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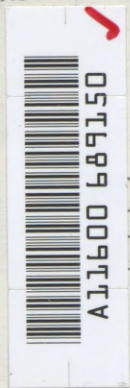
# NOMINATIONS

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## HEARING BEFORE THE COMMITTEE ON LABOR AND PUBLIC WELFARE UNITED STATES SENATE

NINETY-THIRD CONGRESS  
SECOND SESSION

ON

TERRELL H. BELL, PH. D., OF UTAH, TO BE COMMISSIONER  
OF EDUCATION

AND

VIRGINIA Y. TROTTER, PH. D., OF NEBRASKA, TO BE AN  
ASSISTANT SECRETARY FOR EDUCATION, DEPARTMENT  
OF HEALTH, EDUCATION, AND WELFARE

MAY 22, 1974

Printed for the use of the Committee on Labor and Public Welfare



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(II)

## NOMINATIONS

WEDNESDAY, MAY 22, 1974

U.S. SENATE,  
COMMITTEE ON LABOR AND PUBLIC WELFARE,  
*Washington, D.C.*

The committee met at 10:15 a.m. in room 4232, Dirksen Senate Office Building, Hon. Harrison A. Williams, Jr., chairman of the committee, presiding.

Present: Senators Cranston, Javits, and Taft.

The CHAIRMAN. The Committee on Labor and Public Welfare hearing will come to order.

Our meeting this morning is to hear testimony with respect to nominations that have been submitted to the Senate for confirmation.

First we will have Dr. Terrell H. Bell who has been named to the position of Commissioner of Education.

Senator Wallace F. Bennett of Utah is recognized.

### STATEMENT OF HON. WALLACE F. BENNETT, A U.S. SENATOR FROM THE STATE OF UTAH

Senator BENNETT. Thank you very much, Senator Williams.

It gives me great pleasure today to introduce my good friend, Dr. Ted Bell of Salt Lake City, who has been nominated by the President to the post of U.S. Commissioner of Education.

Dr. Bell is probably already familiar to most of the members of the committee. He served in the Office of Education for 18 months beginning in April 1970, until September 1971, holding various positions including Acting Commissioner of Education, Deputy Commissioner, and Acting Commissioner in charge of regional offices.

Since September 1971, Dr. Bell has been superintendent of the Granite School District in Salt Lake County, which is Utah's largest school district. Prior to that he served for 7 years as Utah State Superintendent of Public Instruction and executive officer for the State board of vocational education. He served for 1 year as associate professor and chairman of Utah State University's Department of Educational Administration, and for 5 years as superintendent of Weber County Schools in Ogden, Utah. Dr. Bell has also been superintendent of two other school districts in Wyoming and Idaho.

He received his bachelor of arts degree from the Southern Idaho College of Education, his master's degree from the University of Idaho, and his doctorate in educational administration from the University of Utah. He has studied at Stanford University and Georgetown University, and was a Ford Foundation fellow.

As you can see, Dr. Bell brings a wealth of professional experience and knowledge to the Nation's No. 1 education job. He has earned the highest respect in Washington, in my State and around the Nation for his administrative skills. We in Utah will feel a great loss at his departure, but I am pleased that the Federal Government will have a man of his stature directing the Nation's education programs. I am proud and happy to recommend Ted Bell to this committee, and I hope the committee will move quickly to approve this nomination.

Thank you very much.

The CHAIRMAN. We appreciate very much your statement, Senator Bennett.

Senator BENNETT. Now, if you will excuse me, as with most of my colleagues, I have to move on to another committee.

The CHAIRMAN. Thank you very, very much.

We will now receive for the record the statement of Senator Moss who wished to attend but was unavoidably detained on another matter.

**PREPARED STATEMENT OF HON. FRANK E. MOSS, A U.S. SENATOR  
FROM THE STATE OF UTAH**

Senator Moss. I would like to add my support to this nomination and urge every favorable consideration for the appointment of Dr. Bell as U.S. Commissioner of Education. I have been acquainted with Terrel H. Bell through his many long years of service to the education community in the State of Utah where he has served as Superintendent of two major school districts—the Weber County School District and the Granite School District, both of which prospered under his effective leadership. He also served as the Utah State Superintendent of Public Instruction and executive officer of the State Board for Vocational Education from 1963 to 1970, a particularly difficult period of rapid growth and expansion in the Utah State school system. Under his able leadership and implementation, both the public school system and the vocational school system in the State of Utah achieved national stature and recognition as educational institutions. Thanks in great part to Dr. Bell, the public school children in the State of Utah are receiving educational instruction which is consistently considered to be above the national average of instruction. Dr. Bell has been a continuous innovator and an indefatigable administrator. Little can be said that would add to his illustrious record of achievement which stands as an inspiration to all educators. He is a man who began as a rural school teacher and because of his aspirations and ideals has proven himself to be truly exceptional in a profession of public service.

I also have had the pleasure of being personally acquainted with Ted Bell, the man, for more than 10 years and would certainly hope to be counted as one of his many friends. My relationship with him has been an extremely fruitful one in which I have found him unquestionably to be a person of the highest character and integrity. He is a man who dedicates himself to the service of the betterment of his profession.

With Dr. Bell as Commissioner of Education, I am sure that we can look forward to new concepts in education management, teacher requirements and school programs at all levels, including post and preschool education. This Nation can be assured that the personal background and the record of Dr. Bell in his service to the State of Utah will be continued in service to the United States. We can look forward to new ties between the community, the school, and the family and, ultimately, better use of educational funds under his able direction and administration.

Again, I urge the favorable recommendation of the Committee on Labor and Public Welfare for the appointment of Terrel H. Bell as U.S. Commissioner of Education.

The CHAIRMAN. I wonder, Dr. Bell, if you would mind if we heard Senator Hruska, who is here to introduce Dr. Virginia Trotter, who has been nominated to be Assistant Secretary for Education of the Department of Health, Education, and Welfare.

**STATEMENT OF HON. ROMAN L. HRUSKA, A U.S. SENATOR FROM  
THE STATE OF NEBRASKA**

Senator HRUSKA. Thank you very much, Mr. Chairman, and with me is Congressman Thone from the First Congressional District of Nebraska, of which Ms. Trotter is a resident and constituent.

Mr. Chairman, thank you very much for giving me this opportunity to introduce a very fine lady from the University of Nebraska, Dr. Virginia Trotter.

She has been nominated, as you indicated, to be Assistant Secretary for Education of the Department of Health, Education, and Welfare. Dr. Trotter is certainly well qualified for this position.

In 1972 she became the first woman in the Nation to assume two administrative posts in a large multipurpose land grant university. At that time she became vice chancellor for academic affairs for the University of Nebraska at Lincoln, Nebr. In addition to her administrative jobs she also holds a professorship in education and family resources.

Although not a native of the State of Nebraska, Dr. Trotter has spent much of her academic career in the State. She was born in Boise, Idaho, and received her bachelor and master's degree from Kansas University, and her doctorate from Ohio State University.

She began her teaching career in 1948 at the University of Utah, and in 1950 first joined the faculty of the University of Nebraska at Lincoln. There she held a teaching and research appointment as assistant professor and head of the family economics and management division of the department of home economics.

In 1955 she went to the University of Vermont to be assistant to the dean of agriculture and home economics, and was chairman of the home economics department. She returned to the University of Nebraska in 1963 as Associate Dean of the College of Agriculture and Home Economics. In addition she was director of the school of home economics, associate director of the experiment station, and professor of family economics.

In 1970 she was responsible for the school of economics becoming a college, and became its first dean. She continued to hold several other administrative positions in related fields.

Dr. Trotter's special interests include the quality of family living, the welfare of the consumer, rehabilitation of the handicapped and emotionally disturbed and mentally retarded. She is highly regarded as an administrator generally in the field of education and especially in our State.

We will be sorry to lose her great ability. However, she is going to a position where the entire Nation will be able to profit from her education, her experience, and her outstanding talents.

Mr. Chairman, my colleague, Senator Curtis, was called to the Committee on Agriculture to preside over the testimony that was to be given. He wanted to express his very keen interest in this nomination, and his full and unqualified support of it.

Congressman Thone is here to speak for himself.

The CHAIRMAN. Thank you very much, Senator Hruska.  
Congressman Thone.

#### STATEMENT OF HON. CHARLES THONE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEBRASKA

Mr. THONE. Senator, I have the privilege to represent Nebraska's First Congressional District which includes the University of Nebraska in Lincoln. I am here to endorse Dr. Virginia Trotter who is well qualified for the highest educational post in the Nation.

Dr. Trotter has served the University of Nebraska since 1950. She was director of the university school of economics, and when her leadership helped bring about that school's evaluation to a college, she was named dean. In 1972 Dr. Trotter was named vice chancellor. She is the first woman to achieve that high position in a land grant university.

Dr. Trotter is amply qualified. She is an extremely competent academician and at the university she proved to be an excellent administrator. She is a person of quality, she has wide knowledge and a broad outlook. She is dedicated to education.

I believe that Dr. Trotter will be excellent in this position of Assistant Secretary for Education in the Department of Health, Education, and Welfare, and that Dr. Trotter's work in that position will benefit all the areas of education in America.

She has our unqualified support, and we hope that she receives yours.

Thank you, Senator.

The CHAIRMAN. We are grateful for your statement, and it will be helpful to us in speeding this nomination to the Senate for confirmation.

Thank you very much, Senator Hruska, and Congressman Thone.

At this point I wish to include in the record the biographical sketches of the nominees plus the duties of the office for which they were nominated.

[The information referred to follows:]

#### BIOGRAPHICAL SKETCH OF VIRGINIA Y. TROTTER

Virginia Y. Trotter, Vice Chancellor for Academic Affairs at the University of Nebraska-Lincoln, was nominated by President Nixon on April 22, 1974 to be Assistant Secretary for Education in the Department of Health, Education, and

Welfare. Upon confirmation by the Senate she will succeed Sidney P. Marland, Jr. who resigned in late 1973.

In 1972, Dr. Trotter became the first woman in the Nation to assume the number two administrative position in a large multi-purpose land-grant university. In addition to her administrative post, she also holds a professorship in Education and Family Resources.

Born in Boise, Idaho, in 1921, Dr. Trotter attended Kansas State University for both her Bachelor's and Master's degrees. She received her Doctorate from Ohio State University in 1959.

Dr. Trotter's teaching career began in 1948 at the University of Utah, where she served as Instructor and Director of the Home Management Laboratory. In 1950 she joined the faculty of the University of Nebraska-Lincoln as Assistant Professor and Head of the Family Economics and Management Division of the Department of Home Economics, a research and teaching appointment she held until 1955.

The University of Vermont became Dr. Trotter's home from 1955 until 1963. There, as Assistant to the Dean of Agriculture and Home Economics and Chairman of the Home Economics Department, she was responsible for teaching, research and extension programs.

Returning to Lincoln, Nebraska in 1963, Dr. Trotter was appointed Associate Dean of the College of Agriculture and Home Economics at the University. In addition to this administrative position she was Director of the School of Home Economics, Associate Director of the Experiment Station, and Professor of Family Economics.

In 1970, Dr. Trotter was responsible for the School of Home Economics becoming the College of Home Economics and became its first Dean. She retained her positions as Associate Director of the Agricultural Experiment Station and Professor of Education and Family Resources, while taking on added responsibility as Associate Director of the Cooperative Extension Service. As such, she was responsible for teaching, research, and extension programs in the Departments of Education and Family Resources, Food and Nutrition, Human Development and the Family, and Textiles, Clothing and Design. In addition, her responsibilities included appointments on a number of university policy committees.

Dr. Trotter has served on many national and state committees, including the President's Committee on Employment of the Handicapped, the Nebraska Governor's Commission for Status of Women, as president of the Nebraska Home Economics Association, and as chairman of several American Home Economics Association committees. She is currently Co-Chairman of the USDA Human Nutrition Research Task Force, a public member of the National Advertising Review Board, and a member of the Nebraska Governor's Committee for Employment of the Handicapped.

Universities in the United States and abroad have consulted Dr. Trotter in their efforts to establish or improve nutrition and family life program. She has advised such institutions as the Universities of West Virginia and Minnesota; Hacettepe and Ankara Universities in Turkey; the United States AID Mission in Columbia, South America; and the Greater Anchorage Schools in Anchorage, Alaska.

Dr. Trotter, author of numerous journal articles and bulletins in her field, has special interest and concern for the quality of family living, the welfare of the consumer, the rehabilitation of the handicapped, emotionally disturbed, and mentally retarded, and for today's woman in our changing world.

In May 1973, Dr. Trotter was awarded an honorary degree from Kansas State University. She received a Distinguished Service Award from The Ohio State University and the Melvin McArtor Distinguished Service Award for outstanding contributions to rehabilitation in Nebraska in 1971. She also has been honored as a distinguished professor by the Cornhusker Yearbook.

She is a member of Omicron Nu, Phi Upsilon Omicron, Mortar Board and Sigma Xi honoraries and Altrusa International and is listed in Who's Who in Education, Who's Who among American Women and Who's Who in American Education.

#### BIOGRAPHICAL SKETCH OF TERREL H. BELL

President Nixon on April 22, 1974 nominated Terrel H. Bell, 52, to be the 21st Commissioner of Education in the 107-year history of the U.S. Office of Education.

Upon confirmation by the Senate, Dr. Bell succeeds John R. Ottina, Commissioner of Education from September 18, 1973, who has been appointed HEW Assistant Secretary for Administration and Management.

Dr. Bell has been Superintendent of the Granite School District, Salt Lake City, since September 1971. From 1970 to 1971 he was with the U.S. Office of Education, serving as Associate Commissioner in charge of Regional Offices, Acting Commissioner of Education (June–December 1970), and Deputy Commissioner for School Systems. From 1963 to 1970 he was Utah State Superintendent of Public Instruction and Executive Officer of the State Board for Vocational Education.

While in Washington, Dr. Bell was instrumental in establishing comparability for Title I of the Elementary and Secondary Education Act—the requirement that Federal funds supplementary rather than supplant State and local funds. He also played a major role in the Office of Education's effort to desegregate, under the Emergency School Assistance Program, some 1,300 school districts in the South.

Born in Lava Hot Springs, Idaho, Dr. Bell received his B.A. degree from Southern Idaho College of Education in 1946, his M.S. from the University of Idaho in 1954, and his doctorate in educational administration from the University of Utah in 1961. He also studied school administration as a Ford Foundation Fellow in 1954–55 at Stanford University.

Dr. Bell began his career in education in 1946 as a science teacher and athletic coach at Eden Rural High School in Eden, Idaho. From 1947 to 1954, he served as Superintendent of the Rockland Valley (Idaho) School District. In 1955 he became Superintendent of Schools in the Star Valley School District, Afton Wyoming, and held this position for the next three years. From 1957 to 1962, he was Superintendent of Schools in the Weber County School District, Ogden, Utah. He was Chairman of the Department of Educational Administration and Professor of Educational Administration at Utah State University from 1962 to 1963.

Dr. Bell holds an honorary Doctorate of Humanities degree from Southern Utah State College. His other honors and awards include: Certificate of Appreciation from the U.S. Office of Education in 1971; Secretary's Special Citation from the U.S. Department of Health, Education, and Welfare in 1970; National Adult Education Outstanding Service Award in 1970; Distinguished Service to American Education Award from the Council of Chief State School Officers in 1970; Utah School Boards Association Distinguished Service Award in 1970, and the Weber County Board of Education designation of a new secondary school as T. H. Bell Junior High School in 1963.

Dr. Bell is a member of the Honor Society of Phi Kappa Phi, and is the author of five published books and numerous articles on educational subjects.

During World War II, Dr. Bell served for 26 months in the Pacific Area and was discharged as a First Sergeant in the U.S. Marine Corps. In 1957 he was married to Betty Ruth Fitzgerald. They have four sons: Mark Fitzgerald, Warren Terrel, Glenn Martin, and Peter Fitzgerald.

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[Excerpt from the U.S. Government Manual, 1974–75]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

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EDUCATION DIVISION

The Education Division was created by the Education Amendments of 1972 which were signed into law on June 23, 1972 (86 Stat. 327; 20 U.S.C. 1221e).

The Education Division, under the direct supervision of the Assistant Secretary for Education who reports to the Secretary, is responsible for coordinating and generally supervising the educational activities of the Department.

The Education Division consists of the Office of the Assistant Secretary for Education, the Office of Education, and the National Institute of Education.

OFFICE OF EDUCATION

The Office of Education was created by act of March 2, 1867 (14 Stat. 434; 20 U.S.C. 1). In 1869 the Office of Education became a part of the Department of the Interior; it was transferred to the Federal Security Agency upon that Agency's creation in 1939; and it became a constituent agency of the Department of Health, Education, and Welfare upon the establishment of that Department in 1953.

The statutory functions of the Office of Education are to collect such statistics and facts as shall show the condition and progress of education, to diffuse such information as shall aid the people of the United States in the establishment and maintenance of efficient school systems, and otherwise to promote the cause of education. Subsequent acts and Executive orders have added related functions, including responsibilities for Federal financial assistance to education and for special studies and programs.

The National Center for Educational Statistics is responsible for developing the statistical program for the Office of Education, for coordinating the information gathering activities for all programs, and for performing special analyses of and disseminating the statistical data so gathered.

#### *Program organizations*

##### *School systems*

The Bureau of School Systems is responsible for administration of a program of grants to State education agencies, local school districts, programs of financial and technical assistance to school districts to meet special needs incident to the elimination of racial segregation and discrimination, and technical assistance in the development, adoption, and implementation of plans for the desegregation of public schools.

##### *Occupational and adult education*

The Bureau of Occupational and Adult Education administers programs of grants, contracts, and technical assistance for vocational and technical education, occupational education, career education, manpower development and training, adult education, consumer education, education professions development and drop-out prevention.

##### *Education for the handicapped*

The Bureau of Education for the Handicapped assists States, colleges and universities, and other institutions and agencies in meeting the educational needs of the Nation's handicapped children who require special services. It administers programs such as support of training for teachers and other professional personnel; grants for research; financial aid to help States initiate, expand, and improve their resources; and media services and captioned films for the deaf.

##### *Postsecondary education*

The Bureau of Postsecondary Education administers support and assistance programs directed to higher education, grants to States for the development and construction of public library facilities and for acquisition of library resources, assists in the improvement and expansion of American educational resources for international studies and services. It also administers a program of grants to improve instruction in crucial academic subjects.

##### *Indian education*

The Office of Indian Education administers a program of financial assistance to local and educational agencies to meet the special educational needs of Indian students.

#### NATIONAL INSTITUTE OF EDUCATION

The National Institute of Education (NIE) was provided for as part of the Education Amendments of 1972 (86 Stat. 327; 20 U.S.C. 1221e).

The National Institute of Education was created to provide leadership in the conduct and support of scientific inquiry into the educational process, to provide more dependable knowledge about educational quality, and to improve education, including career education. These purposes are carried out through:

Helping to solve the problems of, and achieve the objectives of American education including equal opportunity;

Advancing the practice of education as an art, science, and profession;

Strengthening the scientific and technological foundations of education; and

Building an effective educational research and development system.

The National Institute of Education consists of a National Council on Educational Research, the Director and his Office, staff offices and service elements, and has three major program thrusts as follows:

Producing basic knowledge about American education through the support of extramural (field initiated) research grants and the conduct of intramural research. Program activities include basic research; research in education policy

issues; research on essential skills, one of the Institute's five priorities; and research on teaching and curriculum issues, as well as sponsorship of a residential scholars program for visiting Fellows.

Development and conduct of major programs in which the development of related research and experimentation and evaluation are undertaken on an important problem in American education. Current programs are focused on four of the Institute's five priorities: productivity and technology, local problem-solving, education and work, and diversity (experimental schools, educational voucher demonstration, and multi-cultural studies).

Development and implementation of activities that will assure the dissemination of research results, and the strengthening and building of the research and development system. Program activities include reports to consumers of education research and development, research aimed at more effective dissemination processes, support of and research on information systems, and the development of policies to assure adequate nationwide research and development institute and manpower resources.

The CHAIRMAN. Dr. Trotter, do you have a statement that you would like to make before the committee for the record?

Dr. TROTTER. Yes, I do.

#### STATEMENT OF VIRGINIA Y. TROTTER, OF NEBRASKA, TO BE ASSISTANT SECRETARY FOR EDUCATION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Dr. TROTTER. Mr. Chairman and members of the committee, I am honored to appear before you today in connection with my nomination as Assistant Secretary for Education in the Department of Health, Education, and Welfare.

I understand that you all have copies of my biographical sketch, so I will not go over the details of my past experience as a teacher and administrator.

Although most of my experience has been in the postsecondary field, I have been intensively involved in a variety of issues cutting across the entire spectrum of education, such as vocational and consumer education, education for the handicapped, and the status of women.

On the basis of many years in education, I am particularly concerned that educational policy be more responsive to the most pressing and complex issues before us today.

For example, the pressure in past decades to accommodate increasing numbers of students has too often forced institutions to compromise educational quality.

Now that enrollments are leveling off, we find ourselves again distracted from our efforts to improve quality, this time by the steeply rising costs of education. Making an appropriate response to the problems of cost, without sacrificing necessary attention to quality, constitutes one of the most difficult challenges now facing American education.

Continuing inequities in access to quality education is another towering education problem demanding our full attention. We must continue to work against conditions that make educational opportunities contingent on race, sex, national origin, income, or place of residence.

I am also concerned about the growing cost squeeze on middle-income families seeking postsecondary education for their children. Efforts to find reasonable solutions should be stepped up, before more of these young people find themselves priced out of the education market.

These are only a few of my concerns. In view of the challenges facing education today, I am extremely pleased to have the opportunity to serve as Health, Education, and Welfare's chief education officer.

I look forward to offering overall policy direction for the Education Division of HEW, and I intend to be a strong advocate for education both within the administration and outside of it. I should note that I will be sensitive to congressional intent in establishing the Assistant Secretary's office.

I will give the Commissioner of Education and the Director of the National Institute of Education my full support in their efforts to carry out their statutory responsibility for administering the variety of education programs.

I am sure that you feel as I do, that we must have a strong team effort to help make the Federal role more effective in strengthening American education.

I will close here, with my own conviction that education is one of the Nation's most important and sensitive tasks. I am pleased to have the chance to do what I can to further its progress as Assistant Secretary for Education.

I look forward to working with the committee, both to make sure that existing laws are fully implemented and to make further progress toward a more effective Federal role.

I will be glad to answer any questions you may have.

The CHAIRMAN. That is an excellent statement, Dr. Trotter. We appreciate it.

I think we will have our discussion as a panel.

Dr. Bell, do you have a statement you would like to make?

#### STATEMENT OF TERRELL H. BELL, OF UTAH, TO BE COMMISSIONER OF EDUCATION

Dr. BELL. Yes, a very brief one, Senator.

As you have noted, I am a nominee for the post of U.S. Commissioner of Education. As you will note from my biographical sketch, I have spent most of my professional life in education.

I believe this experience, which ranges from classroom teacher to chief State school officer to Acting Commissioner of Education, will be important background for the job of Commissioner if I am confirmed.

My recent position in the Utah school system has also provided me with a perspective for the need of education at the State and local levels.

Having been literally dropped into the job of Acting Commissioner of Education back in 1970, and having served in that capacity for 6 months, I would like to indicate I come to this position with my eyes wide open. It is a challenging position, and I look forward to the opportunity for service inherent in the duties of the Commissioner.

At this point, Mr. Chairman, I would like to say a few words about my view of this position. I consider this position of U.S. Commissioner of Education as a very significant post in our Government. It is vital that the more than 100 programs placed under the Commissioner be effectively and efficiently administered.

I believe strongly, of course, in our system of government, and with that belief I will bring a commitment to administer the laws passed by the Congress with authority and integrity.

I know if I am confirmed that my oath of office will demand this commitment. It will be my purpose within the limits of my abilities to strive to be a strong and effective leader. I hope to emphasize the need for aggressive and responsive leadership in education on all levels: Federal, State, and local.

We need to set an example of strong leadership in management effectiveness in the U.S. Office of Education. I also look forward to working with this committee and other appropriate committees of the Congress. With these brief comments, Mr. Chairman, I am happy to submit to any questions that you may have.

The CHAIRMAN. I appreciate your statement, Dr. Bell, and we welcome your last statement of willingness to work with the committee, a recognition of our needs in developing legislation to rely on your availability and counsel.

To both of you I would ask this question. Do you have any reservations about coming here before Congress? Will you appear when we make appropriate calls for your statements before this committee?

Dr. BELL. Yes, sir. I view it as a great opportunity.

Dr. TROTTER. I would be very happy to.

The CHAIRMAN. You have certainly fully described your views as to the roles you will play in education, these positions that you have been nominated to. We have had problems in establishing a relationship with the positions that each of you are nominated to. How do you view the relationship of these two positions with the Education Division?

Dr. TROTTER. I feel that my job is to follow the intent of Congress, and that I will be the official spokeswoman for the Federal Government for education.

Dr. BELL. I believe, Mr. Chairman, my duties are quite explicit in the law, and that I will have a responsibility as the Chief Administrative Officer of the Office of Education, to see that our programs are effectively administered, and also that we carry out responsibilities inherent in that Office in giving leadership and some direction to the schools of the Nation.

I think that this is going to require a close working relationship between me and the Director of NIE, and, of course, with Dr. Trotter as the head of the Division of Education.

Dr. TROTTER. There is no way we can carry on any type of program without a team effort and working closely together.

The CHAIRMAN. In the rather difficult administrative structure that we have created here it impresses me that with those difficulties you are the kind of people who can work through the difficulties and get a harmonious and effective result. That is my impression.

Dr. TROTTER. We feel that our backgrounds really complement each other.

The CHAIRMAN. I am glad you said it. It impresses me that the Nation will be well served by the broad range of background represented by your professional lives.

Dr. BELL. I would like to comment, Mr. Chairman, that I had not met Dr. Trotter until after we were both selected for these positions, and I have enjoyed the opportunity to become acquainted with her.

Among other things, I enjoy her fine sense of humor which I think may be quite necessary to carry out our duties in this town. I look forward to working with Dr. Trotter, and see no problems in a working relationship that I think that we can establish.

Dr. TROTTER. I certainly agree with that.

The CHAIRMAN. Well, you come from areas that have not been plagued with having some of the most critical problems in education, at least in the elementary and secondary levels. I am certain that you must be fully aware of the problems that vast metropolitan areas face in education.

Dr. BELL. I certainly am, Mr. Chairman, and I was involved in these problems, particularly during the summer of 1970 when we made a lot of progress in desegregation in the South.

I would also indicate that in the school district where I am now serving we do not have huge numbers of minority students or low-income students, but we do have quite a significant title I program, and we are becoming more increasingly aware of the great problems that are plaguing the large school systems of the Nation.

I am sensitive to those problems and hope that we can continue to make progress in solving them, particularly with respect to the learning deficiencies of about 15 to 20 percent of the students in the country who are having the difficulty and on which the major programs in the Office of Education under title I will concentrate and is concentrating at the present time.

The CHAIRMAN. Another critical problem that we have seen at the level of higher education is that the policy is not enunciated in a timely way. We need to assure that people can act with reliance on policy and program.

Dr. TROTTER. If I understand what you are saying, that funding must be provided far enough in advance so that higher education will be able to plan the wisest use of Federal funds at the State and local levels. I think this is a very important issue, and one that we must pay attention to, because without adequate lead time, you are not able to make the kind of judgments you should be able to make.

The CHAIRMAN. I will tell you in terms of students some of our efforts to be of assistance to them in scholarships and loans have been frustrated.

Dr. TROTTER. They must know about this in time to make their plans.

Dr. BELL. I would like to comment that my concern will be for an immediate implementation of the new Elementary and Secondary Education Act.

It appears that we may hopefully have that quite soon, and since that act, as I understand it, will become effective on July 1, if passed and signed by the President, it will require an immediate push on our part to try to get the regulations and other matters going in order to administratively implement the act. This will be of immediate concern in the Office of Education.

The CHAIRMAN. I appreciate your comments on the legislation. Of course we just passed it this week. The Senate is getting it ready for conference.

In that bill the formula for distribution of title I funds that came from this committee was, as you know, changed on the floor of the Senate, and made substantially similar to the House formula.

We did later in our floor action readopt part B, the State incentive grants; and part C, the high poverty concentration grants, although in modified form.

Have you had time to follow the Senate action, and are you familiar with the final form of the bill, and do you support these special programs?

Dr. BELL. I am not familiar with the final form, Mr. Chairman.

I have been following it in the press and, of course, with more than the usual interest since this will be a responsibility that I will have, and I would say that I like the idea of rewarding effort as the incentive grant part of the program.

I know that it is a difficult problem when you write any formula because at whatever the level the school systems are operating it is difficult if some of them need to endure a decrease at that level.

It is always a bit disturbing when you have to take services away, but I would hope that the level of the appropriations and the formula itself are resolved in conference and will do the most equitable job, needless to say, in making sure that we do not have to take any backward steps in this program, which I think is one of the most pressing ones in the Nation.

The CHAIRMAN. As the bill came out of the committee there was, I think, an expressive statement of disapproval from the President of some of the provisions of the committee bill.

It would seem to me while this committee's formula was changed—which of course most of us did not want to change—it was changed in the direction, as I indicated, of the House formula.

Now, if there is any possible fear of veto of the legislation—and of course it has not gone through conference yet—that should have been substantially removed. I do not ask you to comment on that, but I get the impression that you feel this is solid work that the Congress has done, and we would like to see it on its way so it could be effective by the first of July.

Dr. BELL. I am hopeful that we will have a final bill, especially since the effective date will be July 1. As I have checked around on ways to implement a new massive piece of legislation like this, I am frankly very much concerned that we have a bill as early as possible so we can get on with the job.

I can see Chief State School Officers with large school districts saying to us: What are the rates? When are the rates going to be out, since the fiscal year started last July. I think we are going to have a great challenge, and I hope we can get a bill, Mr. Chairman, as early as possible so we can get with it in that regard. We are going to have difficulty and frustration out in the field.

The CHAIRMAN. Let us have a good team effort here: Bell, Bennett, Hruska, and Curtis. That will be a good approach to getting this in the hopper.

Dr. Trotter.

Dr. TROTTER. I was just going to add that I will do everything that I can to see this is pushed along as soon as possible so there will not be the delays that sometimes occur.

The CHAIRMAN. Thank you. I am very grateful that you in your remarks, Dr. Trotter, spoke to the growing recognition of the problem of meeting the educational needs of handicapped children.

We adopted in this bill that passed on Monday a provision changing the State program under title VI to an entitlement of \$630 million, and, as you know, another and more comprehensive and basic bill, S. 6, one

that I have introduced, is moving through the committee now. We expect it out within the next few months.

Both of these legislative initiatives are very important in terms of securing a right to an education for handicapped children. I wonder if you could just describe your ideas about the education of handicapped children with some detail, including the basic rights of children and their parents with direct involvement in educational decisions, prior notice, and appeals.

Dr. TROTTER. My special interest in the handicapped has been at the higher educational level, but we work very closely with parents of handicapped children, and one of the things we are very concerned about is that they do have equal access and opportunity to the same kind and quality of education that any other child has, whether this is bringing the child into the classroom—which we would like to do as much as possible—or whether this means taking the classroom to the child.

The same thing is true. I really do believe that we have made some progress here, but it has been very slow progress, and it has not really been enough to do anything that we need to do.

These children have really been sacrificed to some extent in terms of having an equal opportunity for education. Children who are handicapped can learn to be independent and really carry on a normal life if they have the opportunity to learn.

I believe we are going to save tax dollars in the long run because it is possible for most of them to become independent in their everyday living, and have some kind of job that will make them productive citizens.

Often we have just not tried to train them to do this. I think this new legislation is intended to help combat this.

The CHAIRMAN. Of course of particular importance is the resources that will be there to help train them, to develop the program. The program must include specially trained teachers.

Dr. TROTTER. That is right. Already we are beginning to think about gearing up for the kind of training specialists we will need in order to work with children who are handicapped.

This is something that I think you will find higher education is already on board and working toward.

The CHAIRMAN. Do you have any comment on that, Dr. Bell?

Dr. BELL. I might just say, Mr. Chairman, that it is my feeling that possibly the handicapped children across the Nation are the largest number of students who are not being served at the present time.

I am aware of the deficiencies in some of the States. I know of programs that are quite extensive in other States, including the State I happen to come from, and I think that it will be good policy if we can have a program that will stimulate State action, and if we can stimulate that with Federal legislation.

I met just the other day with Dr. Ed Martin, the head of the Bureau of the Handicapped, and expressed to him my deep interest and concern that we do something about this, and hopefully we will get more than we have had.

I will say I think we have an excellent bureau and some very fine specialists in the Office of Education who can do a great deal in advancing this program.

Dr. TROTTER. I would like to say that I have known Dr. Martin for years, and I do feel this program can be implemented in an excellent manner now.

The CHAIRMAN. Thank you. I have had a request from Senators Randolph and Eagleton for an opportunity to submit some questions in writing for you.

I hope we can get these questions to you promptly and have your returns next week so we can move as expeditiously as possible.

I have a few questions that I am going to forego now, and I will put them in writing.

Senator JAVITS.

Senator JAVITS. First, Mr. Chairman, I would like to express my appreciation to the Chair for setting up this hearing which comes immediately before the brief congressional recess.

We have wanted so much to see these two officials installed.

#### EQUAL EDUCATIONAL OPPORTUNITY

Second, I would like, Dr. Bell, if you would, to reiterate something which you have been quoted as having said. I think it would be a very healthy thing if you could reiterate it.

You are quoted as saying you are a firm believer in equal educational opportunity. We assume that is your attitude and you have not changed your mind on it.

Dr. BELL. Yes, sir; I have a strong conviction about that, and I think it is one of the foremost roles and missions of the Federal Government in the field of education.

Senator JAVITS. Also you are quoted as saying that you feel your job is to make decisions and not to be afraid of this.

Dr. BELL. I certainly feel that, and I think it would be unworthy to accept the position, Senator Javits, if I did not feel that way.

I do not intend to be bashful about being assertive inside the bureaucracy and outside it.

Senator JAVITS. One thing I wish you would bear in mind—and it goes especially for the Senator who happens to be present here this morning: Senator Williams, our chairman, and Senator Cranston, and myself—it is always supposed that Senators are sharp critics, and that they will take you apart, and that they will look for newspaper headlines, et cetera.

What is often overlooked is that Senators are often firm friends and advocates and supporters, and I believe I really speak the minds of my colleagues in saying that if you give us what you need to be defended from, if you are as courageous as certainly I would want you to be, I am confident that my colleagues feel the same way, and we are the fellows who will stand up for you.

Dr. BELL. I have not felt in my informal meetings with you any problems with the sharp critic situation.

I have had a very warm and gracious response from all the Senators.

Senator JAVITS. It has been pointed out that you were a first sergeant in the Marine Corps.

Dr. BELL. Yes, sir.

Senator JAVITS. You have a pretty good background.

Dr. BELL. I am not of that stature, but I hope I will be feisty enough to make up for the difference.

## GIFTED AND TALENTED CHILDREN

Senator JAVITS. Dr. Trotter, we have talked, and I wonder if you could put on the record here our discussion about the gifted and talented children.

Dr. TROTTER. This is one area that I think sometimes we have overlooked, and this is an area that we cannot afford to.

The gifted and talented children are really our hope for the future, and I think that we do need to reinforce our belief that these children should have the same opportunity and essential attention as we are giving some of the other children.

Senator JAVITS. There is a bill pending on that—it will be in conference—making gifted children a part of a basket which we put into the Special Projects Act as written into the education bill, S. 1539. Any ideas on that that require legislative implementation to your knowledge, please feel free to let us know.

Dr. TROTTER. I would be very happy to talk to you about this later.

The CHAIRMAN. Senator Cranston, do you have anything?

Senator CRANSTON. I would like to ask some questions, Mr. Chairman, but I have to leave shortly to attend to another matter. I am pleased, however, to have had the opportunity to meet and visit with both Dr. Trotter and Dr. Bell.

The CHAIRMAN. With our understanding that we will have some written questions and your answers, we will submit them as soon as we can, and urge your quick reply.

We are very anxious to see you approved by the Senate.

Dr. BELL. We appreciate this hearing.

Dr. TROTTER. Thank you very much. It has been a pleasure to be here.

The CHAIRMAN. Thank you very much.

We will now proceed to further committee business.

[Whereupon, the committee proceeded to further committee business.]

... have talked and I wonder if you ... discussion about the bill and

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APPENDIX

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APPENDIX

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Questions Submitted by Senator Williams and  
Responses of the Nominees

Senator Williams: There were many new programs authorized by the Congress in the 1972 Higher Education bill. Among these were a number which the Office of Education has not yet implemented--two years late. Two of these programs--Ethnic Heritage Studies and Statewide Postsecondary Planning Commissioner--have had funds appropriated for them but OE has not issued regulations or guidelines. Nor have regulations or guidelines been issued for Title X (Community Colleges and Occupational Education) or Consumer's Education.

Now, there are also new programs which will be authorized in the 1974 Education bill which the Congress feels strongly about. And I know we will be disturbed if the Office of Education delays in implementing these as well.

Can you tell me whether you will act to assure that both past and future programs will be implemented by the Office of Education under your direction? And what is your view of this kind of dilatory tactic?

Dr. Bell: Let me assure you that I will make every effort to promptly develop regulations and guidelines for funded programs which currently are without them and for new programs which the Congress authorizes. It is my understanding that in the past it was not considered appropriate to issue regulations and guidelines for programs which were not funded and that some programs, e.g., Networks for Knowledge, International Education, have been authorized for seven or eight years without appropriations.

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If the Congress feels it important to issue regulations for unfunded programs then I will move to accomplish that task. Provisions in the Senate-passed version of H.R. 69 would seem to indicate that the Senate feels that way. Obviously there are some parts of the regulations, e.g. application closing dates, which could not be included for unfunded programs without misleading the public.

It should also be clear that no Administration is obligated to request funds for all authorized programs. Once funds are appropriated, however, I would not be a party to any "dilatatory tactics" designed to avoid full implementation of such programs.

As indicated in my opening statement at the confirmation hearings, I recognize the tremendous task in this area which faces the Office of Education and I plan to move as fast as possible to meet the needs. I am sure that the Congress will be aware of the magnitude of the task when many new programs are created at one time and will allow adequate time for implementation while assuming an honest and full scale effort from us.

Dr. Trotter: I certainly agree with Dr. Bell that we will move expeditiously to carry out the intent of Congress in implementing authorized programs. While the initiative in this area is primarily his, I will use my position in the policy hierarchy to positively support the movement of regulations and avoid unnecessary delays.

Senator Williams: The Senate adopted an amendment to the education bill which authorized \$225 million over three years for incentives to States which adopt school finance equalization plans. This program gives the Commissioner a large amount of discretion in determining the adequacy of State equalization plans and the amounts a State should receive for implementation of such plans. Now, this is a very difficult issue and this Committee has yet to feel comfortable enough about the complex problems involved to adopt any of the school finance proposals before us.

Can you give us your views on the problem and to what extent you feel the Federal government should be involved in assisting States in school finance and equalization plans?

Dr. Bell: The existence of sizeable inequalities in educational expenditures among districts is indisputable and I can understand the Committee's concern to take action on this matter. These inequities are also a major current concern of State governments and I believe they fully merit such attention.

However, the Committee rightly points out the complexity of the equalization issue and it is my belief that a better understanding of the cost and equity implications of Federal involvement is needed before undertaking a proposal of this far-reaching importance at the Federal level.

Let me note first of all that the dimensions of the problem are broader than the Committee deals with in its proposal. There are at least three aspects of school finance reform in which the Federal government could be involved:

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- (1) Equalization among States
- (2) Equalization within States
- (3) Equalization of student opportunity

Although the Committee proposal deals only with the second problem, equalization within States, it is in the areas of equalization of opportunity among students with special needs (disadvantaged, bilingual, and handicapped) that there is already significant Federal involvement.

I believe that the Federal role should be one of advocacy and offering technical assistance in developing sound equalization. The Office of Education has already funded a massive National Education Finance Project and I would hope to make the knowledge and expertise developed in that project available to States. This is a major area of concern to me and I will make every effort to provide the type of assistance so desperately needed by many States.

Senator Williams: In Public Law 92-318, the Congress enacted Title IX, prohibiting discrimination on the basis of sex in programs receiving Federal assistance. The regulations on this Title have not yet been published, and the Committee has also been concerned about the lack of commitment by HEW to women and women's status.

When can we expect the Title IX regulations?

Will you be undertaking initiatives in this area?

Dr. Trotter: I am told we can expect the Title IX regulations to be published within the next few weeks.

I do expect to take initiatives in promoting equal educational opportunities for women. As Acting Assistant Secretary for Education, Mr. Charles B. Saunders, Jr., is working with the heads of OE and NIE to lay out a program for agency action to mark International Women's Year. The program will include leadership in encouraging the elimination of sex bias in curriculum materials, research support, technical assistance and training to help school districts overcome existing sex bias, and so on. As Assistant Secretary, I will certainly work within the Education Division to make programs responsive to the women's demands for equal opportunity. I am particularly concerned that our programs comply fully with Title IX, and I intend to do everything I can to see that they do.

Dr. Bell: Educational discrimination against women is something I am concerned about, and I intend to see that the Office of Education moves ahead to deal

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with the problems. I understand that Commissioner Ottina has already committed the Office of Education to implement many of the recommendations of an OE task force study on sex discrimination. As Commissioner, I will certainly press forward in accomplishing this as expeditiously as possible. Now that the Title IX regulations are about to be released, I think it is particularly important that OE work to help the education community understand and meet the new nondiscrimination requirements under Title IX.

Questions Submitted by Senator Randolph and  
Responses of the Nominees

Senator Randolph: As the Nation's education policy maker, Dr. Bell, would you please tell us your view of what the Federal role should be in the education of handicapped children?

Dr. Bell: As in other programs in elementary and secondary education, I believe that major responsibility for support falls to the State and local governments. However, because of the special needs in the area of the handicapped, I believe that the Federal government must make a substantial extra effort to help and encourage the States to support activities in this area. I plan to give highest priority to the consideration of appropriate programs and funding for the handicapped.

Senator Randolph: As you know, the Bureau of Education for the Handicapped was created in 1967 as a statutory bureau. I might add that this was a deliberate decision on the part of this Committee and the Congress.

The subsequent improvement in programs for the Education of Handicapped children resulting from a strong and identifiable bureau has justified our decision to create a separate Administrative Unit. In recent reorganizations of the Office of Education, it is my understanding that questions have been raised concerning the intent of Congress and compliance with P.L. 89-750, the Act which established the Bureau of Education for the Handicapped on an equal basis with other bureaus, such as the Bureau of Postsecondary Education, etc.

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Dr. Bell, we would like your assurance that in any future reorganization of the Office of Education, you will carry out the intent of Congress. The Congress believes that the Bureau should be maintained on a co-equal basis with the other major units whose administrative directors have responsibility for policy making and program administration (including planning and budgeting) and who report directly to the Commissioner.

Would you please speak to this?

Dr. Bell: I have been briefed on the recent events in connection with the Bureau of the Handicapped. I understand that a position of Deputy Commissioner for the Handicapped fully equal to all other program Deputy Commissioners is being established and that Dr. Edwin Martin is acting in that capacity on a par with the other deputies. You have my assurance that I believe that this action is appropriate and that I will support an exactly co-equal status for the Bureau of the Handicapped under law and as intended by the Congress.

Senator Randolph: Dr. Bell, as a former State school superintendent, you have been in a position to observe the growth of the Office of Education here in Washington, and feel the extension of its decision making powers. One of the concerns I share with many school officials at the State level is the growing pattern of education officials here in Washington making far-reaching decisions without consulting State school officials. In other words, decisions are made without the knowledge of those who are responsible for implementing those decisions. Do you feel that you can more effectively work with and through the State school superintendents than has been the case in the past?

Dr. Bell: Having carried the duties of a Chief State School Officer for seven years, I am well aware of the problem of decisions made without giving other concerned State officials a chance to react, give advice, and offer suggestions. I hope to work very closely with the Chief State School Officers, to consult with them often, and try my best to build an ideal working relationship.

I will be meeting with all the Chief State School Officers on June 12, 13, and 14. I will give the personal assurance of this point of view at that time. I will need their support and goodwill. The best way to get this is to confer often and try to keep close to their problems.

Senator Randolph: Over the past ten years, we have pretty well agreed that Career Education and General Education are compatible. But despite much effort and many thousands of words of praise, the concept of educating young men and women for useable skills has remained divorced from the mainstream of education at the elementary and secondary level. In our Education Amendments of 1974, we have tried to place new emphasis on Career Education by preserving the program's identity in the consolidation of programs within Title IV. Can you suggest any further steps we can take to provide the proper impetus to this program?

Dr. Trotter: I have observed with interest and sympathy the growth in emphasis on career education in recent years. The concept of career education is so broad and pervasive that it will take a major restructuring of the entire educational system to fully bring it about. Obviously this will take time and we must move from a sound basis of understanding of needed steps. The Office of Education and the National Institute of Education have underway a number of developmental and research projects in this area. My intent is to continue and strengthen the efforts already underway.

Dr. Bell: Career education is an important new concept; I think it has already had a significant effect on the thinking of many educators. In line with its continuing emphasis on career education, the Office of Education has recently established a new career education office to coordinate its efforts. I certainly intend to see that OE continues to press forward in encouraging school districts to implement career education.

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I have not had the opportunity to fully reflect on the Senate's approach to this educational thrust in its "Education Amendments of 1974" and consequently do not feel qualified to suggest further steps at this time. After having an opportunity to fully review the Office of Education's activity in career education and the legislative provisions, I would expect to recommend whatever new or additional authority, if any, might be needed to continue forward progress in this area.

HARRISON A. WILLIAMS, JR., N.J., CHAIRMAN  
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MARIO T. NOTO, STAFF DIRECTOR  
 ROBERT E. NAGLE, GENERAL COUNSEL

## United States Senate

COMMITTEE ON  
 LABOR AND PUBLIC WELFARE  
 WASHINGTON, D.C. 20510

May 30, 1971

Dr. Terrel H. Bell  
 Commissioner-Designate  
 U. S. Office of Education  
 400 Maryland Avenue, S. W.  
 Washington, D. C. 20202

Dear Dr. Bell:

In connection with your nomination to be U. S. Commissioner of Education, I would like to inquire about events that took place during your service as Deputy Commissioner for School Systems when you had responsibility for passing on proposals submitted under the Emergency School Assistance Program/Community Groups (ESAP/CG). It is my understanding that such proposals and recommendations relating thereto were forwarded by Mr. Johnson, Director of ESAP/CG to Mr. Moore, who was your Assistant Deputy Commissioner for ESAP/CG, and thence to you for final signature.

Enclosed is a copy of the report of a Government Accounting Office investigation of ESAP/CG, made at my request, which details the activities of a group of consultants who assumed effective control of the program to its great detriment. The GAO limited its investigation to six particular ESAP/CG grants although allegations were made concerning a number of others, as well. Also enclosed is an exchange of correspondence between Commissioner Ottina and me following up on the GAO findings. Finally, I am enclosing copies of memoranda you received from Mr. Richard Verville in February, 1971, concerning problems in the ESAP/CG program which, in Mr. Verville's words, "could prove extremely embarrassing to the Department."

I have the following questions relating to this matter which may bear upon your approach to fulfilling the responsibilities of Commissioner of Education:

(1) Why did you not take steps to curb the abuses that developed in the ESAP/CG program? Most of the events described in the GAO report took place in 1971 during your tenure as Deputy Commissioner and the Verville warning was quite timely. I am aware that a management study of the ESAP/CG program was made in April, 1971, and completed in May, 1971, but this does not appear to have been in response to the Verville memoranda since the ESAP/CG funding decisions were substantially completed prior to the time the study was undertaken.

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Mr. Terrel H. Bell  
 May 30, 1974  
 Page Two

- (2) Exactly what was the process by which ESAP/CG proposals considered by your office?
- (3) What was your response to Mr. Verville on each of the points concerning this program raised in his memoranda?
- (4) The GAO report describes the process by which review panels purportedly evaluated proposals from institutions and the report notes (page 21) that no documentary evidence was found that a panel had in fact reviewed these proposals. Did you ever see reports of review panels? Did you ever ask that they be provided you as a part of the submission of each proposal to your office? If not, why not? If you did request that review panel comments be provided you, what was the result?
- (5) Why did you permit detailed budget negotiations on ESAP/CG grants to take place after the proposals were approved for funding by your office, subject only to a ceiling amount (as noted by Mr. Verville in his memoranda)? The grantees investigated by GAO were able to enter into subcontracts for consultants' services after their grants were approved. In some cases, these subcontracts amounted to as much as 25-30% of the total grant. From this, the inference can be drawn that the original budget must have been grossly inflated if such a substantial diversion of grant funds could be accommodated.
- (6) One of the most disturbing aspects of this affair is the reluctance of responsible officials to take action once they were aware of program irregularities. A consistent thread running through the response of USOE to this situation has been its professed inability to follow up on allegations of irregularities in this program.

For example, point 12 of Commissioner Ottina's letter to me mentions "high level discussions" as the first response to detailed charges concerning administration of the ESAP/CG program. These discussions culminated in referral of the matter to the Department of Justice. When Justice sent the matter back to USOE "a second series of deliberations" was begun "leading to a Mid-April request to the HEW Audit Agency." Nearly a month later the Audit Agency heard that GAO might be conducting its own investigation and immediately deferred to GAO. One can almost detect the sigh of relief emerging even from this bland recitation of events.

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Dr. Terrel H. Hall  
May 30, 1974  
Page Three

Commissioner Ottina goes on to state that USOE could not have conducted its own investigation because the administration of this program involved officials at all levels of USOE and "the necessary independence for an investigation would have been quite impossible."

I recognize that you were not with USOE in 1972 when these non-actions were decided upon. However, I do want to know whether you share Commissioner Ottina's views with respect to USOE's inability to handle such matters. What do you think is USOE's responsibility to review proposals and monitor grants and contracts, not only to guard against financial hanky-panky, but also to assure the quality of the product USOE is paying for. How do you propose to exercise such responsibilities as you perceive USOE to have in this area, particularly in view of the fact ten regional commissioners are making separate funding decisions.

(7) Do you know the consultants named in the GAO report as being involved in the ESAP/CG program? If so, what is the nature and extent of your relationship? Did you have any contact with any of them during their period of involvement with ESAP/CG. If so, please describe.

I would appreciate your attention to this matter so that these questions and your responses can be made a part of the record of the Committee's consideration of your nomination to be Commissioner of Education.

Very truly yours,

Thomas F. Eagleton  
United States Senator

TFE:jmw

Enclosures

COPY

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE  
OFFICE OF EDUCATION  
WASHINGTON, D.C. 20202

Honorable Thomas F. Eagleton  
United States Senate  
Washington, D.C.

Dear Senator Eagleton:

Thank you for your letter of May 30 concerning questions on the Emergency School Assistance Program/Community Groups (ESAP/CG) during my period of service as Deputy Commissioner for School Systems.

I will try to give candid answers to the questions you raise, but I would point out that we are referring to events of three years ago and that this particular program, while it did take an inordinate share of my time, was only a \$7 million portion of over three billion dollars in activities under my jurisdiction. My answers to each of your questions follows:

1. The abuses which were subsequently revealed with regard to the ESAP/CG program were not brought to my attention during my tenure as Acting Commissioner or Deputy Commissioner, or apparently even to the attention of my Assistant Deputy in charge of the program, until the Fall of 1971 as outlined in the letter of February 20, 1974 to you from Commissioner Ottina. After reviewing the Verville memo of February 12 to James Moore, I do not see it as actually charging abuses as much as anticipating that the procedures involved could lead to abuses. From my recollection, I know we were dealing with a new type of program without an authorization statute. We were operating on appropriation language passed in August of 1970 and were under heavy pressure to get the program implemented in the school year beginning September 1970. We also faced very difficult manpower problems which led to utilizing consultants to a far greater degree than I would have preferred then or now.

While the management study was not related to the Verville memo, it did lead us to institute the changes in handling the community grants program by establishing it within the Equal Educational Opportunity Task Force which subsequently became a Bureau. At this time, I also instituted some personnel changes in the program staff which I had inherited.

2. As I recall the process, the recommendations for funding of projects came to me after review by James Moore, my Assistant Deputy Commissioner for ESAP. The recommendations were initially developed by the Community Group program staff. Obviously, my decisions rested heavily upon the recommendations which came through this process.

Page 2--Honorable Thomas F. Eagleton.

3. While I do not have detailed recollections of the Verville memos included in your letter, I do recall that at about that time I did recommend the reestablishment of the so-called Commissioner's Ad Hoc Committee because I believed it could provide needed insights to procedures under a new and sensitive program. My recommendation was not accepted.

4. I did request, receive, and read sample review panel recommendations. I did not ask that the panel recommendations be submitted for all recommended proposals, since it would have been impossible to review personally every panel recommendation for this and the other programs for which I was responsible.

5. In administering discretionary grant programs, Federal agencies normally conduct a two-stage review of the grant applications. The initial stage is a technical or substantive review conducted by program specialists with expertise in the specific activity area for which support is requested; such program specialists are often assisted by a panel of advisory reviewers. The second stage is a business management review conducted by a contracts and grants officer; only that officer has the authority to negotiate and award the grants.

The preliminary budget reviews normally conducted by the program specialists serve to identify programatically excessive or inappropriate costs. Detailed budget reviews and negotiations, however, are the responsibility of the contracts and grants officer and are not normally undertaken until program approval has been given. In this respect, the ESAP/CG review process was not atypical.

In looking at Commissioner Ottina's response, however, the process obviously was not working very well, otherwise there would not be as many actions for recoveries. I would, on taking office, certainly continue to support the correction procedures already instituted, and where necessary, would extend and strengthen these procedures.

6. There are some things in matters of these kinds which are beyond the authority of the Commissioner of Education. Prosecution of criminal charges, for example, can only be carried out by the Department of Justice. This does not mean that I believe we are unable to handle the basic elements of such situations and, as Commissioner, I will take actions to strengthen further management resources which are so important to making proper initial decisions and to carry out effective oversight of grants and contracts. I am very much concerned that we fund only high quality projects and that we not only avoid illegal expenditures but support activities which will provide positive educational results in the most efficient manner possible.

Page 3--Honorable Thomas F. Eagleton

I understand from HEW staff that Secretary Weinberger on April 19 sent a letter to all Members of Congress which outlined new procedures which should prevent these kind of abuses from occurring in the future. A copy of the memorandum discussing the new procedures which accompanied that letter is enclosed.

In addition to being the head of the Office of Regional Office Coordination in my first position at the Office of Education, I have had some exposure to the regional commissioner process from the other end as school superintendent, and I believe that, with proper guidelines and regulations to assure reasonable uniformity of program administration nationwide, it can be an effective process. There is a distinct advantage in having the funding decisions made and program monitoring carried out closer to the areas of actual application of the program. I will make every effort to assure that this system is responsive and that adequate protections and safeguards against possible contract and grant abuses will be maintained.

7. I do not know the consultants named in the GAO Report and have had no relationships or contacts with them before, during, or after the alleged events.

Please let me know if any additional information is needed.

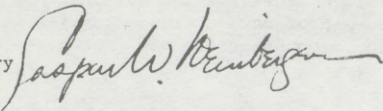
Sincerely,

*T. H. Bell*  
Terrel H. Bell *per O'Neil*  
Commissioner-Designate

Enclosure

TO : Assistant Secretaries  
Heads of Agencies  
Regional Directors

DATE: April 12, 1974

FROM : The Secretary   
SUBJECT: Fundamental Thrusts in the Area of  
Grant and Contract Processes

Performance of the missions of the Department of Health, Education, and Welfare involves the making and subsequent administration of \$4 billion of discretionary grants and \$700 million of contracts annually. Fulfillment of the determination that you, as the principal officials of the Department, share with me, to perform these missions with utmost effectiveness, efficiency and economy, depends very greatly on the integrity of the processes by which those grants and contracts are made and administered. From the outset of my tenure as Secretary, I have regarded strengthening these processes as among our most urgent responsibilities. You will have in mind that one of my earliest directions to heads of agencies was to begin an implementation of specific organizational and procedural improvements in grant and contract management, and that I have established the Office of Grants and Procurement Management (OGPM) in the Office of the Assistant Secretary for Administration and Management to ensure concentrated, vigorous action in identifying remaining weaknesses, correcting them and ensuring continuous proper functioning of the grant and contract processes.

I am convinced that weaknesses in the grant and contract processes do remain and that many of them are fundamental. I have, in fact, examined a considerable number of them and have concluded that there are certain categories of actions that must be taken to improve the way in which we conduct the affected basic activities of the Department. In order to share with you a specific identification of the most prominent weaknesses, to indicate the nature of the corrections required, and to contribute your ideas and assistance, I am sending to you, as Attachment A hereto, a summary prepared for the purpose by OGPM. It must be emphasized that the solutions to the problems discussed in Attachment A are designed to improve and indeed reform the quality and integrity of certain of the existing processes. They are not intended either to inhibit or infringe upon those decisional processes which are of proven reliability or to interfere with substantive program judgments.

As you know, action is already under way on several of the matters described in Attachment A, and some improvements in organization and procedures have occurred. We are mandating the use of contracts, with the associated well developed award and administration procedures, to fund specified classes of activities for which grant procedures are less adequate or appropriate, and setting standards for documentation of award and administration decision processes in grant programs: Rules setting uniformly high standards of sensitivity to possible conflicts of interests in program management, and minimizing incentives for such conflicts, are about to be adopted. Specific guidance has been issued identifying grant terms that are to continue to operate as standards of project administration and control use of grant funds even where performance is placed in the hands of subgrantees or subcontractors. In those programs that have suffered from delays forcing compression of project funding decisions into the end of the fiscal year to the detriment of quality, we are trying to get better spacing by continuously monitoring progress and promptly moving to clear away obstacles, and we are formulating procedures to alleviate last-minute negotiation problems when they do occur. Further, we intend, this fiscal year, by selective preaward, or early post-award, grantee business management capacity reviews, and by reinforcing the role of legal review, to improve support of grant award and management decisions as far as they depend on new assessments of grantee capabilities or on considerations amenable to judgments based on legal expertise. The cooperation of yourselves and your staffs has been and will continue to be most important in making all of these efforts productive.

On all of the matters described in Attachment A, solutions are available. I have directed OGPM to prepare outlines of the nature of the actions necessary to effect those solutions and, as far as feasible at this time, specifications of the particular actions themselves. I have approved generally the outlines and specifications accordingly prepared. They will be immediately transmitted to you by OGPM in preparation for commencement of the very large effort that must now be undertaken.

I have assigned to OGPM, with the full support and assistance of OGC and C, the lead responsibility for the full development and implementation of the indicated solutions to the problems referred to. The head of OGPM, Mr. Robert L. Trachtenberg, will proceed to institute necessary work groups and task forces drawing on the talents of the constituent organizations of the Department. Mr. Trachtenberg will request of you nominations for the task forces. His call on you is my direction to him to proceed. Because of the importance I attach to these undertakings, I am asking the Under Secretary to approve the selections for each task force.

I wish you to consider very seriously the problems presented and the outlines and specified actions and provide OGPB the benefit of your best thinking in the process of such further development of them, for the guidance of the work to be done, as you may believe useful. It will require the best effort and most constructive participation of all elements of the Department to guarantee that the necessary solutions are in final and workable form, and then to make them work. While all agencies have special knowledge and experience to contribute, it is especially desirable that the task forces consider the unique progress that NIH has made in the field of grants award and administration.

Many of the solutions which I anticipate will flow from these undertakings are consistent with the recommendations of the Administrative Conference of the United States and certain proposed recommendations under consideration by that body. Other solutions simply represent sound management and the imposition of minimum disciplines that the public rightly should expect of the Department. In sum, I expect to obtain from this effort a credible system of grants and contracts which assures that awards are made on the basis of maximum, publicly announced competition, to responsible individuals and organizations, strictly on the basis of the most meritorious proposals, such merit being determined by an objective evaluation system that eliminates conflicts of interest or improper influence at any stage in the process; and that once a grant or contract is made, we are assured of genuine, economical best-effort or successful performance of the project being supported. To accomplish these and related objectives, we must develop a rational basis for selection of the awarding instrument, thoughtful and well documented decisions, a sensible system of contracts and grants management which provides checks and balances throughout the life cycle of the award document, and a process by which proven performers are rewarded and shoddy performance is penalized.

Good grant and contract management does not, of course, guarantee good grants or contracts. It can only support and facilitate accomplishment of the high objectives that you and your staffs are maintaining and vigorously pursuing in your special, professional capacities as the developers, leaders, operators and evaluators of this Department's programs. However, the best conceived projects, poorly managed, frequently end as a loss or a setback to the overall effort. Without aggressively and promptly dealing with the fundamental issues, we will not achieve our ultimate aim of improving the quality of grant and contract results and the delivery of better services to our constituencies.

I will observe our progress in this area with persistent interest.

Attachment

## ATTACHMENT A

A. Inadequate Checks and Balances in the Grant Process

Grants management as a function is inadequately defined and is not always organizationally placed to perform as a check and balance and as a consequence we do not enjoy strong compliance with the Department's fairly substantial body of grants policies. We need both a working definition of what constitutes 'grants management,' and then an organizational placement for this function that assures it strength to make a maximum contribution in execution, review and verification of the major administrative events in the life cycle of grants.

B. Volume of Work as Related to Efficiency

While there are some factors controlling work volume which are difficult for us to impact upon appreciably, such as aspects of the appropriations process that lead to 'bunching' of grants and contracts during the fourth quarter of the fiscal year, we can and should address the question of relationship between grant and contract management resources and work volume. As matters stand now, the management resources are inadequate to assure timely monitoring, auditing, and evaluation of grant and contract activities.

C. Project Proposal Criteria Inadequate to Ensure Meaningful Competition

Insufficient guidance, understanding and effort go into the development of objective criteria for the selection of grantees and contractors. Even where competition exists, selection often is subjective or at least based on diverse concepts of what a good project really is. We must move further towards a genuinely objective system for selection of grants and contracts.

D. Grantee/Contractor Fiscal and Management Evaluation is Missing

We do not perform evaluations of the total management ability of grantees on a timely and systematic basis. It is often too late by the time an audit discovers

## Page 2 - ATTACHMENT A

inadequate financial practices or systems, poor procurement or subcontracting practices, or deficient personnel procedures. Such inadequacies need to be known before a grant is made or soon enough after to make such knowledge worthwhile.

E. Inadequate Management of Subcontracts and Subgrantees

There is extensive use of contracts under grants or subgrants with little Departmental control over the process or the activities. We must assure that grantees do not serve merely as conduits of Federal assistance to ineligible, improperly selected or incapable subcontractors.

F. Inadequate Documentation of Grant Award Decisions

There is no Departmental standard for identifying documentation comprising a grant file. Therefore in some programs it is difficult to trace the decision making process, or project management, or obtain accountability.

G. Lack of Competition

In certain research programs there is no formal competition among applicants. The absence of structured competition could invite or suggest cronyism and favoritism in the grant award process.

H. Inappropriate Uses of Grants for Procurement

There is extensive use of grants to obtain items properly the subject of contracts. This undermines the procurement system, is an abusive use of grants, and causes public distrust in the integrity of our processes.

I. Improve Enforceability of Grants and Grantee Accountability

We need to address the matter of Department-wide regulations for standard terms and conditions governing grant performance, and procedures for grant suspension and termination for cause.

