whole \$5,000,000 be expended in any one year.

We estimate that it will take about 21 months, barring any undue stoppage of construction through strikes or otherwise, to complete the center, so that the \$5,000,000 can be spread over the intervening period of construction, keeping in mind the fact that we do have sufficient funds to carry through until december 1, 1973¹.

The fact that this committee has taken prompt action for consideration of H.R. 17, the rehabilitation amendments of 1973, gives us renewed hope that some arrangement will be made promptly to permit us to go forward with the building of the Permanent National Center without any further delay.

Thank you.

DECEMBER 8, 1972.

Dr. JAMES F. GARRETT,
Assistant Administrator, Research and Demonstrations, Social and Rehabilitation Service, Department of Health, Education, and Welfare, Washington, D.C.

DEAR DR. GARRETT: After the 1972 Amendments to the Rehabilitation Act were passed by Congress, and prior to the veto by the President, Dr. Fenton was in touch with me concerning possible cash requirements for the construction of the National Center. I understood that he was working with the Budget people.

Immediately after the veto, I had a call from Administrator John Twiname, who had a number of matters to discuss, one of which we touched on was the funding requirements for the Center. I told him that I had had some contact with Dr. Fenton on this, and he said it would be well then to continue to discuss the matter with Dr. Fenton and with you.

I immediately requested our architects, Frederic P. Wiedersum Associates, to prepare schedules for cash requirements. These have just become available and are attached. One, you will note, is entitled, "Estimated Cash Flow Schedule," and the other, "Supplement to Estimated Cash Flow Schedule." You will notice that the Supplement to Estimated Cash Flow Schedule has pertinent comments and also gives the amount of available funds for the construction of the Center, including architect's fees. I am attaching several copies in case you wish to distribute some, and I would request that you send copy to John Twiname.

Our understanding is that no contract can be made for construction of the National Center unless funds are available. I am not sure whether this means cash in hand or a commitment from Social and Rehabilitation Service that the funds for the construction will be available as needed.

I am looking forward to the pleasure of seeing you on Thursday, Dec. 14, at 9:39 A.M. in your office.

With all best wishes and thanks for so much needed cooperation, especially in connection with the funding requirements for the National Center.

Sincerely yours,

PETER J. SALMON,
Administrative Vice President.

¹ I am attaching hereto letter dated December 8, 1972, to Dr. James F. Garrett, Assistant Administrator, Research and Demonstrations, Social and Rehabilitation Service, Department of Health, Education, and Welfare, together with "Estimated Cash Flow Schedule" and "Supplement to Estimated Cash Flow Schedule."

NOTE.—I am enclosing for the record copy of a telegram which we sent on January 17, 1973, to Secretary Richardson, with copies to Dr. James F. Garrett and Mr. John Twiname.

ESTIMATED CASH FLOW SCHEDULE

NATIONAL CENTER FOR DEAF-BLIND YOUTHS AND ADULTS, SANDS POINT, N.Y.

General	Heating and ventilating	Plumbing and sanitary	Electrical	Total
\$158,000	\$6,925	\$6,160		\$171,085
171,000	1,760	33,000		230,760
194,000	6,600	36,000	\$25,000	261,600
234,000	2,100	27,030	25,000	288,160
294,000	62,000	31,000	25,000	412,000
234,000	9,700	29,033	50,000	322,700
350,000	30,000	33,000	50,000	463,000
329,000	42,000	34,000	50,000	455,000
246,000	43,000	35,000	50,000	374,000
218,000	49,000	33,000	50,000	350,000
297,000	49,000	33,000	50,000	429,000
295,000	64,000	33,000	55,000	447,000
246,000	70,030	37,000	55,000	408,000
134,000	64,000	35,000	55,000	288,000
130,000	59,000	30,000	50,000	269,000
120,000	60,000	30,000	55,000	265,000
121,000	56,000	35,000	55,000	267,000
96,000	39,000	29,000	55,000	219,000
75,000	21,000	30,000	55,000	181,000
73,000	16,000	29,000	55,000	173,000
64,100	19,000	29,000	55,000	167,100
	9,885	16,554	50,000	76,439
		14,056	28,160	42,216
4,079,100	779,970	677,770	1,023,160	6,560,000

Supplement to estimated cash flow schedule

NOTE.—Funds available for construction as of November 30, 1972: \$2,719,402.

Architects' fees:

2 months prior to commencement of construction	\$164,000
1 month prior to commencement of construction	20,500
3 months after commencement of construction	7,800
6 months after commencement of construction	12,800
9 months after commencement of construction	16,200
12 months after commencement of construction	15,300
15 months after commencement of construction	12,100
18 months after commencement of construction	9,300
21 months after commencement of construction	6,700
23 months after commencement of construction	1,800

Total	266,500
Fees paid prior to November 30, 1972	143,500

Total architects' fees \$410,000

NOTE.—Drawings of the final design and specifications were delivered during the week of December 4th. They are being reviewed by the Regional Engineer of DHEW, Region II, and his staff, two members of the Committee of the Board of Trustees of the IHB concerned with the construction of the National Center (one of these is a retired architect and the other is a construction contractor), and the Director and the Associate Director of the National Center. Some time next month, we will meet with the Committee of the IHB Board, the DHEW Regional Engineer and our architects for a final review and approval of the design and specifications for the construction of the National Center. Bids should be ready to be sent out by February 1st and we hope to be able to sign a construction contract in time for construction to begin early in April.

We have been advised that a number of construction unions' contracts will be negotiated during the first six months of the year and that the earlier we can complete our construction contract, the better are its terms likely to be. In addition, the development of our direct service and research programs will be dependent to a very large extent on the time required to make adequate facilities available for them.

Approximately \$2,500, per month, beginning with the first month of construction, should be added to the Estimated Cash Flow Schedule for construction and architectural service to cover the salaries of a clerk-of-the-works and his assistant. The estimated Cash Flow Schedule does not include allowances for construction contingencies (\$300,000, have been budgeted for such contingencies) but we may reasonably expect that the approximately \$2,719,000, now available to the National Center for construction purposes are sufficient to meet cash requirements through November, 1973.

Expenditures of an estimated \$420,000, for furniture and equipment, possible expenditures for project contingencies unrelated to construction and other relatively small expenditures are not likely to be required until near the end of or following the estimated 23 month construction period.

[TELEGRAM]

JANUARY 17, 1973.

HON. ELLIOT RICHARDSON,
Secretary, U.S. Department of Health, Education & Welfare, Washington, D.C.:

Dr. JAMES GARRETT,
U.S. Department of Health, Education & Welfare, Washington, D.C.:

Mr. JOHN TWINAME,
U.S. Department of Health, Education & Welfare, Washington, D.C.:

Only the urgency of the following situation would prompt me to address you at this time when I know you are extremely busy. I purposely avoided involving you up to now because John Twiname and Dr. Garrett are apprized of situation and doing everything they can to try to resolve our problem. They have full and up-to-date information relating to the \$5,000,000 for construction of the National Center for Deaf-Blind Youths and Adults especially earmarked by Congress in 1972 rehab amendments vetoed by the President. Since the center is a permanent undertaking and since there is no opposition to it and taking into account that we are ready to proceed immediately with the letting of bids and delay would be costly we firmly believe that a representation to the President by outgoing and incoming Secretaries would resolve this problem promptly. It was as you said in your fine tribute to Mary Switzer yesterday, one of her great achievements; also in last will and testament the late beloved Helen Keller asked me to carry on her life-time dream for the deaf-blind. We have sufficient funds for six months to meet expenses of construction of center. What is needed immediately is the commitment by the Secretary of the five million dollars to be available for the construction. Our prayer is that the President would give the necessary authority to make the five million dollars available since it could not be accomplished even with the special action of the Congress on the basis that it is a permanent program authorized by agreement between DHEW and IHB. Prompt action now for construction of the center and if firm commitment were made within next sixty days we could proceed without any undue delay with the plans for construction. We know we are asking very special consideration but in doing so we are representing the interest of deaf-blind persons who have been waiting for more than one hundred years for a solution to their problem. The National Center will provide this with your continued help.

PETER J. SALMON,
Administrative Vice President, Industrial Home for the Blind.

[From the Congressional Record, May 17, 1972]

THE HANDICAPPED—WILLING AND ABLE WORKERS

HON. PATSY T. MINK OF HAWAII

Mrs. MINK. Mr. Speaker, a young constituent of mine, Wayne Valdez of McKinley High School in Honolulu, recently visited Washington, D.C., to participate in a national convention concerning employment of the handicapped.

Wayne was the winner in Hawaii's "Ability Counts" essay contest sponsored by the Governor's Committee on Employment of the Handicapped. He was awarded the trip to Washington to participate in a national convention on the subject with other statewide winners.

Wayne's winning essay is a perceptive analysis of the special problems which confront the physically handicapped in attempting to find gainful employment. Though a handicapped person may possess all the requisite skills, he is often denied an opportunity merely because of an irrelevant handicap. Wayne also conducted a random survey of the public concerning the attitudes toward handicapped people and found that ignorance and apathy regarding their problems and abilities often prevail.

I applaud Wayne's articulate recognition of the capacities of the handicapped and the awareness that "ability counts" should be the determining factor in hiring these individuals. I would like to share with my colleagues the insights expressed in Wayne Valdez' winning essay:

THE HANDICAPPED—WILLING AND ABLE WORKERS

Daniel Inouye and Mrs. John Burns, well-known Honolulu citizens, have one thing in common, a physical handicap. Senator Inouye lost his left arm in World War II, but has represented Hawaii in the United States Congress almost since

Statehood. Mrs. Burns, the First Lady of Hawaii, is confined to a wheelchair since a bout with polio, but has headed numerous charity drives. But what about the less famous people who are handicapped? Are they leading successful, productive lives? How do the handicapped feel about their disability?

I have found the answers to these and other questions that apply to the physically handicapped in Hawaii. I have arrived at a general definition of a handicapped person from the data I compiled. A handicapped person is one who, because of certain physical disabilities, has had to make major readjustments in life. Handicapped people usually experience a sense of alienation because they know they are different and are afraid of being rejected by others. But they are human beings who want to and can lead normal lives.

There are about 100,000 physically handicapped people in Hawaii. Most of them are not receiving any kind of aid from a rehabilitation center although there are 138 organizations that offer rehabilitative services that are usually free.

An organization offering a good rehabilitation program is the Goodwill Industry of Honolulu, Inc. Its main purpose is to provide vocational training and paid job experience that will eventually give the handicapped person more self-confidence. This rehabilitation enables them to seek jobs never before open to them; it nurtures independence.

The handicapped with vocational training would be no better off if Hawaii's employers are not aware of their potential or are prejudiced against them. If employers can accommodate the handicapped, provide work for them, they will surely find the handicapped just as efficient if not more efficient than normal employees. The requirements of some jobs do not demand the full array of senses; Lyle McQuary a letterpressman at the Sturgis Print Company in Honolulu is deaf; his job does not require hearing.

The handicapped must also make emotional adjustments. An interview with Mrs. Mildred O., a secretary at a Goodwill Industry office in Honolulu showed me she did not feel handicapped. Despite an artificial left arm, she has a job and says she leads "a normal life." She also feels that the public is not aware of her abilities or they might "give some sympathy."

Mr. Donald I., a proprietor of a concession stand at Honolulu International Airport, feels that his blindness does not hamper him in his work. He knows the monetary units by size and texture, but depends on the customers' honesty to a certain extent. When asked if the public seemed sympathetic towards him, he said, "I just know what I hear and I can't tell from that."

Mr. Henry K., is confined to a wheelchair, but he has a job with a Honolulu reality company's accounting department. He does not feel handicapped because he has a Master's Degree in accounting and feels he is as qualified as anyone. He also commented that he learned to accept sympathy as unavoidable.

These people and many others have learned to accept their handicap. They have gained self-confidence and are capable of doing efficient work. But is the public aware of their capabilities?

I conducted a poll selecting 50 people at random at the Ala Moana Shopping Center. First, I asked, "Who are the physically handicapped?" The general response was "I don't know" or "People who can't work." Second, "Are you aware of the rehabilitation services offered in our state?" The answers were, for 100 per cent, "No." The last question was "Do you think the handicapped are capable of competing with non-handicapped people for the same job?" The answers varied from "Yes, depending on the job" to "No, they're hopeless."

Although a general conclusion cannot be drawn from this survey, I cannot help but feel that if this is a sample of the public awareness of the handicapped, the attitude of the majority in the community must be apathetic. The image of the handicapped seems to be one of a helpless individual. Until the public changes its apathy to concern, the citizens can be of little help in meeting the needs of the handicapped.

I feel that the public of Hawaii has much to learn. The people must first become interested and enthusiastic in order to give the handicapped equal job opportunities and the recognition they deserve for their accomplishments in various fields of labor. Once the community is alerted and awakened much help can be directed toward a better happier life for the handicapped person.

TESTIMONY BY MRS. GLORIA WRIGHT, COMMITTEE ON GOVERNMENTAL AFFAIRS,
NATIONAL ASSOCIATION FOR RETARDED CHILDREN

Mr. CHAIRMAN, The National Association For Retarded Children appreciates the opportunity to present this statement in support of the Vocational Rehabilitation Act pending before your Committee.

Our Association was represented before the Labor and Public Welfare Committee last year when Mr. Milton Ferris presented testimony on behalf of the pending Vocational Rehabilitation legislation. We also supported the bill which subsequently was reported by a Conference of the Senate and House and passed unanimously by both bodies.

We wish to state at the outset of this testimony that we continue to support the Rehabilitation Act as it passed in the 92nd Congress.

In 1965 the Labor Department endorsed the estimate that only 3% of the six and one-half million retarded are estimated to be incapable of some form of productive work efforts under present conditions. And yet, in its testimony last year the Administration presented data indicating that less than one percent of the current Vocational Rehabilitation caseload is severely handicapped by mental retardation.

Under present law there is a presumption in the rehabilitation field that if a counselor does not close a case into employment he has not succeeded and has not benefited a client. For this reason there is a tendency to "play it safe" by creaming off the least handicapped and excluding or bypassing the more handicapped from the service system. The Bill pending before your Committee would go far toward eliminating the premature rejection of applicants who could benefit from rehabilitation services by directing the state agencies to give priority to serving "those individuals with the most severe handicaps" in their basic vocational rehabilitation program.

The 250,000 members of The National Association For Retarded Children viewed this provision as one of the most significant steps toward habilitation of retarded clients since 1954 when mentally retarded people first began to receive significant services under the Vocational Rehabilitation program. Moreover, we believe the provision to be the beginning of accomplishing the real intent of Congress in this law which is to prepare citizens, even those with severe handicaps, for gainful employment.

Additionally, the National Association For Retarded Children is most supportive of the provision in the Conference Bill concerned with non-vocational services. Presently, the burden of proof is on the applicant to demonstrate that he has an employment potential in order to benefit from the array of rehabilitation services. We view this as an inequity to those severely handicapped individuals who could and should benefit from those services.

We have long contended that the severely handicapped should have access to a comprehensive rehabilitation program through which both "vocational" and "supplementary" rehabilitation services are made available according to the client's needs.

In no way do we see the legislation before you diverting the vocational rehabilitation program from its basic vocational objectives. To the contrary we believe passage of this Act would signify the real breakthrough that Congress has been striving for since the inception of the concept of using vocational rehabilitation to enable citizens to lead more meaningful and productive lives in our society.

On November 16, 1971, President Nixon made a commitment to return one-third of the 200,000 people now in public institutions to community life. Neither those citizens, nor those hundreds of thousands who are already in the community, but who are being excluded from vocational rehabilitation programs, will ever become employed citizens until the present vocational rehabilitation law is modernized and ceases to discriminate against the severely retarded.

To say more would be repetitive of our testimony before the last Congress which we respectfully call to your attention.

In closing we are confident that it is not necessary to point out that the present Act has already been extended by continuing resolution twice. The National Association For Retarded Children considers passage of this law at the earliest possible date to be imperative. Vocational Rehabilitation programs across the country are in turmoil. Programs are operating on the basis of the continuing resolution at levels of expenditure not to exceed the 1972 fiscal year rate. This is causing havoc, particularly since the grantees had been informed by HEW last year that they might spend at the rate of the President's recommendations which was the amount of the supplemental appropriation bill. Now, the Administration says that they cannot utilize the supplemental funds because the bill for which the funds were appropriated was vetoed. This dilemma has brought programs across the country to a standstill at the expense of hundreds of thousands of handicapped citizens. We urge that your committee report this bill for the earliest possible consideration by the Congress.

