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JOINT OVERSIGHT HEARING ON PROPOSED EXTENSIONS OF THE REHABILITATION ACT

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HEARINGS

BEFORE THE

SUBCOMMITTEE ON SELECT EDUCATION

OF THE

COMMITTEE ON EDUCATION AND LABOR

HOUSE OF REPRESENTATIVES

AND THE

SUBCOMMITTEE ON THE HANDICAPPED

OF THE

COMMITTEE ON

LABOR AND PUBLIC WELFARE

UNITED STATES SENATE

NINETY-FOURTH CONGRESS

FIRST SESSION

ON

H.R. 11045 and S. 2807

TO AMEND THE REHABILITATION ACT OF 1973 TO EXTEND
THE AUTHORIZATIONS OF APPROPRIATIONS CONTAINED
IN SUCH ACT

HEARINGS HELD IN WASHINGTON, D.C.
DECEMBER 9 AND 10, 1975

Printed for the use of the Committee on Education and Labor
CARL D. PERKINS, *Chairman*

and the

Committee on Labor and Public Welfare
HARRISON A. WILLIAMS, Jr., *Chairman*

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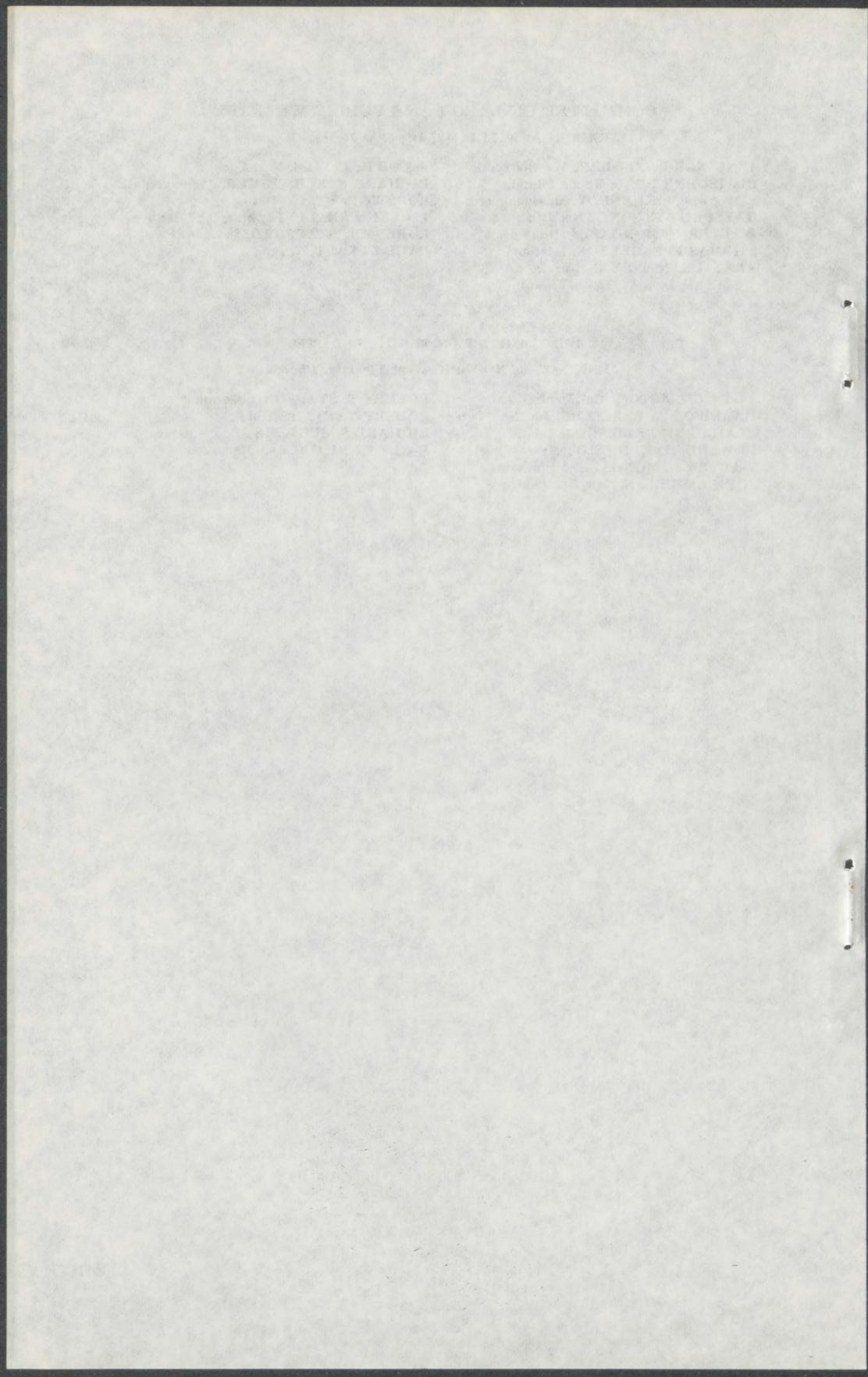
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JOINT OVERSIGHT HEARING ON PROPOSED EXTENSIONS OF THE REHABILITATION ACT

TUESDAY, DECEMBER 9, 1975

U.S. SENATE,
SUBCOMMITTEE ON THE HANDICAPPED OF THE
COMMITTEE ON LABOR AND PUBLIC WELFARE; AND
U.S. HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON SELECT EDUCATION OF THE
COMMITTEE ON EDUCATION AND LABOR,
Washington, D.C.

The subcommittee met, pursuant to notice, at 9:35 a.m., in room 4232, Dirksen Senate Office Building, Hon. John Brademas, chairman of Subcommittee on Select Education, presiding.

Present: Senators Randolph and Beall; and Representatives Brademas and Quie.

Senate staff present: Patria Forsythe, professional staff member; Mr. Robert Humphreys, counsel; and Mike Burns, minority staff member.

House staff present: Jack D. Duncan, counsel; Martin LaVor, senior legislative associate.

Representative BRADEMAS. The Senate Subcommittee on the Handicapped and the House Subcommittee on Select Education will come to order for the purpose of hearings on legislative proposals to extend the life of the Rehabilitation Act.

The Chair would observe that the distinguished Chairman of the Senate Subcommittee on the Handicapped, the Senator from West Virginia, Senator Randolph, is at the moment in another important committee hearing where legislation is being marked up, and the Senator will be along just as soon as he is able to.

Senator Beall and I are very pleased to move ahead with these hearings this morning.

Allow me to say how pleased we of the House Committee on Education and Labor are to be with our Senate colleagues to consider this legislation. Tomorrow we shall hear from the Administration, the Council of State Administrators of Vocational Rehabilitation, and several organizations representing handicapped persons.

These hearings today mark the beginning of what I hope may become a tradition: Joint hearings with the Senate Subcommittee on the Handicapped. If I am correct, this is the first time that our two subcommittees have conducted joint hearings on any matter.

The members of the House Subcommittee on Select Education have found the practice of joint hearings with our Senate counterparts to be a successful one in other areas and we look forward to establishing a similar relationship with this subcommittee in the future.

These hearings today and tomorrow which will be held in room 2257 of the Rayburn House Office Building are aimed chiefly at providing the best thinking on the proper levels of authorization and the period for which the Rehabilitation Act should be extended. My own hope is that a bipartisan agreement, hopefully a unanimous one, can be reached and that this legislation can be considered by both bodies before adjournment later this month.

The Chair wants to take note also of the cooperative relationships which have been established between these two subcommittees in connection with the passage and the enactment into law a few days ago of S. 6, the Education for all Handicapped Children Act, legislation to which members of this subcommittee as well as our own subcommittee made significant contribution.

Finally, let me give a word of appreciation to all of the organizations and individuals who are participating in these hearings and others who are giving their support to this proposed legislation.

In the House let me say I think every member but one of the Committee on Education and Labor has cosponsored legislation to extend the act. As chairman of the Subcommittee on Select Education in the House, I want to assure concerned persons that I know there are many areas which are of concern to them. For that reason, it is my intention for our subcommittee to conduct in-depth oversight hearings early next year.

In the meantime, however, it is important that we maintain the continuity and stability for this program which has meant so much for millions of handicapped Americans.

The Chair at this point would yield to the distinguished Senator from Maryland for such comments as he wishes to make.

Senator BEALL. Thank you, Mr. Chairman. It is a pleasure to be here this morning for these important hearings. I share your enthusiasm for the fact that the appropriate subcommittees of the House and Senate are meeting jointly to receive testimony on the Vocational Rehabilitation Act.

I am hopeful this will lead to expeditious consideration, more expeditious than might be normal under the circumstances. Certainly that is our desire here. It is not a question of whether we are going to extend the act, it is a question of when and how we are going to do it, and to what extent we can improve on the programs already being offered under this important legislation.

I am happy this morning that two very distinguished Marylanders are participating as witnesses before this hearing to give us the benefit of their experience in this field. They are Mr. James Chapman, president of the Maryland Association for Retarded Citizens, and Mr. Fletcher Hall, executive director of the National Rehabilitation Counseling Association. I am proud that they are here to be of assistance to us in discussing the extension of this important legislation. Their testimony will be very useful to us as we go about our work.

As a cosponsor of the amendments to the Rehabilitation Act last year, I am most interested in how we can best continue the programs under this act, and whether a 1-, 2-, or 3-year extension would be most useful. It is my understanding, Mr. Chairman, that you have scheduled oversight hearings early next year on the more substantive issues involved, and I am sorry that we cannot consider these at this time. I

would like to commend your quick action to extend this act, however. The programs under the Vocational Rehabilitation Act are too important to be lost, should this act expire before Congress had the opportunity to enact an extension. The effects would be particularly disastrous during this time of high unemployment for our entire Nation. We need to keep the doors to the work force open for our handicapped citizens now more than ever.

I have long supported those programs which would enable our handicapped citizens to become full partners in our society. I feel that this can best be accomplished through increased self reliance and full participation in the work force. I assure you of my continued support for such programs in the future, and thank you all for being here.

Representative BRADEMAS. I thank the Senator. I might follow up by saying that I am pleased too that on the first panel is a distinguished citizen of my own state, Dr. Jack Cockshott, who is assistant commissioner of mental health for the State of Indiana, whom I was with on Sunday afternoon in LaPorte County, Ind., for the dedication of the LaPorte County Workshop.

So we meet each other at opposite ends of the line, as it were.

I would also observe that I am going, regretfully, to have to absent myself before long because the House comes into session at 10 o'clock this morning, and I find myself in the position of presiding over the debate on the Inter-American Development Bank.

For that reason, I hope that unless there is objection, it will be in order for members of the staff of both the Senate and House subcommittees to put questions as well.

So we are very pleased this morning to hear, first, from Mr. James Chapman and Dr. Jack Cockshott.

Gentlemen, would you like to come forward?

Identify yourselves as you speak, gentlemen.

Mr. Chapman, shall we begin with you, sir.

STATEMENT OF JAMES CHAPMAN, NATIONAL ASSOCIATION OF RETARDED CITIZENS (NARC), PRESIDENT, MARYLAND ASSOCIATION FOR RETARDED CITIZENS, MEMBER OF NARC GOVERNMENTAL AFFAIRS COMMITTEE, NATIONAL ASSOCIATION OF COORDINATORS OF STATE PROGRAMS FOR THE MENTALLY RETARDED, INC., JACK COCKSHOT, PH. D., ASSISTANT COMMISSIONER OF MENTAL HEALTH FOR THE STATE OF INDIANA; AND PAUL A. MARCHAND, DIRECTOR, NARC GOVERNMENTAL AFFAIRS OFFICE, A PANEL

Mr. CHAPMAN. My name is Jim Chapman. As has been mentioned, I have some responsibilities in the State of Maryland, and in addition to that, serve on the Governmental Affairs Committee of the National Association of Retarded Citizens.

It is a pleasure to be here this morning. Good morning, Senator, it is nice to see you.

Permit me to introduce Paul Marchand, director of the National Association of Retarded Citizens Governmental Affairs Office, sitting on my right. Doctor Cockshott, on my left, will be addressing you in a moment.

In order to be brief, we have cut this back as much as possible.

We thank you for the opportunity for the NARC to appear before this joint hearing today. Both the Senate Subcommittee on the Handicapped and the House Subcommittee on Select Education are to be commended for holding this hearing at this time. Our organization is well aware of the problems the States are now facing in seeking matching funds for the vocational rehabilitation State grant program for fiscal year 1977. We are also cognizant of the many critical issues that need to be fully explored and debated before any major changes in the act are made.

The National Association for Retarded Citizens represents many mentally retarded citizens who have never been able to profit from the vocational rehabilitation program. Either their handicapping conditions have been too severe or the necessary services have just not been available for them. Many still are discriminated against as they seek employment and other services. We desire to discuss these vital issues in more depth with you in the near future when your committees hold additional hearings on the Rehabilitation Act. It is our understanding that both Houses have plans to hold additional hearings on the act early in the next session of this Congress. We strongly urge you to do so and at your earliest possible convenience.

My main purpose in appearing before you today is to urge you to extend the Rehabilitation Act of 1973 for 2 years, through fiscal year 1978. To do any less would necessitate other extension hearings within a few weeks or months.

Even though appropriations for the "Vocational rehabilitation State program" have increased by \$160 million since fiscal year 1972, some State Vocational Rehabilitation agencies are still forced to curtail some training activities near the end of the fiscal year due to the shortage of funds. Rehabilitation facilities are forced to turn away prospective clients or delay their training due to lack of funds. This is truly an unfortunate situation. In order to prevent further reductions in service due to rising costs and to allow minimal increases in service, the National Association for Retarded Citizens recommends the following authorizations as outlined in our written testimony.

I must pause and draw attention to our request on the stage grant program. We are suggesting only a modest increase to \$760 million for fiscal year 1977 and our special projects, severely handicapped, where we are requesting only a modest increase, \$25 million, in fiscal year 1977.

[The information referred to follows:]

RECOMMENDATION OF THE NATIONAL ASSOCIATION FOR RETARDED CITIZENS—AUTHORIZATIONS FOR FISCAL YEARS 1977-78

[Dollar amounts in millions; fiscal years]

Title	1977	1978
State grant program	\$760	\$800.0
Innovation and expansion grants	42	44.0
Research	35	37.5
Training	40	42.5
Special projects—Severely handicapped	25	27.5
Construction	50	60.0
Vocational training service—Facility improvement	20	25.0

Mr. CHAPMAN. Mr. Chairman, you are well aware that there are a variety of Federal programs which impact on the lives of mentally retarded citizens. The purpose of these programs, of course, is to improve the lives of these individuals so that they can lead as independent lives as possible and not be a constant drain on their families and society. No one program is capable of meeting the diverse needs of mentally retarded people. There is no doubt, however, that all of the education and training a mentally retarded child is provided will be wasted unless he is provided the opportunity to be trained for productive work. Denial of vocational rehabilitation programing will almost certainly render a mentally retarded citizen dependent upon society for a lifetime. We simply cannot afford the cost of this nor can we afford to waste these human lives.

I urge you to report a 2-year extension of the Rehabilitation Act before the end of 1975 so that the States can plan properly for the coming year, and you and others interested in the Rehabilitation Act can turn to the many substantive issues early next year.

Thank you.

Representative BRADEMAS. Thank you very much, Mr. Chapman.

Dr. Cockshott, it is good to see you again so soon after our meeting 2 days ago.

Dr. COCKSHOT. Good to see you, Congressman Brademas.

My name is John Cockshott, and I am assistant commissioner for mental retardation services in the Indiana Department of Mental Health. I am here today representing the National Association of Coordinators of State Programs for the Mentally Retarded and the National Association of State Mental Health Program Directors.

Both associations are nonprofit organizations representing State directors of programs for mentally ill and mentally retarded children and adults. Our primary organizational aims are to facilitate the exchange of information concerning the most efficacious techniques of serving the mentally retarded and mentally ill and to represent the interests of State mental health and mental retardation agencies on issues of national significance.

We appear before you today to urge prompt action on legislation to extend the Rehabilitation Act of 1973, as amended. This legislation is currently scheduled to expire on June 30, 1976. Unless Congress moves promptly to enact extension legislation, it will be impossible for States to maintain the continuity of funding which is so essential to the operation of a major social program. The lead times built into the new congressional budgetary process and the need to provide the States with assurance of continued Federal funding both argue persuasively for immediate action on extension legislation.

But, perhaps more importantly, vocational rehabilitation is a sound program which has been proved to be a highly effective investment of Federal funds. Members of this subcommittee have heard repeated testimonials to the benefits of the program over the years from representatives of professional organizations, cost-effectiveness experts, public officials, and most significantly, the thousands upon thousands of handicapped individuals who have been helped by the program. We do not intend to belabor this point here today—except to point out that the Rehabilitation Services Administration estimates that there has

been over a tenfold increase in the number of mentally retarded and mentally ill persons rehabilitated since 1960.

In view of the necessity for quick action on this legislation, we would suggest that the subcommittee report out a simple extension bill which would attract strong bipartisan support and can be acted upon expeditiously. Although we recognize that the Federal Government is faced with a serious budgetary crunch, we believe that modest increases in the authorization levels for the basic grant program and other authorities in the act are certainly warranted.

In calling for a simple extension of the act, we are cognizant of the fact that there are several issues surrounding the implementation of provisions in the 1973 and 1974 amendments—Public Law 93-112 and Public Law 93-516—which deserve this subcommittee's serious consideration. Our associations are particularly concerned that the provisions establishing a priority for serving severely handicapped individuals has had little or no impact in most States on services to mentally ill and developmentally disabled clients.

But, this and other similar matters are complex and deserve in-depth study by this subcommittee and other elements, both inside and outside of Congress. To try to act upon them within the context of the proposed extension legislation, would result in either protracted delays in consideration of the bill or hasty, ill-conceived legislation.

In view of our concerns that the substantive legislative issues be considered, we were delighted to learn that the chairman of this subcommittee has committed himself to holding hearings on these matters early next year. This approach strikes us as a sound course of action. Since the resolution of the current problems may require statutory amendments, however, we suggest that the act be extended for 2 years. In this way, any matters requiring modifications in the statute can be dealt with either in the next round of amendments or on an earlier, emergency basis.

We appreciate this opportunity to present our views to the subcommittee and stand ready to furnish the members and staff with any additional information or data which you may desire. In addition, I am prepared to answer any questions which the subcommittee may care to pose.

Representative BRADEMAS. Thank you very much, gentlemen.

Just a couple of questions. Dr. Cockshott and Mr. Chapman, could you comment on the White House Conference on Handicapped Individuals which is, as I understand it, to be held in December of next year, 1 year from now, with the State conferences to be held in the summer.

Do you think that is enough time to have an effective series of conferences?

Mr. CHAPMAN. If you would permit me, Mr. Brademas, I would like to ask Mr. Marchand to respond to the question as he is much closer to the issue.

Mr. MARCHAND. From the perspective of the National Association of Retarded Citizens and our involvement at the State level in trying to work out the State conferences, I must be very candid to say there

has been almost no direct involvement with our organization statewide, and I am hard put to see how the State conferences could come off effectively in the summer months. I've seen no scheduled plan. I recognize that the National Advisory Council to the White House Conference is really just beginning to gear up. It has not really been able to get involved in the in-depth issues yet. I am concerned, there is no doubt about that.

I am not quite sure it can be pulled off in that amount of time.

Representative BRADEMAS. Just one question to you, Mr. Chapman, and one for you, Dr. Cockshott.

Mr. Chapman, could you give us the rationale for the authorizing figures which you have recommended, particularly, sir, the State grant program.

Mr. CHAPMAN. Our recommendations represent only the most modest of increases. It is merely intended to cover, first of all, rising costs and also some limited expansion. In my State of Maryland, we simply do not have sufficient funds to carry out minimum programs on a full fiscal year basis. That is the rationale.

Representative BRADEMAS. Dr. Cockshott, finally, I note at the bottom of the first page of your statement, your assertion that your associations are particularly concerned that the provisions establishing priority for serving severely handicapped individuals have had little or no impact in most States on services to mentally ill and developmentally disabled clients. Why do you come to that judgment? Why do you think that is the case?

Dr. COCKSHOT. It is my experience in Indiana and in representing national associations, that it is the consensus there, that the emphasis seems to be on progress, on accomplishing some finalization of the training program as quickly as possible. The most severely handicapped present the most difficult cases that seem, in the implementation of it, to be the ones that are rejected the quickest or certainly accepted with most reluctance and terminated more quickly.

Representative BRADEMAS. I'm not surprised by that response because it was, in part, that mentality that caused us to write into the statutes some particular mandate.

Dr. COCKSHOT. We were very pleased to see that written in but in the implementation, it just does not come through.

Representative BRADEMAS. I should have thought that you would not be in disagreement, that this may well be one of the important concerns to us that we must address ourselves to in our oversight hearings next year.

Dr. COCKSHOT. We are certainly very pleased to hear that.

Representative BRADEMAS. The Chair also wants to observe before calling on Senator Beall that he hopes Mr. Burns of the office of Senator Stafford of Vermont, a Senator who has also had a very great interest in legislation affecting the handicapped, will feel free to join in the questioning as we go along.

Senator Beall.

Senator BEALL. What was the appropriation for the State grant program for fiscal year 1976?

Mr. CHAPMAN. \$720 million.

Senator BEALL. Your authorization request is only \$40 million above the appropriation for last year?

Mr. CHAPMAN. That is correct.

Senator BEALL. It is very unusual to get two so close together.

Mr. CHAPMAN. The appropriation has not been passed.

Senator BEALL. Mr. Marchand, you were talking about the White House Conference on the Handicapped. Is your group represented on the National Advisory Council?

Mr. MARCHAND. No; it is not officially. There is no designated official from the National Association of Retarded Citizens on that Council. However, there are, I think, three or four members who clearly have mental retardation interests.

Senator BEALL. Is the Advisory Council to the White House Conference broadly representative of those who have an interest?

Mr. MARCHAND. I would say so. I also would say that the Advisory Council has decided to ask other organizations to appoint official liaisons to their Advisory Committee in helping them to wrestle with some of the key issues, and our organization will be appointing a liaison to that group.

Senator BEALL. If there is a timing problem, presumably the National Advisory Council will have the ability to change or adjust schedules so that we can accomplish the desired goals of the Conference?

Mr. MARCHAND. I would assume so. I'm not privy to speak for the Council.

Senator BEALL. Thank you very much.

Representative BRADEMAS. The Chair also wants to observe that when he must leave that he hopes that both Mrs. Forsythe, the staff director of the Senate Subcommittee on Handicapped, and Mr. Duncan, the staff director of the Select Education Subcommittee will feel free to put questions.

This is not always done in these hearings, but in view of the fact that the legislation under consideration is a simple extension, without getting into major oversight hearings, the Chair feels this is appropriate.

The Chair must now leave and would ask the Senator from Maryland if for as long as he is able to do so, if he would be kind enough to take over the Chair.

Senator BEALL. I can stay until 10:30.

Representative BRADEMAS. Then I would ask the House Subcommittee staff director, Mr. Duncan, to assume the Chair.

Thank you very much, gentlemen.

Next, we shall hear from panel No. 2, composed of Richard J. Dowling, director, American Speech and Hearing Association; Frank Mellon, director, governmental affairs, Occupational Therapy Association; Robert Teckemeyer, director, professional relations, American Physical Therapy Association; Richard Verville, American Academy of Physical Medicine and Rehabilitation, American Congress of Rehabilitation Medicine.

Gentlemen, please come forward.

STATEMENT OF RICHARD E. VERVILLE, AMERICAN ACADEMY OF PHYSICAL MEDICINE AND REHABILITATION, AMERICAN CONGRESS OF REHABILITATION MEDICINE ON BEHALF OF THE NATIONAL EASTER SEAL SOCIETY FOR CRIPPLED CHILDREN AND ADULTS; RICHARD J. DOWLING, DIRECTOR, AMERICAN SPEECH AND HEARING ASSOCIATION; FRANK MALLON, DIRECTOR, GOVERNMENTAL AFFAIRS, OCCUPATIONAL THERAPY ASSOCIATION; AND ROBERT TECKEMEYER, DIRECTOR, PROFESSIONAL RELATIONS, AMERICAN PHYSICAL THERAPY ASSOCIATION, A PANEL

MR. VERVILLE. I have a short prepared statement. I think the reason for the shortness is that we felt the basic purpose of the hearings, was simply to support the notion of the simple and prompt extension of the act in order to eliminate the uncertainty that all of us—at least all of us in the two organizations I represent—felt would exist without prompt action. We felt there was a need to get this program extended quickly so that the appropriations process could begin with some authorizations.

We believe there are some serious issues that have to be discussed about this program, but to give them the kind of in-depth review they need would take too much time to get an extension promptly enacted.

So we certainly support the notion of having congressional oversight hearings early next year, both in the Senate and the House, to consider some of these issues.

We have some views as to authorization levels. I'm only giving you levels for the first year. That is, fiscal year 1977. That does not mean that we are suggesting only a 1-year extension, that means we only focused on that particular budget year.

For the Federal-State program, \$760 million. For the research program, \$35 million, with such additional sums as may be necessary language that is currently in the law; and for the training program, \$35 million, plus such sums as may be necessary.

The only other point I have to make is that in considering some issues next year, in oversight hearings, we do believe there are a number of serious ones. And just for the record now, in order to give more impetus to the notion of having oversight hearings, I would like to mention two. One is the development in some States around the country of consolidated program efforts which in the name of coordination of services, which we support, seem in some cases to represent activities that may be inconsistent with Federal requirements in categorical programs such as rehabilitation. It may be inconsistent with appropriations processes because transfers of funds may be involved at State and local levels.

Another issue that we think has to be dealt with is the whole question of research where we feel there has not been an adequate effort either in terms of quality or quantity at the Federal level, in the medical and technological field, which is so important to dealing with severely disabled people. There really needs to be a much more serious and focused research effort, and we hope there can be some in-depth investigations of that problem.

Senator BEALL. You indicate that the research effort is floundering in your statement.

Mr. VERVILLE. Yes, sir.

Senator BEALL. Because of lack of direction at the Federal level?

Mr. VERVILLE. I think it is because of lack of direction as well as lack of funds. There certainly are examples of funds being misused; funds in research appropriations are used for nonresearch activities. Floundering is probably too nice a word for that.

There are some other problems where we feel there is not a real focus on the kinds of research improvements that can be made. The state of the art is increasing in many areas and with an influx of additional funds and well focused funds, we think we could do a lot in both the medical and technological fields to improve the ability of severely disabled people to function.

Senator BEALL. What funds designated for research are being used for nonresearch activities?

Mr. VERVILLE. Some of the funds are being used for services. The spinal cord center program, which is under "Special Projects Authority" has actually been funded over the past few years under research programs. We are not against that program. We think it should be funded and fully funded, but it should be funded in its appropriation and research in it.

Senator BEALL. Thank you.

Mr. Dowling.

Mr. DOWLING. We would not want to depart without saying that we endorse much of what Mr. Verville says. We hope that a quick, simple extension of the act can be forthcoming and additionally hope that sometime in the second session of the 94th Congress, either the House or the Senate committee, hopefully both, can hold meaningful oversight hearings on the Rehabilitation Act, as amended.

We would not want to leave this platform without extending to both the Subcommittee on the Handicapped and the Select Subcommittee on Education our sincerest appreciation and gratitude for the exemplary work both have done on the Education of All Handicapped Children's Act. And to the House Subcommittee and the full Senate Committee on Labor and Public Welfare, our further congratulations on the work you have done on the Older Americans Act.

All of the groups on this panel, and I'm certain all the groups that will appear before you this morning, will want to echo these sentiments. We are much impressed by these congressional efforts and initiatives and grateful.

Senator BEALL. Thank you.

Mr. Mallon.

Mr. MALLON. Senator, just to reinforce what Mr. Verville has said on the part of the occupational therapists and also to express our gratitude as Mr. Dowling has for the subcommittee's work in this area. Thank you.

Senator BEALL. Thank you.

Mr. TECKEMEYER. For brevity, I merely want to echo all that has been said on the panel. Being the last one to testify, I have nothing to add except again to thank the committee and yourself for the excel-

lent work that has been done and hope there will be an extension as well as oversight hearings.

Senator BEALL. I noticed each of the panelists have suggested similar—not identical—but similar authorization figures, and you agree to the authorization level put forth by Mr. Verville?

Mr. DOWLING. We're not sure we agree down to the penny. Some of us may have prepared statements for both committees next year. At that time we may want to add a few cents, Senator.

Senator BEALL. Thank you.

[The prepared statement of Mr. Verville follows:]

December 9, 1975

STATEMENT OF RICHARD E. VERVILLE, ON BEHALF OF THE NATIONAL EASTER SEAL SOCIETY FOR CRIPPLED CHILDREN AND ADULTS REGARDING THE REHABILITATION ACT OF 1973, BEFORE THE JOINT HEARING OF THE SENATE SUBCOMMITTEE OF THE HANDICAPPED AND THE HOUSE SELECT SUBCOMMITTEE ON EDUCATION

U.S. Senate, Room 4232

Mr. Chairman:

I am Richard E. Verville, and I am testifying on behalf of the National Easter Seal Society for Crippled Children & Adults ("Society"). The Society is one of the major national voluntary organizations providing health and rehabilitative care in this country.

My statement today is very brief. Like other organizations appearing at today's hearing, we urge that the Congress speedily enact an extension of the Rehabilitation Act of 1973 for at least 2 years. We believe that a speedy extension of the Act is necessary in order to provide some certainty for the states and providers of services with regarding to their budgets for fiscal year 1977. If the Rehabilitation Act of 1973 is not extended promptly, there will be no statutory authorization for appropriations in the next fiscal year prior to the beginning of the budget and appropriations process for that year.

Our statement should not necessarily be interpreted as support for the status quo. There are some very serious issues regarding both the implementation of certain provisions in the Rehabilitation Act of 1973 and the failure to implement others. We think those issues should be thoroughly aired in Congressional oversight hearings next year. Many of these issues will not involve changes in the law but others might, and we assume the law could be changed in separate legislation.

The issues about which we are concerned include, among others,

the following:

1. The emphasis upon the establishment of mechanisms to coordinate human service programs where those mechanisms involve flexibility in administration at state and local levels that is inconsistent with Federal requirements.

2. The failure, after two years, to implement Section 504 of the Rehabilitation Act of 1973 and the methods of implementing other civil rights provisions contained in the Rehabilitation Act of 1973.

If your two Subcommittees do proceed to a simple extension of the Rehabilitation Act of 1973 for two or more years, we would urge the following authorization figures which we believe to be reasonable given present levels in authorizations, present appropriation levels, and program capacities:

1. Title I, the Federal-State rehabilitation program - \$760 million in FY 1977 and \$800 million in FY 1978;

2. Section 202, rehabilitation research - \$35 million in FY 1977 and \$37.5 million in FY 1978; and

3. The facility improvement program of grants for staffing, equipment and renovations - \$20 million in FY 1977 and \$25 million in FY 1978.

STATEMENT OF JAMES A. WEST, COCHAIRMAN, COMMISSION ON INTERAGENCY RELATIONS AND STATE-FEDERAL RELATIONSHIPS, CHAIRMAN, DEPARTMENT OF RESOURCES, EAST CENTRAL STATE UNIVERSITY, ADA, OKLA.; NATIONAL REHABILITATION COUNSELING ASSOCIATION, FLETCHER HALL, EXECUTIVE DIRECTOR; MARVIN SPEARS, PRESIDENT, ADMINISTRATIVE SUPERVISORY AND PRACTICE DIVISION, DIRECTOR OF OPERATIONS, DIVISION OF VOCATIONAL REHABILITATION, STATE OF MINNESOTA, AND FRED TAMMEN, DIRECTOR, GOVERNMENT RELATIONS, NATIONAL REHABILITATION ASSOCIATION, A PANEL

Senator BEALL. The next panel is composed of National Rehabilitation Association, James A. West, Cochairman, Commission on Interagency Relations and State-Federal Relationships, chairman, Department of Resources, East Central State University, Ada, Oklahoma; National Rehabilitation Counseling Association, Fletcher Hall, executive director; Marvin Spears, president, Administrative Supervisory and Practice Division, director of operations, Division of Vocational Rehabilitation, State of Minnesota; Fred Tammen, director, Governmental Relations, National Rehabilitation Association.

Mr. WEST. We have Mr. Fred Tammen, director, Governmental Relations, National Rehabilitation Association, with us.

I will speak first, and then Mr. Marvin Spears, on my left, will speak for the Administrative Supervisory and Practice Division, and on my right, Mr. Fletcher Hall, will speak for the National Rehabilitation Counseling Association.

The National Rehabilitation Association [NRA], is a 50-year-old national organization with over 35,000 individual members. The association represents both individuals with handicaps and professionals who are engaged in programs which serve handicapped persons. Over the years, the National Rehabilitation Association has been eminently interested and active in all rehabilitation legislation, including the Rehabilitation Act of 1973 and its 1974 amendments.

The authorizing legislation providing for various programs under the Rehabilitation Act expires June 30, 1976. The NRA strongly supports a minimum 3-year extension of this act. I can state, forthrightly, that all of the evidence indicates that the 1973 Rehabilitation Act and its 1974 amendments were wise legislation and that the law is accomplishing the purposes which the members of these subcommittees hoped it would.

Through provisions made in the Rehabilitation Act of 1973 and the 1974 amendments, there were more than 300,000 handicapped persons placed in productive employment during fiscal year 1975. The number of referrals to vocational rehabilitation agencies during fiscal year 1975 reflected a 12 percent increase over fiscal year 1974. I mention these figures to show the tremendous importance and need for the continuation of the vocational rehabilitation program.

The State-Federal vocational rehabilitation programs and Congress can and should take pride in their accomplishments for handicapped persons during the past year. However, statistically speaking, the surface has only been scratched. The total job will be accomplished

only when sufficient programs and services have been developed, funded, and implemented which will provide all handicapped persons an opportunity to become self-supporting.

The National Rehabilitation Association further supports an increase in the authorizations for fiscal years 1977, 1978, and 1979. I have attached the association's recommended request for authorizations for these fiscal years and ask that the attachment be made a part of the official record. It is our understanding that the States have the capacity to appropriate more than the required funds to meet the Federal matching standards to obtain the amounts requested. The requested levels of authorization are reasonable, and reflect only moderate increases. The need can be substantiated, and you can be assured that these tax dollars will be wisely invested in the vocational rehabilitation of handicapped persons. The dividends to the taxpayers will be in terms of self-sufficient citizens able to carry all, or a greater portion, of their own financial load. There appears to be sufficient knowledge regarding the types of programs and services required to successfully rehabilitate more handicapped persons. What is needed is adequate funding to permit the implementation of the additional programs and services.

[The information referred to follows:]

SUMMARY OF NRA'S REQUEST FOR AUTHORIZATIONS FOR FISCAL YEARS 1977, 1978, AND 1979

[Dollar amounts in millions; fiscal years]

Title	1977	1978	1979
Title I:			
Basic State services	\$760.0	\$800.0	\$840.0
Innovation and expansion	42.0	44.0	47.0
Title II:			
Research	35.0	37.5	40.0
Training	40.0	42.5	45.0
Title III:			
Construction	28.0	31.0	35.0
Initial staffing	10.0	12.0	15.0
Project planning	2.0	3.0	4.0
Vocational training service/facility improvement	23.0	28.0	35.0
Special projects: Special project—Severely handicapped	25.0	27.5	30.0
Title IV: Program and project evaluation	1.5	2.0	2.5
Title V: A T B C B	1.5	1.5	1.5

Mr. WEST. To summarize, the National Rehabilitation Association supports a minimum 3-year extension of the authorizing legislation with increased authorizations at levels sufficient to provide adequate funding for the authorized programs. Because the State legislatures will be convening soon after the first of the year, at which time they will be considering allocations to match Federal vocational rehabilitation moneys, the National Rehabilitation Association urges Congress to extend the legislation as soon as possible. In addition to extending the legislation and increasing funding, the NRA also recommends that early hearings be held—perhaps of an oversight nature—relative to various aspects of the Rehabilitation Act. Among those issues to be considered for study are:

1. The 1973 Rehabilitation Act mandated several studies including a comprehensive study of the needs of the severely handicapped, a workshop needs study, and a formula allocation study. The results of these studies should be explored thoroughly along with any recommendations requiring legislative action.

2. The lack of funding, or the funding at insufficient levels, of various programs authorized by the Rehabilitation Act.

3. The administration's slowness in developing regulations to implement provisions of the Rehabilitation Act.

4. The lack of positive activity on the part of the Architectural and Transportation Barriers Compliance Board, which was created through the 1973 legislation.

5. The lack of implementation of a definitive program for the deaf.

6. The reorganization of various State vocational rehabilitation agencies which are in apparent violation of the Rehabilitation Act.

The National Rehabilitation Association recommends that these areas as well as others be explored by Congress so that necessary steps may be taken to further strengthen the Rehabilitation Act.

The National Rehabilitation Association appreciates this opportunity to express its views before this joint hearing and offers its assistance to the committees in providing additional information as may be necessary.

Senator BEALL. Thank you, Dr. West.

Mr. Hall.

Mr. HALL. Thank you, Senator.

Mr. Chairman, I am Fletcher R. Hall, executive director of the National Rehabilitation Counseling Association. NRCA is the oldest and largest professional association of rehabilitation counselors in the United States. The National Rehabilitation Counseling Association has a membership of over 9,600 rehabilitation counseling professionals. As such, NRCA represents the largest single group of providers of rehabilitation services in the Nation.

The National Rehabilitation Counseling Association recommends that the Rehabilitation Act of 1973 (Public Law 93-112), be extended for a minimum of 3 years. Essentially, this recommendation is based on the fact that most rehabilitation counseling professionals are now, currently just really beginning to engage in effective implementation of the program emphasis of the Rehabilitation Act of 1973. This is in part due to the fact that regulations for implementation of the act were not published until May 28, 1974. Therefore, NRCA would urge a minimum 3-year extension of the act in order to allow for more complete effective implementation, and the opportunity to ascertain the effects of the new emphasis of the State-Federal vocational rehabilitation program; as well as effects in private rehabilitation service delivery settings.

Regarding authorization levels, the National Rehabilitation Counseling Association strongly recommends the following amounts for titles I and II of the act for the fiscal years 1977, 1978, and 1979.

[The information referred to follows:]

SUMMARY OF NRCA'S REQUEST FOR AUTHORIZATION FOR FISCAL YEARS 1977 AND 1978

[Dollar amounts in millions; fiscal years]

Title	1977	1978	1979
Title I:			
Basic State.....	\$760	\$800.0	\$840
Innovation and expansion.....	42	44.0	47
Title II:			
Research.....	35	37.5	40
Training.....	40	42.5	45

Mr. HALL. These components of titles I and II are those which most directly affect the practicing rehabilitation counselors. These are filed in our written testimony.

Appropriations for the State-Federal vocational rehabilitation program have frequently been justified as a good investment: Spend money to rehabilitate individuals with disabilities and they will, in turn, be able to obtain good jobs and pay taxes. Partially for this reason, goals or quotas—the number of successful rehabilitations per year—have become the criteria for evaluation of both the rehabilitation counselor and the entire vocational rehabilitation program.

The rehabilitation counselor faces an ever-growing problem—how can he/she provide the services necessary to successfully rehabilitate a realistic number of people when the funds available to him/her are continuously decreased.

Funding for use by the rehabilitation counselor comes from several sources. For example, a general caseload counselor in region 02, Prince Georges County, in the State of Maryland, received about \$11,000 this year in general funds, \$9,000 in special categorical funds, and will receive nearly \$7,000 in earned money from the use of those categorical funds. This counselor has approximately \$27,000 in case service funds available to him/her.

These funds are used to provide such services as diagnosis and evaluation, surgery and treatment, appliances, hospitalization and care, training and materials, and maintenance and transportation; \$27,000 may appear to be a large sum until the cost of these services is examined.

The following are some examples of the expense of vocational training: Auto mechanic training, 1 year, \$2,000. Welding training, 10 weeks, \$950. Beauticians training, 2,000 hours, \$600. Tuition, University of Maryland, 1 semester, \$439. Executive secretarial training, 2 semesters, \$1,400. Vocational adjustment training, 13 weeks, \$520.

The cost of these programs appears slight when compared with the funds needed to provide computer data entry training to one severely disabled, homebound client, \$3,060. This figure does not even reflect the extensive vocational evaluation necessary to determine the feasibility on this vocational training.

Hospital costs have taken a sharp rise in the past several years. Surgical procedures are often so expensive that a counselor could spend his/her entire budget on one case. The cost of a wheelchair may be \$450; a simple short leg brace \$300. The cost of a complete prosthesis may be near \$1,000. Psychotherapy is often \$50 an hour and many hours are often necessary just to get a mentally handicapped person ready for vocational training.

If the counselor provides only \$15 per week for maintenance and transportation assistance, the cost will be \$720 for a 48-week training program for one client.

Other sources of funding, such as basic social service grants and medicaid, are available for these services, but not every individual qualifies for these programs. Of four individuals who applied for basic social service grants from one caseload, only one received any assistance at all.

Rehabilitation counselors are now expected to greatly increase the number of individuals with severe disabilities being served. The cost of services needed is generally much greater for these cases, yet funding does not seem to be keeping pace with these expected cost increases.

No rehabilitation counselor wants to be put in the position of either providing only part of the needed services to individuals or being overly selective as to who will be served, when so many people are in need. But this is the predicament that counselors find themselves in very frequently.

This, obviously, is not the entire picture. The cost of services provided at the Maryland Rehabilitation Center, for example, does not come out of the individual counselor's case service moneys. The center's budget is taken from division of vocational rehabilitation funds before they are allocated to the individual counselor. There are also a great many resources available for rehabilitation within the community, free of charge. Counselors are making greater use of these resources as money runs short. However, development and proper use of these resources required a great deal of time. Counselors are finding that, as the size of their caseloads increase, and as the percentage of severely disabled increases, they do not have the time for this type of activity, important as it may be.

Recent legislation has prompted the much needed change of placing the emphasis of rehabilitation programs on providing services to individuals with severe disabilities. However, multiple services of great expense are often required to adequately serve this population. Unless this commitment is backed up with the necessary increase in funds, counselors will experience increasing frustration in attempting to provide the needed services to their clients.

Mr. Chairman, the National Rehabilitation Counseling Association would concur with the recent statement of concern by President Ford that "of the 28 million adults with physical and mental handicaps, only 800,000 are currently employed and many of them have jobs below their ability." However, our concern also is that the Ford administration make available the necessary resources to correct this situation.

Mr. Chairman, in addition to the extension of the Rehabilitation Act, the National Rehabilitation Counseling Association strongly urges that sometime early in 1976, the Subcommittee on Select Education in the House of Representatives and the Subcommittee on Handicapped in the U.S. Senate will hold extensive and comprehensive oversight hearings on the vocational rehabilitation program.

Mr. Chairman, the National Rehabilitation Counseling Association is most appreciative of your respective committee's efforts in the past, however we strongly believe it is now imperative that Congress take the initiative in protecting the integrity of one of our most successful human resource programs, vocational rehabilitation; and to ensure that adequate resources are authorized and appropriated to continue to get this most important job done.

We thank you for this opportunity to testify and stand ready to be of assistance in the future.

Senator BEALL. Thank you, Mr. Hall. I have no questions.

There is one other witness on the panel who has not testified yet, Mr. Chairman.

[Senator Randolph assumes the Chair.]

PREPARED STATEMENT OF SENATOR RANDOLPH

Senator RANDOLPH. Good morning, ladies and gentlemen. As chairman of the Senate Subcommittee on the Handicapped, I should like to welcome all of you to this morning's hearings on the extension of the Vocational Rehabilitation Act of 1973. I should also express my appreciation to my distinguished colleagues on the House Education and Labor Committee for their efforts enabling us to begin work on this legislation. As you know, if we are to meet the deadline of the Congressional Budget and Impoundment Control Act of 1974, by March 15, 1976, we must submit reports to our respective budget committees reflecting the probable direction the Congress will take with regard to appropriations for programs such as rehabilitation. It is good that we are beginning action at this time.

As most of you know, it is the intention of the members of these subcommittees—and we have been informed that interested organizations agree with this conclusion—that there should be a 1- or 2-year extension of the Rehabilitation Act. This course of action would have two major benefits: it would give the States more time to improve their implementation of the provisions of Public Law 93-112, and it will give the Congress more time to closely review this implementation and make decisions on what further amendments should be made. In addition, the Congress has in the past month received reports which were due much earlier, and we need time to carefully study the information contained in these reports so that we may consider their recommendations.

A basic extension of the Rehabilitation Act should not be taken as a sign that the Congress is satisfied with the implementation of the legislation. It has been law for 2 years now, but we have received disturbing reports that our intent with respect to that law is not being carried out. Funding for some of the programs has been meager, or nonexistent. Studies have been submitted to the Congress months past their deadline. The promulgation of regulations to implement the act has taken much too long; in fact the regulations for section 504 still have not been published in the Federal Register. There have been actions in some States which have been a cause for alarm for a variety of individuals, both within and without the rehabilitation program. The Subcommittee on the Handicapped is also vitally interested in knowing whether there are substantive changes that need to be made in the light of 2 years' experience.

While this week's hearings will deal mainly with the simple extension, it is my intention as chairman of the Senate Subcommittee on the Handicapped, to hold further hearings this winter on possible amendments or changes which should be made in the act. Oversight is an important function of the Congress; and we are dedicated to doing everything which we can to bring about a social, economic, and physical environment in this Nation that will enable each handicapped person to achieve his or her maximum personal potential. I assure each and every one of you who are here today or who are interested in the

vocational rehabilitation program that we will work to make this program even more successful than it has been in the past.

Senator RANDOLPH. Mr. Spears, I understand that you speak on behalf of Senator Mondale.

Mr. SPEARS. No, sir; I speak on behalf of the Administrative Supervisory Practices Division of the National Rehabilitation Association. I happen to be one of Senator Mondale's constituents.

Senator RANDOLPH. I'm sorry, I should never have suggested that anyone could speak for Senator Mondale. I do know that you are from Minnesota and I know that Senator Mondale, who wanted to be here today, is in the meeting of the Intelligence Committee. In a sense, I am welcoming you for Senator Mondale, let us say it that way.

Representative QUIE. Will the Senator yield?

Senator RANDOLPH. Yes.

Representative QUIE. As another person from Minnesota, I am pleased that Mr. Spears could be here as well. In Minnesota, we know well the tremendous work that he has done in the area of rehabilitation, so both as Minnesotan and one who believes individuals who are handicapped need the services, I am pleased you are here to present your testimony.

Mr. SPEARS. Thank you, very much.

Senator RANDOLPH. Chairman Brademas of your subcommittee chaired earlier today, and we are very pleased with his leadership, as we are of yours and other members. I've explained that I must go to the Senate floor.

Off the record.

[Discussion off the record.]

Senator RANDOLPH. Mr. Quie, the staff will fill in and help if it is necessary for you to leave.

Representative QUIE. Senator Randolph, we appreciate the tremendous work you have done.

I understand this is a panel of three persons and, Mr. Spears, would you now go ahead and present your views as you feel we should hear them.

Mr. SPEARS. Yes; thank you very much, Representative Quie.

I think preliminarily I appreciate the comments that you made. I would like this committee record to show that we in Minnesota are as fully proud of the concerns and efforts on behalf of citizens with disabilities that Representative Quie and Senator Mondale have shown through the years as the kind comments made relative to our State. We are very pleased and proud of their involvement.

Mr. Chairman and members of the committee, we of the Administrative and Supervisory Practices Division of the National Rehabilitation Association are very pleased to have the opportunity to offer our voice, along with many others, on behalf of the Nation's vocational rehabilitation program.

We are also concerned. We are concerned that the vocational rehabilitation program appears to have hit a flat spot in its long history of improvement and expansion of services to citizens with disabilities. The vocational rehabilitation program needs your interest, your commitment, your guidance and your thoughtful leadership. There are far too many citizens with disabilities not receiving the service they need to lead meaningful, productive lives. We are confident that, as

the information is provided to you, you will agree with us that the vocational rehabilitation program is one of the Nation's most significant social service activities, that the flat spot should be removed, and that the program should continue its ascent to more effective heights. We are confident that you recognize that the citizens with disabilities in our Nation are no longer content with merely maintaining life; they are no longer content with handouts, pats on the head and condescension. They are telling all of us very clearly that their needs have not been met, that all of us need to put action behind our words of good intention. We are also confident that as your knowledge and understanding of the program is developed, you will provide for the meaningful, orderly and substantial expansion and improvement in the vocational rehabilitation program.

We of the Administrative and Supervisory Practices Division stand ready to offer our full and total assistance to you in any way that will be of help.

We urge, in the strongest measure possible, that to achieve the objective of assuring that citizens with disabilities have the proper opportunity to be prepared for and to receive services necessary for a full and meaningful life, you do the following things:

1. Extend the Rehabilitation Act of 1973 for a minimum of 2 years. The Rehabilitation Act of 1973 marked very significant legislative change in the vocational rehabilitation program. The full measure of the implications of these changes are just now being felt in a significant fashion in rehabilitation agencies across the country. Certainly by next year the full impact of the implementation of the Rehabilitation Act of 1973 will be better known and all of us concerned with legislation affecting citizens with disabilities will be a far better position to comment intelligently on necessary legislative changes.

2. Increase the authorization for appropriation for the vocational rehabilitation program to \$800 million in 1977 and \$850 million in 1978. You will note that this is greater than that recommended by some other organizations and associations. It is felt by the Administrative and Supervisory Practices Division that the allocation of sufficient resources to the vocational rehabilitation program is crucial in times of continuing inflation and high unemployment. A small-scale study is currently underway in the State of Georgia, attempting to relate the impact of unemployment on rehabilitation programs. While the data is far from complete, early indications are that vocational rehabilitation costs increase when unemployment increases by 1 percent or less. Thus, the continuing high unemployment creates problems for vocational rehabilitation services that can only be met by increased expenditures. We realize that this posture flies in the fact of economy motivations of Congress and the administration; however, we also feel that it is imperative that you understand the fact that efficiency in administration can be carried only so far, and that an increase in both quantity and quality of services provided to citizens with disabilities can be achieved only with increased resources. Actually, I am sure that you have been provided considerable information which shows clearly that the vocational rehabilitation program is very effective in transforming financial resources into human results; human results that have an impact on our economy, as well.

We urge—and it is very reassuring to me that you plan to hold extensive hearings on the Vocational Rehabilitation program, as Senator Randolph mentioned, hopefully as soon as January or February of 1976. We would offer our strong suggestion that the following items be given full study and consideration for possible substantive changes in the Rehabilitation Act of 1973.

The definition of “most severely handicapped.” The Administrative and Supervisory Practices Division of NRA is totally and unequivocally committed to the concept of giving priority services to those citizens with disabilities whose need is greatest, and whose disabilities interfere most substantially with meaningful life activities. However, the current definition of “most severely handicapped” is very difficult to administer. It is subject to far more discretion on the part of individual agency staff persons than I think was intended by the original legislation. A thorough review of the definition toward the objective of a clarification of the definition of “most severely handicapped” would be most desirable. It would also facilitate increased accountability in the Vocational Rehabilitation program.

Programs funded through the Social Security Administration. The State/Federal Vocational Rehabilitation program receives funds from the Social Security Administration to provide rehabilitation services to beneficiaries of two programs within the Social Security Administration. Separate eligibility requirements pertain to these programs, and certain other separate conditions are attached to the utilization of funds. Currently, the Office of Rehabilitation Services is conducting a nationwide PAR (Program Administration Review) relative to SSA programs, and will have, I am confident, many findings relative to this activity. These findings, which may be perceived as negative, should be reviewed by your committees very thoroughly, and the implications of the separateness of the Social Security Administration programs carefully explored.

ADMINISTRATIVE INTEGRITY

We of the Administrative and Supervisory Practices Division are extremely concerned relative to the most unfortunate situation within the State of Florida. In the State of Florida, the Vocational Rehabilitation program is about to be “homogenized”, and made unrecognizable from other social-welfare activities. We are categorically, emphatically and totally opposed to this action, and feel very strongly that specific language ought to be written into the Rehabilitation Act to prevent the destruction of the State/Federal rehabilitation program. From an administrative standpoint, what is being attempted in Florida is management nonsense. Lines of accountability established by Congress would be totally lost. Special emphasis so deserving of our citizens with disabilities would be totally lost. Many other benefits attributable to the State/Federal rehabilitation program would be lost, as well. We feel that this issue ought to be thoroughly reviewed, and specific language written into any substantive changes in the Rehabilitation Act to prevent further erosion of the Vocational Rehabilitation program.

The Role of Worker’s Compensation programs. We would urge that the committees give substantial consideration to the impact of im-

proved Worker's Compensation programs in the States. Close cooperation and coordination between the State/Federal rehabilitation programs and State Worker's Compensation programs is essential if disabled workers are to receive the full measure of benefits to which they are entitled, and at the same time receive the needed help so they can return to self-sufficiency. There is a widespread increase in the interest in rehabilitation and Worker's Compensation programs, and specific language may be needed to assure close coordination of these two important programs.

We in the Administrative and Supervisory Practices Division would be most pleased to work with your committees in whatever fashion you thought most beneficial. Of particular interest to us, of course, is the matter of "administratability" of any laws governing the State/Federal rehabilitation program. I hope you will pardon my coining of a new bit of bureaucratic gobbledygook. Nonetheless, if Congress is to achieve the objectives intended, they must consider whether or not the program is, under reasonable conditions, "administratable". Oftentimes, relatively minor changes in legislative language can improve greatly the "administratability" of any given program. This is of course the case in the State/Federal rehabilitation program. We feel that among our membership we have individuals who are knowledgeable and expert in the areas of rehabilitation management and administration, and I speak with full confidence that we will offer whatever assistance we can, with respect to the "administratability" of modified rehabilitation laws.

Going beyond the special area of our expertise, however, we are all human beings, we are all concerned about the opportunity that citizens with disabilities have to lead full and meaningful lives. Indeed, none of us would be in this line of endeavor without this deep and abiding concern for citizens with disabilities. It is perhaps mostly from the heart that we bring our testimony to you. We really believe that the State/Federal rehabilitation program is positive and significant in its impact on people's lives, and also believe that we wish to work in any way and every way possible to strengthen that and other related programs for citizens with disabilities.

Thank you very much for this opportunity.

Representative QUIE. Thank you, Mr. Spears.

Let me ask you a few questions. I think you are in a good position to answer.

Quickly looking at some of the other testimony, I see the statement to extend the act for at least 2 years. It sounds to me that it is doubtful whether 2 years is long enough.

Mr. SPEARS. I believe that earlier Senator Randolph pointed out that there was a minor discrepancy with respect to the original position of National Rehabilitation Association on the extension. I guess whether the bill be extended for 2 years or 3 years, is less important than the concept that oversight activities which he alluded to be considered and that the program of vocational rehabilitation services not be forgotten.

As you heard too often, sometimes programs that have demonstrated a certain degree of efficiency tend to be literally loved and forgotten. We feel that would be a sad mistake.

Representative QUIE. I noticed that one of the testimonies indicated that they would urge that we have 100 percent Federal funding of administration. I have serious doubts myself about that. It came to me quite glaringly in vocational education that in some States, the Federal Government pay 100 percent of the administrative costs, and in other States, they send most of it out for vocational education. I have, as a rule of thumb, that any time the Federal Government pays more than 50 percent of administrative costs, then the State is not as interested in that as they should be and many forces within the States are at play.

I speak here as one who might be willing to put more money into it. What is your reaction to this?

Mr. SPEARS. I think the key thing, Representative Quie, has to be the structure within which the program operates. If the structure, as provided by Federal regulations, assures that certain key activities are properly performed and properly conducted, I think the sharing of funding between State and Federal sources is most appropriate and valuable.

An example, however, might relate to the activities of vocational rehabilitation program evaluation. The program evaluation activities have been built into the Rehabilitation Act of 1973 in regulations. I have a feeling, and it is just a feeling, that trying to persuade our State funding sources to fund activities that are sometimes viewed as being esoteric in the program evaluation area would be very difficult to achieve. So, if the proper assurances that that is accomplished which should be accomplished are written into the regulations, then I think the sharing of funds is fine.

Representative QUIE. I agree with you on what I see in Florida. What struck me a long time ago is what Dr. Rusk started in this country. He began working on the rehabilitation of an individual all at one time rather than taking care of the physical needs of an injured person first and then taking care of the emotional needs and then trying to teach a job skill. The extent you can do all three at the same time is a recognition that an individual cannot be compartmentalized as physical, spiritual, and mental, for instance.

What I am concerned about in Florida's effort is that it may have been compartmentalized. Is that fear founded on my part or is it strictly the problems of administration?

Mr. SPEARS. With regard to my understanding of the situation in Florida, I think your fears are well founded.

Representative QUIE. Have you looked at the total question of the Federal/State match in the legislation? Have any of you looked at that? Do you think from your point of view now that we ought to continue just the way we are? I'm not talking about administration, but the total.

Mr. SPEARS. The question of match is certainly a complex one and it relates to the availability of funds through Federal sources as distinct from State and local sources. I do not on behalf of the Administrative and Supervisory Practices Division, and I believe National Rehabilitation Association has not taken any particular position with respect to the ratio. One of the things I did allude to, though, is sep-

arateness of funding sources for providing services to people. When handicapped individuals walk through the door of the Vocational Rehab Office, a good professional person does not ask, "How am I going to fund this activity, or this person, or that activity or that person," he goes ahead and does it and sees that it is accomplished.

I think the separateness of sources of funding, which I think Mr. Hall alluded to very clearly in his testimony, tends to make the services to people dependent on source of funds rather than on their needs. I guess from an administrative standpoint it is a concern to me certainly, and I think to our division.

Representative QUIE. The last question I have is the point you raised on most severely handicapped. I'm glad you did. When this was put into the law, I would say one reason why it is a little bit unclear right now is that it was a little bit unclear in the Congress point of view as well. We felt that the most severely handicapped were not receiving the services. We recognized that you could spend all of your money on the most severely handicapped as well and leave all of the others out, so we tried to meet that middle ground and hopefully, out of some experience we could write more clearly in the future and help out.

In talking to Gus Gehrke in Minnesota, he felt that when we passed legislation, that you can handle it because you in effect had some guidelines already in place there to put it into operation. What you are talking about here is that in your view overall in the Nation, that—

Mr. SPEARS. Yes, that particular comment was one that, as I prepared for this meeting today, I received input from a number of individuals in our division expressing concern over the definition. I guess we have to stress very clearly that we agree totally with the concept of giving the service to those whose needs are greatest. It is a matter of how you structure that definition in law and regulation. In fact, a person again comes in the door to get help from your agency can get it without going through the whole service of bureaucratic loops.

Representative QUIE. Do you know in some States it is more of a problem than in others?

Mr. SPEARS. That is a problem with almost any aspect of joint Federal/State legislation. I think in respect to this definition, I think certainly there are some variations among States. I think there is overriding concern relative to the nature of the definition.

Representative QUIE. In the oversight hearings, will we be able to tell that here is the way it works in one State and there is the way it works in the other State, and there is something unique about the administrative operation the way they handle it or the regulation or the guidelines from one State that will then enable us to write better legislation for other States to learn thereby?

Mr. SPEARS. I would think it would be one of our objectives, certainly, to provide you, perhaps working with your administrative assistants, with the kind of information that would make those kind of comparisons possible.

I would certainly hope we can do that.

Representative QUIE. That is what we are looking for.

Pat, would you like to ask a question?

Mrs. FORSYTHE. I just have one question. Dr. West, you outlined six items for oversight. We seemed to have covered all with the exception of No. 5, the lack of implementation of definitive program for the deaf. Rather than a question, this is perhaps a request, if the National Rehabilitation Association under your sponsorship, if you could submit to us what you believe to be a definitive program for the deaf and what would be the administrative responsibilities, and what you believe would be a program equal to other programs and any other recommendations that will assist HEW in organizing an administrative unit for the implementation of programs for the deaf.

Mr. TAMMEN. I realize you directed the question to Dr. West. Perhaps I can answer. The National Rehabilitation Association has for a number of years worked with the Task Force on the Deaf.

Representative QUITE. Thank you, all the members of the panel. We appreciate your coming here today giving us the benefit of your wisdom.

Mr. SPEARS. Thank you.

Representative QUITE. I now call on panel No. 4: Reese Robrahn, past president, American Council of the Blind; Irvin P. Schloss, director, governmental relations, American Foundation for the Blind; Fred Schreiber, executive secretary, National Association of the Deaf; Albert Pimentel, director, public service programs, Galludet College, Professional Rehabilitation Workers of the Adult Deaf.

If you would like to proceed in the order that you are listed on the agenda today, it first will be Reese Robrahn, American Council for the Blind, if you would start first, we would appreciate having your testimony.

STATEMENT OF REESE ROBRAHN, PAST PRESIDENT, AMERICAN COUNCIL OF THE BLIND

Mr. ROBRAHN. Thank you, Mr. Chairman, for the opportunity to appear before you and the staff members of the two subcommittees.

The American Council for the Blind is a national membership organization of primarily blind or visually impaired persons with 47 affiliates. We have prepared a written statement which discusses some of the defects and some of the omissions in the 1973 Rehabilitation Act and its amendments.

I am not one to go into great detail, however, I would call to the attention of the members, respectfully, that very short time was given to interested witnesses to appear here. The time was very short for preparing very extensive written statements. I respectfully suggest that where consumer organizations are involved, our resources are very limited, and when we get short notice as we had for this hearing, it presents a problem because much of our work is done by volunteers who are not paid.

Representative QUITE. May I interject. I recognize it is a problem. I think this is why Congress is talking now about at least a 2-year extension on the act, so everyone can have time to prepare their views in oversight hearings. I would also say without objection, your statement

will appear in the record as it has been given to us. You go ahead and comment any way you want to on it.

Mr. ROBRAHN. Without going into detail on the matters raised in the written statement, I think it can be said that the thrust of the intent, the purpose of the Congress in passing the 1973 Rehabilitation Act and its amendments was to provide rehabilitation services which were to be more relevant and in particular to provide those services to serve the severely handicapped first, and also to foster greater employment opportunity for the handicapped. I think that is the thrust of the new provisions of the 1973 act and its amendments.

I think there has been such a great lack of implementation of the new features of the Rehabilitation Act that we would call it unconscionable default on the part of the agencies and departments responsible for the implementation of this act.

As an example, I would cite the amendments to the Randolph-Sheppard Act, which is the vending stand act. These amendments were passed and became effective December 7, 1974, now over a year ago. In those amendments, the Congress found, among other things, that the vending stand program providing employment opportunities for blind persons could be doubled within the next 5 years. It provided for greater and stronger administration and supervisory functions at the Federal level to bring this about. Guidelines and regulations should be issued. The amendments also directed the Secretary of Health, Education, and Welfare to assign 10 new positions to the Office of the Blind and Visually Handicapped to bring about stronger supervision. To date, no regulations have been issued and no new positions have been assigned to the Office of the Blind and Visually Handicapped.

I think this is one example of the incredible default that has occurred with respect to the implementation of the provisions of the Rehabilitation Act.

On behalf of the American Council of the Blind, therefore, I would seriously suggest that oversight hearings be held to explore and investigate the underlying causes, the reasons for such lack of implementation. For that reason, the American Council feels that if it appeared here today and simply went along with a 2-year-or-more extension in the authorization, it would be put in the position of condoning all status quo and the lack of implementation which exists with respect to this act.

For that reason, it is our recommendation and we strongly urge, that there be an authorization for only 1 year and that oversight hearings and indepth hearings on substantive issues which exist with regard to the act, be conducted on or before March 31, 1976.

We feel it will be a mistake to substantially increase any appropriation without first going into these oversight hearings and indepth hearings on the matter.

Our request is that the extension be not for more than 1 year and indepth hearings be held on or before March 31, 1976.

Thank you very much for the opportunity to appear.

Representative QUIE. Thank you very much.

[The prepared statement of Mr. Robrahn follows:]

THE AMERICAN COUNCIL OF THE BLIND

Floyd Qualls, President

Durward K. McDaniel
 National Representative
 818 18th St., N.W. Suite 700
 Washington, D.C. 20006
 Phone: 833-1251

Testimony by Hon. Reese
 Robrahn, Past President

Statement Concerning

Proposed Extension of the Rehabilitation

Act of 1973, as amended

December 9 and 10, 1975

SUMMARY

The American Council of the Blind:

1. Favors greater emphasis on the vocational objective of rehabilitation services and a more nearly adequate statement of findings and purposes in P.L.93-112.
2. Favors amending of P.L.93-112 to assure certain rights and benefits to employees of workshops.
3. Favors an amendment to create a National Liaison Committee on Blindness and the Visually Handicapped and to upgrade the role such Committees shall play in policy-making.
4. Favors an amendment to control the priority of matching of third-party funds as well^{as} to impose certain restrictions and limitations upon the use of funds for third-party contracts.
5. Favors 100% Federal funding of administrative costs.
6. In view of federal default in implementation of P.L.93-112 and P.L.93-516, favors amending the Act to provide remedies to persons and classes of persons eligible for services under these Acts.
6. Favors 100% Federal funding of a special fund to establish new vending facilities under P.L.93-516.
7. Opposes extension of authorization for more than one year without hearings to be held on substantive issues.

STATEMENT

In considering the range of rehabilitation and related services, the American Council of the Blind is concerned with the relatively minor emphasis placed upon job development and placement in P.L.93-112. Such has been the trend since 1954, and we urge that Congress declare itself emphatically in favor of a rededication to the vocational goals of the rehabilitation program.

The Rehabilitation Act of 1973, as amended, should be amended to include a more comprehensive and substantive statement of intent and purposes.

Public Law 93-112 should also be amended to provide for a systematic review of cases of sheltered workshop employees with the view of placing as many of them as possible in the competitive labor market. It should provide for the assurance of rights and benefits to employees of workshops and rehabilitation facilities, such as unemployment compensation, workmen's compensation, social security, the Fair Labor Standards Act, occupational health and safety standards and retirement and pension plans. Provisions affording handicapped persons the right to a hearing, arbitration and judicial review with the right to be represented at any stage of such proceedings are also needed.

The American Council urgently recommends an amendment to create a National Liaison Committee on Blindness and the Visually Handicapped and an amendment to Section 101(a)(18) of P.L.93-112 creating Liaison Committees on Blindness and the Visually Handicapped on the state and political subdivision levels. Without this kind of specialization and the participation of those specially qualified and concerned with the problems of blindness, these publicly supported programs will never be able to catch up with the compelling service needs of this category of handicapped persons. The Council approves in principle the existence and function of such bodies as the National Advisory Council on Vocational Rehabilitation. However, we are impressed with the fact that such positions are normally filled by persons who do not represent the interests, needs and concerns of handicapped persons. Such organizations cannot make a meaningful contribution to the solution of rehabilitation problems of the blind and visually handicapped so long as representatives of blind persons are excluded from such positions. We recommend amendments which will assure the appointments of representatives of blind and visually handicapped persons to these organizations. In particular it is urged that the function

and role of such Committees shall not merely be advisory but shall be mandated authority to participate jointly with the Office of the Blind and Visually Handicapped on the federal level and the state or local agency providing rehabilitation services for the blind in formulating policies and planning programs and services.

State rehabilitation agencies have developed projects with other agencies for the performance of service. Under these "third-party" arrangements the State's matching share is normally provided by the third party agency. Without attempting to judge the merits of all services performed through third-party agreements, we want to call to the attention of Congress some of the practical effects of such arrangements, particularly in those states which have more than enough state resources to match all of the available federal funds for rehabilitation services. When federal dollars are matched with third-party private funds, a substantial fraction of the money necessarily goes to pay for overhead and administration of the third-party, rather than for services to handicapped persons. On the other hand when federal dollars are matched with funds of the State rehabilitation agency, there are no additional administrative costs, and the net result is more money for direct services to handicapped individuals.

P.L.93-112 should be amended to deal with this serious situation in order to assure the maximum utilization of federal funds for services for handicapped persons. We believe that Congress would be concerned if all aspects of the widespread third-party arrangements were fully understood. We suggest that in addition to such proposed amendment, the General Accounting Office should be expressly authorized and instructed to make studies and report to the Congress on the utilization of federal funds in third-party arrangements.

Perhaps the most frequent complaint of users of rehabilitation services is that they are advised while their case is still open and pending that the agency has run out of funds for the fiscal year and that therefore requested and appropriate services cannot be provided. It is the observation and experience of the American Council of the Blind that in most instances the agency has run out of funds because it has committed an inordinately large percentage of available federal funds to third-party contracts on an annual basis. The Council therefore urges that P.L.93-112 be amended so that appropriate restrictions and limitations are imposed upon the use of funds for third-party contracts in

lieu of payment for direct service needs.

In most of the states there have never been enough specially trained and skilled professional staff to deal with the rehabilitation and related service needs of blind and visually handicapped persons. This deficiency arises in part from an unwillingness of the states to finance adequate special staffing and in some instances from an ill-advised opposition to such specialization on the part of state administrators of rehabilitation programs. Such administrative opposition to specialization occurs most frequently (although there are some exceptions) in state agencies where rehabilitation services for blind and visually handicapped persons have been integrated or merged with those for all other handicapped persons without regard for special needs.

Solutions to such deficiencies at the state level cannot be achieved on a state-by-state basis. The solution must be provided by Congress through the provision of 100% federal funding of administrative costs and by the requirement of specially trained and skilled staff to deal with the problems of blind and visually handicapped persons.

As a necessary counterpart to 100% federal funding of administrative costs, we advocate that Congress take the next logical step to assure adequate funds for rehabilitation services for blind and visually impaired persons through the provision of 100% federal funding of rehabilitation services. Without these solutions the rehabilitation story for the blind and visually impaired will have to be repeated again and again to succeeding sessions of Congress. "Rehabilitation as usual" has not been good enough to meet needs of blind and visually handicapped persons, and we urge these solutions now.

The Rehabilitation Act of 1973 was signed into law on September 26, 1973 and the 1974 Amendments to the Act became effective December 7, 1974. To this date there has been an incredible lack of implementation of all the new provisions of the Act and its Amendments which were intended by Congress to bring into operation programs of rehabilitation services which were more relevant to the needs of, and which were intended to serve "first those with the most severe handicaps." The foregoing is especially true of Title V of the Act. A typical example of this unconscionable default is the lack of implementation of the 1974 Amendments to the Randolph-Sheppard Act. In this regard Congress made the following findings in Title II, Section 201 of P.L. 93-516:

" Sec. 201. The Congress finds--

(1) after review of the operation of the blind vending stand program authorized under the Randolph-Sheppard Act of June 20, 1936, that the program has not developed, and has not been sustained, in the manner and spirit in which the Congress intended at the time of its enactment, and that, in fact, the growth of the program has been inhibited by a number of external forces;

(2) that the potential exists for doubling the number of blind operators on Federal and other property under the Randolph-Sheppard program within the next five years, provided the obstacles to growth are removed, that legislative and administrative means exist to remove such obstacles, and that Congress should adopt legislation to that end; and

(3) that at a minimum the following actions must be taken to insure the continued vitality and expansion of the Randolph-Sheppard program--

(A) establish uniformity of treatment of blind vendors by all Federal departments, agencies, and instrumentalities,

(B) establish guidelines for the operation of the program by State licensing agencies,

(C) require coordination among the several entities with responsibility for the program,

(D) establish a priority for vending facilities operated by blind vendors on Federal property,

(E) establish administrative and judicial procedures under which fair treatment of blind vendors, State licensing agencies, and the Federal Government is assured,

(F) require stronger administration and oversight functions in the Federal office carrying out the program, and

(G) accomplish other legislative and administrative objectives which will permit the Randolph-Sheppard program to flourish."

The failure of the Department of Health, Education and Welfare and its Rehabilitation Services Administration to publish guidelines and promulgate regulations as directed by the Congress in these amendments has resulted in a complete thwarting of the intent and purpose of Congress in their adoption. In Section 208(a) of Title II, P.L. 93-516, Congress directed the Secretary of the Department of Health, Education and Welfare to assign to the Office for the Blind and Visually Handicapped ten new positions to carry out the provisions of the Randolph-Sheppard Act. To date none of the ten positions has been assigned. Instead of stronger administrative and oversight functions on the federal level

to carry out the intent and purpose of the Amendments as directed by Congress there has been almost a total lack of oversight and consultative function. The result has been that the state rehabilitation agencies and agencies authorized to license blind operators of vending facilities, as well as federal departments and agencies, have found it impossible to go forward with plans for expansion and improvement of the vending facility program.

One year of the five-year program for doubling the employment opportunities for blind persons in vending stands on federal property has now been lost. In order to make up for this lost time it is the recommendation of the American Council that a special fund be set aside from which there would be 100% federal funding for the establishment of new vending facility locations under the program.

In view of the failure of federal and state agencies, departments and offices to implement the provisions of the Rehabilitation Act of 1973 and its 1974 Amendments to any substantial or meaningful extent, it is urged by the American Council that the Act should be amended to provide for comprehensive review and enforcement remedies which may be initiated by any citizen entitled to services and benefits under the Act or classes of such citizens similarly situated. In particular, such review and enforcement procedures should be both on the administrative and judicial levels and should give standing to such persons and classes of persons to challenge the approval or denial of approval by the Secretary of HEW of any state rehabilitation plan; to challenge or enforce violation or compliance with the approved state plan; and to provide an administrative review and judicial procedure whereby any person entitled to benefits or services under the Act may enforce the right to the same.

It is the position of the American Council of the Blind that while it recognizes and gives heed to the practicalities and expediencies of simply extending authorization of the Act at this time, nonetheless to do so would be tantamount to condonation of the status quo, the defaults and the defects of the Act and its Amendments. The American Council therefore respectfully urges extension of the authorization for the Act for one year with hearings on substantive issues to be scheduled no later than March 31, 1976.

Representative QUIE. Next, we turn to Irvin P. Schloss, an old friend whom I have long admired. It is certainly a pleasure to have you with us today. We look forward to your testimony.

STATEMENT OF IRVIN P. SCHLOSS, DIRECTOR, GOVERNMENTAL RELATIONS OFFICE, AMERICAN FOUNDATION FOR THE BLIND

Mr. SCHLOSS. Thank you, sir. I have submitted a very brief written statement.

Representative QUIE. Without objection, it will be inserted in the record at the conclusion of your testimony.

Mr. SCHLOSS. I will be even briefer in my oral summary, if I may. Today, I'm representing the American Foundation for the Blind, the American Association of Workers for the Blind, and Blinded Veterans Association.

All three of these organizations are recommending a 2-year extension of the authorization of appropriations under the Rehabilitation Act of 1973, in order to assure continuity and some modest growth in the program.

We appreciate the indication that there will be extensive, in-depth hearings during the second session, at which time we can bring to the attention of the House subcommittee and Senate subcommittee matters which we hope will result in some substantive improvements in the legislation.

The authorization recommendations that we are advocating for the major programs for fiscal years 1977 and 1978 are \$760 million in 1977 for the basic grants to the States program, and \$800 million for fiscal 1978 for that program.

For innovation and expansion grants, we are advocating \$42 million for fiscal year 1977, which is the same as the authorization for the current fiscal year, and \$44 million for fiscal 1978; for research and training, each, \$35 million in fiscal 1977 and \$40 million in fiscal 1978; and with regard to authorizations for special projects, \$20 million for each of the 2 fiscal years, 1977 and 1978, the same as the current authorization.

We feel that these recommendations are really minimal increases in authorizations which will allow the program to advance a little bit. There is no question that they are not truly adequate to meet the need, and we hope as part of the in-depth hearings regarding future expansions, that the Congress will consider increases and expansion of the operations so that financing of the program can really meet the need.

With regard to the blind, for example, approximately 10,000 persons will become legally blind each year in the age bracket of 20 to 40, which is the optimum age for vocational rehabilitation and gainful employment. Approximately another 10,000 become blind each year between the ages of 40 and 65. There is no question that a substantial number of these individuals, with training provided under authority of the Rehabilitation Act of 1973, could be assisted to retain their jobs or to qualify for new jobs.

At present, the Federal/State vocational rehabilitation program is rehabilitating approximately 9,000 blind persons a year.

As you can readily see, the backlog continues to increase. We believe the modest increases in basic State grants which we are advocating for the next 2 fiscal years will help in increasing the number of actual rehabilitations, but we feel for future considerations there is need to expand the financing of the program more adequately to meet the need.

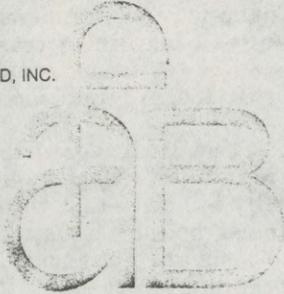
There is no question that with regard to the severely visually impaired—those who are not quite legally blind, a substantially larger number than the legally blinded—and with regard to other types of handicapped individuals, the same situation pertains. We are making some progress but not enough. The incidence and prevalence of disabling conditions keep piling up backlogs in this very vital program.

We would, Mr. Chairman, respectfully urge the Congress to approve the extension at this time of the dollar authorizations under the Rehabilitation Act of 1973 as we have outlined them. We feel that they are modest and realistic and that anything less than what we have indicated would be detrimental to handicapped persons and their families, as well as to the national economy. As former Secretary of Health, Education, and Welfare Weinberger indicated in his confirmation hearings, this is a cost effective program. Rehabilitated individuals produce tax dollars for the Treasury and increase productivity levels in the national economy.

Thank you very much, Mr. Quie.

[The prepared statement of Mr. Schloss follows:]

AMERICAN FOUNDATION FOR THE BLIND, INC.

1660 L STREET, N.W.
WASHINGTON, D. C. 20036
TEL. 202 293-1870

STATEMENT OF IRVIN P. SCHLOSS, DIRECTOR, GOVERNMENTAL RELATIONS OFFICE, AMERICAN FOUNDATION FOR THE BLIND, AT JOINT HEARINGS OF THE SELECT SUBCOMMITTEE ON EDUCATION, COMMITTEE ON EDUCATION AND LABOR, U.S. HOUSE OF REPRESENTATIVES, AND THE SUBCOMMITTEE ON THE HANDICAPPED, COMMITTEE ON LABOR AND PUBLIC WELFARE, U.S. SENATE ON EXTENSION OF THE REHABILITATION ACT OF 1973

DECEMBER 9, 1975

Mr. Chairman and members of the Subcommittees, I appreciate this opportunity to appear before you to present the views of three national organizations on legislation to extend the authorizations of appropriations for the Rehabilitation Act of 1973.

The three organizations I am representing are the American Association of Workers for the Blind, the national membership organization of professional workers serving blind persons; American Foundation for the Blind, the national voluntary research and consultant agency in services to blind persons of all ages; and Blinded Veterans Association, the Congressionally-chartered membership organization of the nation's war-blinded.

All three of these organizations support a simple extension of the Rehabilitation Act of 1973 for a two-year period at this time, with only modest increases in the authorizations of appropriations to ensure that this vital program can continue to fulfill its essential role of

15 WEST 16TH STREET, NEW YORK, N.Y. 10011/TEL.: (212) 924-0420/CABLE ADDRESS: FOUNDATION, NEW YORK

FIELD OFFICES
1660 L Street, N.W., Washington, D.C. 20036
100 Peachtree Street, Atlanta, Georgia 30303
821 Market Street, San Francisco, California 94103
1860 Lincoln Street, Denver, Colorado 80203
127 North Dearborn Street, Chicago, Illinois 60602

restoring the nation's handicapped citizens to gainful employment.

We advocate a simple extension of the Act at this time to assure continued orderly operation of the program with the understanding that both House and Senate subcommittees will conduct extensive hearings during the second session of this Congress in order to provide an opportunity for substantive program improvements to be considered.

Our recommendations for authorizations of appropriations for the major programs under the Act for fiscal years 1977 and 1978 are as follows:

	<u>1977</u> \$	<u>1978</u> \$
	(in millions)	
Basic state grants	760	800
Innovation and expansion	42	44
Research	35	40
Training	35	40
Special projects	20	20

We feel that these recommended authorization levels for the next two fiscal years represent the minimum required to maintain some degree of steady progress in the rehabilitation program to help the nation's handicapped individuals enter the work force and become self-supporting, tax-paying citizens. However, we must underscore the fact that the small increases we are recommending at this time are dictated by economic conditions and are not adequate to meet demonstrated need for expansion of case services, personnel, and facilities.

With specific regard to the blind, some 10,000 individuals between the ages of 20 and 40--optimum ages for vocational rehabilitation and employment--become blind each year. Another 10,000 between the ages of 40 and 65 become blind each year; and with proper training, many of these individuals could be assisted to retain their present jobs or qualify for new ones. At present, some 9,000 blind individuals are declared rehabilitated each year; and although the increases in authorizations we have recommended will permit the rehabilitation of additional numbers, it is obvious that there will continue to be a growing backlog of blind persons in need of vocational rehabilitation services.

The situation we have described for the blind is equally true of the larger numbers of severely visually impaired and otherwise handicapped persons of optimum employable age in our population.

We respectfully urge the Congress to accept the authorizations levels we are recommending at this time and to consider for future extensions expansion of financing which will permit actual needs more adequately to be met. Authorizations below the conservative levels we are recommending would be detrimental not only to our handicapped citizens and their families, but also to the nation's economic recovery, which will benefit from the productivity and tax revenues created by employed rehabilitated individuals.

Representative QUIE. Thank you for your statement. Before we go on, Bob Humphreys, of Senator Randolph's staff, wanted to address a comment or question to Mr. Robrahn.

Mr. HUMPHREYS. Thank you, Mr. Quie. Just an observation, Mr. Robrahn, for the record. Senator Randolph is very much concerned by the lack of regulations with respect to the Randolph-Sheppard Act. More than a month ago now, he wrote a letter to Secretary Matthews asking that the regulations be immediately set forth and promulgated, and to my knowledge, we have not yet had a response. I would anticipate that we would follow up on that and determine just what the problem is.

Thank you.

Representative QUIE. Thank you. I will now turn to Mr. Fred Schreiber, executive secretary, National Association of the Deaf.

STATEMENT OF FREDERICK C. SCHREIBER, EXECUTIVE SECRETARY, NATIONAL ASSOCIATION OF THE DEAF

Mr. SCHREIBER. Mr. Chairman and members of the subcommittees and staff, my name is Frederick C. Schreiber. I am the executive secretary of the National Association of the Deaf, the largest national organization of deaf people in the United States. In cooperation with New York University's Deafness Research and Training Center and under a grant from the Rehabilitation Services Administration, we recently, 1974, completed the first national census of the deaf population of the United States to be undertaken in over 40 years.¹ The study showed that there are close to 13.4 million persons in the United States who have hearing impairments. Of these, 6.6 million have significant bilateral loss of hearing, and 1.8 million are deaf, that is, cannot hear and understand speech. This is the largest single group of handicapped individuals among our population of citizens with disabilities. Additionally, 33 percent of these deaf persons have other handicapping conditions.² The above points to the significant number of deaf and deafened persons who are potential clients of vocational rehabilitation services. Thus, failure to renew the Vocational Rehabilitation Act would deny services to a vast number of handicapped individuals whose primary source of social services is directly from the Rehabilitation Services Administration through State Vocational Rehabilitation agencies.

The successful rehabilitation of deaf persons has been one of the major success stories in rehabilitation even though adequate services for severely disabled deaf persons and multihandicapped deaf persons are yet to be developed. The present Vocational Rehabilitation Act, though far from being perfect in terms of its provisions for the deaf population of the United States, is an essential piece of legislation. If one were to ask a deaf person to name a Federal agency which is providing services to individuals who are deaf, he would invariably

¹ Schein, Jerome D. and Delk, Marcus T. "The Deaf Population of the United States," Silver Spring, Md., National Association of the Deaf, 1974. 336 p.

² Schein, Jerome D. and Delk, Marcus T. "The Deaf Population of the United States," Silver Spring, Md., National Association of the Deaf, 1974. p. 122.

respond, "VR". Few other Federal agencies have been as responsive to the needs of the hearing impaired population. So, renewal of the Vocational Rehabilitation Act becomes not merely essential, but crucial for deaf persons. Without the act, Federal services to the adult deaf population would become virtually nonexistent.

I thank you for the opportunity of presenting this statement and hope that the Senate and the House will move immediately to extend the Vocational Rehabilitation Act for a period of 1 year, during which time careful thought can be given to improving the act so that it will become even more significant for deaf citizens of the United States.

Representative QUIE. Thank you very much, Mr. Schreiber. We will now turn to Mr. Albert Pimentel, director, public service programs, Gallaudet College.

STATEMENT OF ALBERT PIMENTEL, DIRECTOR, PUBLIC SERVICE PROGRAMS, GALLAUDET COLLEGE

Mr. PIMENTEL. Thank you, Congressman Quie.

The Professional Rehabilitation Workers of the Adult Deaf is a national organization whose membership includes rehabilitation counselors for the deaf, psychologists, and social workers who work primarily with the deaf, and many other people who work in facilities and postsecondary programs, such as Technical Vocational Institute at St. Paul, Minn.

The Professional Rehabilitation Workers of the Adult Deaf have been very active in utilizing the vocational rehabilitation provisions during the past 5 years for upgrading services to deaf people. This organization has developed a model State vocational rehabilitation plan for services to deaf people and it has been adopted by the Rehabilitation Services Administration and most of the State vocational rehabilitation agencies.

We have made progress in services to deaf people. But this progress, as other organizations have indicated, has hit a rough spot during the last 2 years.

The House and the Senate have developed an excellent piece of legislation in the 1973 Vocational Rehabilitation Act and its 1974 amendments; however, it has not been well implemented. I'm not certain that the responsibility solely is with the Rehabilitation Services Administration. I would like to see the oversight hearings obtain testimony from the HEW Secretary's Office and inquire into the level of support that HEW is giving to the Rehabilitation Services Administration. I think there are shortages of staff in RSA resulting in problems in basic organization.

Those problems like the Florida problem and problems in other States are there because we do not have good monitoring from the central office in the Rehabilitation Services Administration. Monitoring is not provided because the staff is short and vacancies are not permitted to be filled. There is some very real question in the minds of professional and consumer organizations of this country on the extent to which the HEW Secretary's Office is providing support to its Rehabilitation Services Administration.

We are particularly concerned about the fact that Rehabilitation Services Administration—and its Office on Deafness and Communicative Disorders, which has existed for more than 30 years, is not now functioning in a way that could be effective to vocational rehabilitation services for deaf people. We would want to go into this in much greater depth when you have the oversight hearings. We think the oversight hearings are essential to the implementation of the law as Congress intended it to be.

At this time, the Professional Rehabilitation Workers of the Adult Deaf is strongly in support of extension of the current law for a period of at least 2 years.

Thank you.

Representative QUIE. Thank you very much. Thanks to all of you for your testimony. I wish we could have had our oversight hearings by now. When you start new legislation, it takes a while for it to be implemented, and the Congress, as Senator Randolph indicated, is newly developing its capability of oversight.

Thank you again.

Mr. SCHLOSS. Thank you.

Representative QUIE. Our next panel is Dean Phillips, president, Goodwill Industries of America; Ted Hipkens, director, Association of Rehabilitation Facilities; Richard Verville, legal counsel, National Easter Seal Society; and Frederick A. Enck, executive director, United Cerebral Palsy Association of Pittsburgh District.

Thank you gentlemen for appearing here this morning, and I would say that any of you who want to summarize your statements, your total statement will appear in the record.

First I will turn to Dean Phillips.

STATEMENTS OF DEAN PHILLIPS, PRESIDENT, GOODWILL INDUSTRIES OF AMERICA; TED P. HIPKENS, DIRECTOR, ASSOCIATION OF REHABILITATION FACILITIES; RICHARD VERVILLE, LEGAL COUNSEL, NATIONAL EASTER SEAL SOCIETY; AND FREDERICK A. ENCK, EXECUTIVE DIRECTOR, UNITED CEREBRAL PALSY ASSOCIATION OF THE PITTSBURGH DISTRICT, A PANEL

Mr. PHILLIPS. Thank you, Mr. Chairman, and my statement will be brief, and we have submitted copies of the statement for the benefit of the staff and the record.

This is indeed a unique opportunity—the privilege of appearing before a joint hearing of the Senate Subcommittee on the Handicapped and the House Subcommittee on Select Education—on proposed legislation to extend the Rehabilitation Act. The very act of holding a joint hearing on this important matter recognizes the need for speedy action so that the necessary work may be completed and a bill sent to the President for his signature prior to the end of this year.

As President of Goodwill Industries of America, I appear here today representing 157 local Goodwill Industries in every part of the United States. As you know, Goodwill Industries was serving the handicapped and disadvantaged long before there was ever a Federal

vocational rehabilitation program. We welcomed the vocational rehabilitation amendments of 1954.

We were most active in the enacting of the 1965 vocational rehabilitation amendments which, in addition to expanding other much needed rehabilitation services, recognized the important role workshops like Goodwill Industries could play in providing vocational rehabilitation.

This legislation, providing for the expansion and upgrading of needed rehabilitation facilities and services to the handicapped was continued without change in the Rehabilitation Act of 1973 as amended in 1974.

It has been under the leadership of the Senate Subcommittee on the Handicapped and the House Subcommittee on Select Education that Congress enacted the legislation which has recognized and supported the services of rehabilitation facilities as a vital part of the Federal-State rehabilitation program.

On behalf of the thousands of handicapped already served and the thousands of handicapped yet to be served, I wish to express heartfelt thanks.

We are aware that the members of the subcommittees recognize that this is a time of crisis for the State-Federal rehabilitation program. It may come as a surprise to other Members of Congress and the public that one of the oldest service programs, which through the years has always received bipartisan support, is in grave danger today.

Unless the Congress acts to extend the Rehabilitation Act before the end of the present session, thousands of handicapped individuals may be left to their own limited resources. Their families will do all they can. Organizations like Goodwill Industries will strain their limited resources to see that as many as possible are given not charity, but a chance. This alone will not be enough, just as it has not been enough in the past. Goodwill Industries is anxious to continue its role as a strong participant in the State-Federal program.

This is why I am here today—to urge the Senate and House Subcommittees to report this week, a bill to extend the Rehabilitation Act in its present form, with adequate appropriation authorities, for a period of 2 years.

We remember, all too well, the amount of time required for the action of the Congress to approve the Rehabilitation Act of 1973. We recognize that part of the responsibility for the costly delay was the President's veto, and the lengthy process of developing regulations. This is why we urge you to act this week. We will hope and work for the President's approval.

Several weeks ago, we undertook a survey of needs as viewed at the community level by our member Goodwills. This survey takes into account the funds needed for the next 3 years.

A summary of this survey is submitted here for the guidance of the subcommittees and the staff for the proper determination of an adequate level of appropriation authority in the extension of the act.

[The summary referred to follows:]

PROJECTED ASSISTANCE REQUIREMENTS OF 157 GOODWILL INDUSTRIES FOR FISCAL
YEARS 1977, 1978, AND 1979, UNDER THE REHABILITATION ACT

Title I—Case services and establishment grants

Fiscal year:		
1977	-----	\$36,361,100
1978	-----	39,830,000
1979	-----	41,919,000

Title II—Research and training

Fiscal year:		
1977	-----	\$2,439,000
1978	-----	1,803,500
1979	-----	1,792,000

*Title III—Construction, training service projects, workshop
improvement grants*

Fiscal year:		
1977	-----	\$38,838,500
1978	-----	24,664,700
1979	-----	20,434,900

Mr. PHILLIPS. Finally, we understand that because of the need for speedy action, matters other than the extension of the Rehabilitation Act, will be deferred for further hearings during the next session of Congress. At that time, we will be most anxious to discuss the findings of the HEW study of the sheltered workshops and the Department of Labor study of workshop wages, to provide the Congress with recommendations for additional action.

Thank you.

Representative QUIE. Thank you, Mr. Phillips.

I now turn to Ted Hipkens, director, Association of Rehabilitation Facilities.

Mr. HIPKENS. My name is Ted Hipkens.

I appear before you as the director of the Association of Rehabilitation Facilities. The association, with its State chapter affiliates, represents in excess of 1,000 rehabilitation facilities in the United States. They range from small vocationally oriented sheltered workshops in rural communities to the most sophisticated comprehensive centers in large urban areas. In nearly every instance they are involved in a partnership effort with the State vocational rehabilitation agency in their community serving the handicapped—generally, severely handicapped.

I have a great deal of material here, and I request respectfully that it be submitted and included in the record, and I will summarize from here on.

Representative QUIE. Thank you very much, it will be included in the record.

[The information referred to follows:]

STATEMENT OF
T. P. HIPKENS, DIRECTOR
for the
ASSOCIATION OF REHABILITATION FACILITIES
on
EXTENSION AND RENEWAL
of the
REHABILITATION ACT

Before the
Subcommittee on Handicapped,
Committee on Labor & Public Welfare
U. S. Senate
and the
Select Subcommittee on Education,
Committee on Education & Labor
U. S. House of Representatives

December 9, 1975

Statement of
T. P. Hipkens, Director
for the
Association of Rehabilitation Facilities

Before the joint hearings of
Subcommittee on Handicapped, Committee on Labor & Public Welfare
U. S. Senate
and the
Select Committee on Education, Committee on Education & Labor
U. S. House of Representatives

Mr. Chairman:

My name is T. P. Hipkens, and I am Director of the Association of Rehabilitation Facilities. Having assumed this position last summer, this is my first opportunity to appear before your respective Subcommittees and I appreciate the opportunity to do so.

It is my understanding that, while no legislation has been introduced, this joint Subcommittee hearing is considering an extension of the Rehabilitation Act and various authorities therein beyond June 30, 1976. On behalf of ARF, I am pleased to support this objective and to comment briefly on the term of such an extension, the authorizations which the bill should contain, and the need for some modifications and provisions of the law related to rehabilitation facilities.

The Association of Rehabilitation Facilities is the principal national organization of medical and vocational rehabilitation facilities in the United States. Our direct membership and membership in state-affiliated organizations are in excess of one thousand facilities, operating every conceivable kind of program from vocationally oriented sheltered workshops in rural communities to the most sophisticated comprehensive medical

rehabilitation facilities in large urban communities. The majority of facilities which are members of ARF provide some services for which they are paid by state rehabilitation agencies.

TERM OF EXTENSION

To deal first with the question of the term of an extension of the present law, we believe a two-year extension is appropriate. We believe however that there should be extensive hearings to examine not only the administration and achievements of the Rehabilitation Act, but to look at rehabilitation as a process as it is evolving in a rapidly changing social and economic climate. It is my understanding that this Subcommittee will hold such hearings once the question of an extension of the current law is out of the way. Accordingly, we think the law should be extended for a period which will allow state agencies and others involved in the rehabilitation process to plan and budget, but which will also require the Congress to reassess the statute and its implementation in the not too distant future. A two-year extension through F.Y. 1978 would, we believe, serve these goals.

AUTHORIZATION LEVELS

With regard to authorization levels, we believe that case service funds should be authorized at a level to induce and support maximum matching at the state level. From discussions with state officials and the Council of State Administrators of Vocational Rehabilitation, it appears that the authorizations for Title I, Basic VR Services, of the Rehabilitation Act for F.Y. 1977 and F.Y. 1978 should be \$760 million and \$800 million respectively. I am sure I need not point out to this Subcommittee that the increases from current levels are nominal in light of accelerated costs in the economy. Perhaps more significantly, these monetary increases

are necessary because of the expanded emphasis upon service to severely handicapped people. The Congress and the House and Senate Subcommittees have in particular shown deep concern that services to the severely handicapped be strengthened.

We recommend the following authorizations for other Titles and Sections of the Act:

- Title I, Innovation and Expansion: \$42 million in F.Y. 1977 and \$44 million in F.Y. 1978 respectively
- Title II, Research and Training: \$35 million for research and \$40 million for training in F.Y. 1977 and \$37.5 million for research and \$44 million for training in F.Y. 1978
- Title III, Special Federal Responsibilities: \$52 million for facility construction; \$23 million plus such sums for vocational training services and facility improvement; \$25 million for special projects; and \$1 million for the Architectural and Transportation Barriers Compliance Board in F.Y. 1977. \$62 million for facility construction; \$28 million plus such sums for vocational training services and facility improvement; \$27.5 million for special projects; and \$1 million for the Architectural and Transportation Barriers Compliance Board in F.Y. 1978

RATIONALE FOR AUTHORIZATION REQUESTS

Let me address briefly the need for authorization and appropriation of such funds. For the past several years, there has been a recurring theme of waste by spokesmen of the Executive Branch of the Government, with some support on Capitol Hill. It has been asserted by some that all that is necessary to provide adequate rehabilitation services in this country is case service money under what is now Title I of the Rehabilitation Act. This is supported by the beguiling and superficially attractive notion that services for disabled people can be secured as needed, much like buying apples in a grocery store, and that by providing adequate purchasing power for services, the capacity to provide those services will

automatically be created or maintained. This theory has profound limitations. Fundamentally, the provision of Federal funds for construction, innovation and expansion, training and research, is addressed to the issue of building and maintaining the capacity to provide rehabilitation services. Such capacity may be quantitative in terms of expansion of existing facilities or creation of new ones, or it may be qualitative in terms of addition of new programs. The recent Congressionally mandated studies conducted by Greenleigh Associates and by the Urban Institute under contract with HEW both emphasize the need for increasing the capacity and availability of rehabilitation facilities, particularly to meet the needs of more severely handicapped people and to meet higher standards of performance established by accrediting bodies and the Federal Government. At the same time that new demands are being placed on the facilities movement, the traditional sources of funding are getting tighter. The economic turndown has dampened private fund-raising and the money market is not very hospitable to requests for mortgage loans. Accordingly, we believe it is both appropriate and necessary for the Federal Government to adopt a clear policy with respect to the creation and enhancement of rehabilitation facilities. The provision of funds for construction grants, facility improvement, training services, for innovation and expansion, for training and for research is absolutely essential to any major improvement in the programs of existing facilities and the creation of new facilities in underserved areas.

On this point, I would emphasize that, in our judgment, the Rehabilitation Act establishes the responsibilities of HEW and, more particularly, the Rehabilitation Services Administration, for leadership in the development of an active rehabilitation process to serve the people of this country.

This leadership should be concerned not only with the provision of services with funds available under Title I of the Act, but also with the availability of quality services which may be covered under commercial insurance, Workmen's Compensation, Medicare, or through a variety of other means. The authorization and appropriation of funds to help bring new facilities into being and to create new programs and services in existing facilities are absolutely essential to the discharge of this responsibility.

On this same theme, I wish to call to your attention the need for significant changes in Section 303 of the Act, which authorizes a program of mortgage insurance for rehabilitation facilities. For two years we have attempted without success to get this program implemented. There appear to be two problems in doing so. One is the basic reluctance of the Administration to do it. The second is related to the current structure of Section 303 itself, which has certain basic limitations. The two are related in that the legal and financial problems inherent in the present statute become a basis for the Administration's refusal to implement it. The principal problem of the law as written is that it authorizes the insurance of mortgage loans by private lenders with such contracts of insurance to be backed by "rehabilitation facilities insurance fund." Since the private lender is only insured to the extent of the fund, the fund must be capitalized by direct appropriation before it is operative. This poses a major problem in gauging the amount which is needed to make the program work and requiring a large appropriation to do so. We believe these problems could be solved if wording in Section 303 were rewritten to be patterned on the comparable loan guarantee provisions in Title XVI of the Public Health Service Act. Analysis of this problem has been prepared by our

Counsel, as well as draft language, and I would like to submit this analysis and language for the record and your consideration. (Attachment A). The proposed language would provide a full faith and credit guarantee by the Federal Government of qualifying loans and would also authorize a 3% interest subsidy as is currently the case under the Hill-Burton program.

We strongly feel that a good, operative mortgage insurance program would provide a valuable tool for the development and improvement of rehabilitation facilities. The authorization levels set forth above for construction, innovation and expansion grants are nowhere near the actual need which exists, and a mortgage insurance program would be very helpful in relief of this situation. We are convinced that the present law is not workable and that failure to modify it is, de facto, a Congressional recognition that it will not be implemented.

In summary, we are in agreement with and support the concept of a simple extension of the present law for two years. This is contingent however, on the expectation that early next year extensive hearings will be conducted that will permit examination of the administration and achievements of the Rehabilitation Act as well as allowing us to examine rehabilitation effort in the light of a rapidly changing social and economic climate.

Our support is also premised upon the assumption that funding levels for the extension will reflect the modest "keeping up with" figures cited earlier.

Our counsel has advised us that authority for a Wage Supplement Program currently exists within Title II of the Rehabilitation Act. A demonstration program for such purposes has been proposed by Senator

Humphrey and others. We would propose that an earmarked authorization of \$2.2 million for F.Y. 1977 and \$4.8 million for F.Y. 1978 be provided for this purpose.

With your permission we are also appending certain statistical and other supporting data with respect to this presentation. (Attachment B).

Again, we are appreciative of the opportunity to share our thoughts and concerns with you! Thank you very much!

ATTACHMENT A

LAW OFFICES
FLEMING AND KREVOR
PROFESSIONAL CORPORATION

(202) 872-1033

August 26, 1975

HENRY H. KREVOR
JOE W. FLEMING II

SUITE 300
1730 RHODE ISLAND AVENUE, N. W.
WASHINGTON, D. C. 20036

Mr. T. P. Hipkens
President
Association of Rehabilitation
Facilities
5530 Wisconsin Avenue
Suite 955
Washington, D. C. 20015

Dear Ted:

This is in response to your request for an analysis of Section 303 of the Rehabilitation Act of 1973 (P. L. 93-112) and any suggestions I might have for making this program effective.

As you are aware, Section 303 authorizes the Secretary of HEW to insure mortgage loans for rehabilitation facilities. Insurance may be issued for 100% of any such mortgage loan not to exceed 90% of the estimated replacement cost of the mortgage property. Insurance commitments are to be made against a Rehabilitation Facilities Insurance Fund and all premiums for insurance and other fees received in the administration of the program are to be deposited in this Fund. The statute authorizes the appropriation of funds for initial capital for the Fund only to the limit that outstanding mortgages insured shall not exceed \$200 million.

An appropriation has not been requested to capitalize the Insurance Fund and HEW has not issued regulations to implement the program (although they have been drafted).

Aside from the failure of RSA to implement the program, the major flaw in this legislation is that the Government's liability to make good

to a private lender in the event of default is limited to the amount of money in the Rehabilitation Facilities Insurance Fund. The Fund is authorized to operate like an insurance company, selling policies (contracts of mortgage insurance), creating a reserve fund with the proceeds and having the reserve fund available to make good its losses. The primary, unanswered question in all this is how much money would have to be in the Fund to make contracts of insurance acceptable to private lenders. The program is, of course, modeled on the Federal Housing Act where reserves have historically been approximately $\frac{1}{2}\%$ of outstanding obligations. A major distinction between this program and FHA is that, under the Federal Housing Act, should liabilities exceed the assets in the Insurance Fund, there is authority for the Secretary of the Treasury to buy obligations from the FHA Insurance Fund. The effect of this is to provide a full faith and credit guarantee by the Federal Government rather than limiting Federal liability to the amount of money in the Insurance Fund at a given time. This problem would, of course, be obviated by an appropriation equal to the Fund's anticipated mortgage insurance commitments, but even a "standby" appropriation of this magnitude is difficult to come by.

These somewhat complex considerations have been compounded by the hostility of the Administration to this program. It was enacted at the initiative of the Congress and no one at RSA knew what to do with it nor had much interest in doing anything with it after its passage. Thus, in addition to the Administration's reluctance to use the authority, there is a legal-financial problem with the statute which would create difficulties in administration, even if the will to administer it existed. To some extent, the legal-financial problems provide a rationale for the political decision to not implement the law.

If the Congress is to extend this authority and make it effective, Section 303 should be rewritten. There is precedent in Federal law for a program of loan guarantees for facilities which would eliminate a number of the problems in Section 303. For several years, the Hill-Burton Act has included authority for Federal loan guarantees and interest subsidies for medical facilities. This is in addition to grants and direct loans for such

facilities. The Hill-Burton program (Title VI of the Public Health Service Act) has just been rewritten in P. L. 93-641, the National Health Planning and Resources Development Act of 1974. This statute adds a new Title XVI to the Public Health Service Act providing for a system of grants, loans and loan guarantees for various types of medical facilities. The loan guarantee authority with minor variations is modeled on the previous Hill-Burton program. It differs from Section 303 of the Rehabilitation Act in two significant respects. First, through authorization for borrowing from the Treasury in amounts necessary to meet its obligations, the program provides that loans are guaranteed by the full faith and credit of the United States. Secondly, the program provides for a 3% interest subsidy on guaranteed loans. (You may recall that, when this issue was considered by the Congress in the context of the Rehabilitation Act, a 3% interest subsidy was included in early versions of the bill but dropped as a compromise.)

I have developed draft language which draws on Part C of Title XVI of the Public Health Service Act and which could be substituted in lieu of the language in Section 303 of the Rehabilitation Act. A copy is enclosed. As indicated above, a rewrite of Section 303 along this line would have the effect of eliminating the need for a significant appropriation to initiate the program and would add a 3% interest subsidy comparable to that available for medical facilities. There is no provision for premiums for the guarantee as under the current version of 303. I see no reason to distinguish between nonprofit hospitals and nonprofit rehabilitation agencies.

A review of the experience with this type of authority under the Hill-Burton program indicates that it is pretty effective. As of June 30, 1975, the aggregate principal liability of the Federal Government through guarantee contracts was \$781,760,471. \$50 million was appropriated in FY 1972 to capitalize the fund available to cover losses. That appropriation has not been touched, since the program has not experienced any defaults; however, the \$50 million appropriation is essentially irrelevant to the Government's liability on these guarantees. The appropriation requested this year to liquidate the Government's obligations for interest subsidies is approximately \$9.8 million.

One point should be noted. The new Title XVI referred to above authorizes guarantees in amounts which do "not exceed such limitations as may be specified in Appropriations Acts." This language is included in the attached draft. Section 303 currently carries a limitation of \$200 million which could as well be substituted.

I hope this is helpful. If you have any question, please call me.

Sincerely yours,



Joe W. Fleming

Enclosure

JWF:HH

August 26, 1975

LOAN GUARANTEES 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) The Secretary may, in accordance with this section and subject to the provisions of section 306, guarantee to -

(i) non-Federal lenders for their loans to nonprofit private entities for rehabilitation facilities projects, and

(ii) the Federal Financing Bank for its loans to nonprofit private entities for such projects, payment of principal and interest on such loans.

(c) In the case of a guarantee of any loan to a nonprofit private entity under this title, the Secretary shall pay, to the holder of such loan and for and on behalf of the project for which the loan was made amounts sufficient to reduce by 3 per centum per annum the net effective interest rate otherwise payable on such loan. Each holder of such a loan which is guaranteed under this title shall have a

-2-

contractual right to receive from the United States interest payments required by the preceding sentence.

(d) The cumulative total of the principal of the loans outstanding at any time with respect to which guarantees have been issued, or which have been directly made, may not exceed such limitations as may be specified in appropriation Acts.

(e) The Secretary, with the consent of the Secretary of Housing and Urban Development, shall obtain from the Department of Housing and Urban Development such assistance with respect to the administration of this part as will promote efficiency and economy thereof.

(f)(1) The Secretary may not approve a loan guarantee for a project under this part unless he determines that (A) the terms, conditions, security (if any), and schedule and amount of repayments with respect to the loan are sufficient to protect the financial interests of the United States and are otherwise reasonable, including a determination that the rate of interest does not exceed such per

-3-

centum per annum on the principal obligation outstanding as the Secretary determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by the United States, and (B) the loan would not be available on reasonable terms and conditions without the guarantee under this part.

(2)(A) The United States shall be entitled to recover from the applicant for a loan guarantee under this part the amount of any payment made pursuant to such guarantee, unless the Secretary for good cause waives such right of recovery; and, upon making any such payment, the United States shall be subrogated to all of the rights of the recipient of the payments with respect to which the guarantee was made.

(B) To the extent permitted by subparagraph (C), any terms and conditions applicable to a loan guarantee under this part (including terms and conditions imposed under subparagraph (1)) may be modified by the Secretary to the extent he determines it

-4-

to be consistent with the financial interest of the United States.

(C) Any loan guarantee made by the Secretary under this part shall be incontestable (i) in the hands of an applicant on whose behalf such guarantee is made unless the applicant engaged in fraud or misrepresentation in securing such guarantee, and (ii) as to any person (or his successor in interest) who makes or contracts to make a loan to such applicant in reliance thereon unless such person (or his successor in interest) engaged in fraud or misrepresentation in making or contracting to make such loan.

(D) Guarantees of loans under this part shall be subject to such further terms and conditions as the Secretary determines to be necessary to assure that the purposes of this title will be achieved.

(g)(1) There is established in the Treasury a loan guarantee fund (hereinafter in this subsection referred to as the "fund") which shall be available to the Secretary without fiscal year limitation, in such amounts as may be specified from time to

-5-

time in appropriation Acts -

(A) to enable him to discharge his responsibilities under loan guarantees issued by him under this part,

(B) for payment of interest under subsection (c) on loans guaranteed under this part.

There are authorized to be appropriated from time to time such amounts as may be necessary to provide the sums required for the fund. There shall also be deposited in the fund amounts received by the Secretary in connection with loan guarantees under this part and other property or assets derived by him from his operations respecting such loan guarantees, including any money derived from the sale of assets.

(2) If at any time the sums in the fund are insufficient to enable the Secretary -

(A) to make payments of interest under subsection (b), or

(B) to otherwise comply with guarantees under this part of loans to nonprofit private entities,

he is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions, as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury shall purchase any notes and other obligations issued under this paragraph and for that purpose he may use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, and the purposes for which the securities may be issued under that Act are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell

-7-

any of the notes or other obligations acquired by him under this paragraph. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as a public debt transactions of the United States. Sums borrowed under this paragraph shall be deposited in the fund and redemption of such notes and obligations shall be made by the Secretary from the fund.

JWF:am

ANALYSIS
OF
REHABILITATION FACILITY UTILIZATION AND FUNDING
STATE-FEDERAL VOCATIONAL REHABILITATION PROGRAM

Charles S. Richman
Director, Product Development
ASSOCIATION OF REHABILITATION FACILITIES

The utilization of rehabilitation facility and workshop services has expanded extensively in the past decade. This trend is largely due to broadened eligibility criteria permitting services to the mentally ill and mentally retarded, and to expansion of services to the severely handicapped who require more extended and extensive rehabilitation. This expansion of services is reflected in data detailed in Table 1, statistical and analysis of rehabilitation facility utilization over a twelve year period from F.Y. 1963 to 1974.

Table 1
USE OF REHABILITATION FACILITIES AND WORKSHOPS BY STATE VOCATIONAL
REHABILITATION AGENCIES (1963-1974)

Fiscal Year	Total Clients Served in RF & Workshops	Percent of Clients Served in RF & Workshops	Total Case Service Funds Expended	Case Service Funds Spent in RF and WS	Percent of Case Service Funds
1963	27,000	7.3%	\$ 69 million	\$ 12 million	17%
1964	38,000	9.5%	75 "	15 "	20%
1965	46,000	10.6%	85 "	19 "	22%
1966	57,000	11.6%	113 "	30 "	27%
1967	65,000	11.4%	159 "	42 "	26%
1968	101,000	14.9%	195 "	55 "	28%
1969	132,000	16.8%	255 "	62 "	24%
1970	144,000	16.4%	307 "	77 "	25%
1971	194,000	19.3%	353 "	97 "	28%
1972	199,000	18.0%	398 "	110 "	28%
1973	211,000	18.0%	402 "	115 "	29%
1974	230,000	19.2%	415 "	128 "	31%

During this twelve year period, VR clients served in rehabilitation facilities increased by more than 700% and case service funds expended in this effort increased by more than 800%. In the early 1960's, H.E.W. reported that there were 637 workshops in the United States.¹ More recently, the Department of Labor has estimated that there are 2,766 separately certificated workshops based upon Wage and Hour certifications;² available evidence indicates that there are approximately 750 medically-

Oriented rehabilitation facilities and 250 facilities providing speech and hearing or evaluation/assessment services. A survey of state agency operated rehabilitation facilities, including those operated under third party agreements and by other public agencies indicates that there are a total of 681 publicly operated rehabilitation facilities and workshops.³ It has been estimated by H.E.W. that more than 1 million individuals a year could qualify and profit from services in workshops, if resources and funding were available.⁴ Even though there has been an extensive increase in the number of facilities (both medical and vocational), they are now serving only one out of every two potential clients.

It is useful to analyze the funding levels for selective facility appropriations under the State-Federal Vocational Rehabilitation Program during the past decade. Table 11 indicates appropriations for program categories including rehabilitation facility related programs. (See Table 11)

This data indicates that although there has been an increasing trend in appropriations for Basic State Grants, that Facility Related Programs (Construction, Planning, Staffing, Facility Improvement, Technical Assistance and Projects with Industry) gradually increased until F.Y. 1971. From F.Y. 1971 to present, there has been decremental funding in these categories with a projected appropriation of only 1.1% of Basic State Grants in F.Y. 1976. Therefore at the same time that there has been an increase demand for facility services, special Federal support has been declining.

Table 111 provides a more detailed analysis of outlay levels in specific facility grant programs during the past five years including the number of projects funded. (See Table 111)

These figures indicate the gradual reduction in the number of projects funded for construction related projects, and for facility improvement and training services. There has been an increase in the number of projects with industry grants, although each project has been funded at reduced levels due to the decrease in overall outlays. It should be noted that facility improvement and training services grants are normally granted for three years periods and therefore the total number of projects during the five year period do not represent the total number of facilities benefiting from the program. The mortgage insurance provision authorized by PL 92-112 was not funded for F.Y. 1974 and 1975 and is therefore not represented. It is obvious from the data that only a small percentage of facilities actually benefit from RSA grant programs for facilities, and that number benefiting has gradually decreased.

In March, 1975, the Association of Rehabilitation Facilities (ARF) conducted several surveys to obtain up-to-date information on facility needs. The most recent of such surveys was conducted by H.E.W. in 1968.⁵ The data H.E.W. reports, reflects the following needs through June 30, 1971:

- 1,829 new rehabilitation facilities including 584 sheltered workshops immediately needed nationally.
- \$282 million in Federal Funds required for planning, construction and initial staffing.

TABLE II

APPROPRIATIONS FOR SELECTED CATEGORIES
 VOCATIONAL REHABILITATION PROGRAMS
 (Authorized under the Rehabilitation Act)
 (in thousands of dollars)

Category	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976 (Prop.)
Basic State Grants (Sect. 110, formerly Sec. 2)	160,500	236,000	287,000	345,900	436,000	503,000	560,000	590,000	650,000	680,000	680,000
Construction Planning & Staffing - Facilities (Sect. 301 (b) & (c) formerly Section 12)	1,500	4,500	2,669	2,890	3,442	2,300	3,611	434	4,285	1,100	---
Facility Improvement, Training Services & Technical Assistance (Sect. 302 (b), Sect. 302 (c) & Sec. 304 (e) formerly Sec. 13)	1,310	6,000	9,500	10,000	9,906	11,300	12,300	10,941	8,458	7,925	7,100
Projects with Industry (Sect. 304 (d) formerly Sec. 4 (a) (2) (b))						1,000	976	1,000	628	1,000	500
Total (Facility Related Programs)	2,810	10,500	12,169	12,840	13,348	14,600	16,887	12,375	13,371	10,025	7,600
% of Case Service Approp.	(1.7%)	(4.4%)	(4.2%)	(3.7%)	(3.1%)	(2.9%)	(3.0%)	(2.1%)	(2.0%)	(1.5%)	(1.1%)

TABLE III

OUTLAYS FOR SPECIFIC GRANT PROGRAMS
 VOCATIONAL REHABILITATION PROGRAMS
 (Authorized under the Rehabilitation Act)
 (in thousands of dollars)

Grant Program	1970		1971		1972		1973		1974		1975	
	No. of Proj.	Amount	No. of Proj.	Amount	No. of Proj.	Amount	No. of Proj.	Amount	No. of Proj.	Amount	No. of Proj.	Amount
Construction, Planning & Initial Staffing (Sec. 310(b) & (e); formerly Sec. 12)	69	\$2,339	41	\$4,240	27	\$3,700	16	\$ 382	10	\$4,285	2	\$1,100
Facility Improvement Training Services & Technical Assistance (Sec. 302(b), Sec. 302(c) & Sec. 304(e) formerly Sec. 13)	195	9,961	203	11,109	247	12,297	207	10,830	141	8,349	141	7,522
Projects with Industry (Sec. 304(d) formerly Sec. 4(a) (2)(B))	---	---	7	1,000	9	976	11	1,000	11	628	11	500

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- 1,130 of the existing 2,656 rehabilitation facilities (575 of the 1,029 workshops surveyed) had known improvement needs.
- \$41 million in Federal Funds were needed for improvement of existing facilities.

The ARF facilities operations survey⁶ indicate for a sample of 267 workshops the dollar requirements for F.Y. 1976 are as follows:

<u>Category</u>	<u>\$ Requirements</u>
Building	\$ 27,649,000
Construction Expansion/Renovation	68,188,000
Staffing	52,892,000
Equipment	51,017,000
Operating Capital	4,450,000
Client Wage Subsidy	2,019,000
Total	<u>\$206,215,000</u>

For a sample of medical facilities the dollar requirements for 78 facilities are as follows:

Capital expenditures over next year	\$ 25,976,000
Capital expenditures over next two years	
Expansion & Renovation	\$ 12,501,000
New Construction	33,032,000
Equipment & Materials	10,156,000
Total	<u>\$ 55,689,000</u>

These needs are those that cannot be met by fees, donations or through local community funding; there are still extensive unmet needs for capitalizing facility operations.

In a second ARF survey, facilities supervisors and specialists were asked to report on the need for funding in F.Y. 1976 in each of seven project grant areas.⁷

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	<u># Grants</u>	<u>Annual, \$ Requirement</u>
I. Projects with Industry (Section 304(d))	58	\$ 9,521,600
II. Projects for Vocational Training Services (Section 302(b))	68	\$ 3,985,100
III. Project Development Grants (Section 301(d))	115	\$ 3,985,100
IV. Construction Grants (Section 301(b))	102	\$44,431,000
V. Initial Staffing Grants (Section 301(c))	110	\$13,744,116
VI. Facility Improvement Grants (Section 302(c))	224	\$16,950,845
VII. Technical Assistance (Section 304(e))	<u>278</u>	<u>\$ 1,606,500</u>
TOTALS	<u>955</u>	<u>\$97,451,161</u>

Facilities specialists who are in an excellent position to assess facility needs, and who develop state plans for facilities indicate the fiscal requirements listed above.

It is quite evident that the funding for facility grants for improvement, construction, vocational training, etc., has been extremely modest in relationship to the overall national need. The decremental funding of these programs during the past five fiscal years reflects a major reduction in Federal involvement and interest. Given the need for innovative programs to service the severely handicapped this funding policy is ill timed. According to RSA, a number of problem areas have been identified by the states as obstacles impeding expansion of services to the severely handicapped.⁸ Among the problems identified in the F.Y. 1975 Program and Financial plans submitted by the states to RSA was, "the need for new facilities and skilled personnel to work with the special needs of the various severe disabilities." In the Comprehensive Needs Study recently completed by H.E.W., impediments to the state vocational rehabilitation agencies in serving the most severely handicapped include:⁹

- insufficient funds for purchase of service
- insufficient funding of rehabilitation centers and workshops through the state federal vocational rehabilitation program
- insufficient number of rehabilitation facilities and workshops

In conclusion, this position paper has demonstrated that although there has been a dramatic increase in the numbers and utilization of rehabilitation facilities, that the support for facility program development has never achieved sufficient levels. In order to meet the need for high quality services within facilities, it is essential that these funding policies be re-examined and that sufficient funding be forthcoming.

1. Directory of Workshops for the Handicapped, Office of Vocational Rehabilitation, U.S. Department of H.E.W., (Washington, D.C., 1961).
2. "Wage and Hour Certificate Program" Minimum Wage Exemption Certificates Issued Under Section 14 of the Fair Labor Standards Act (for certificates in effect on December 30, 1974), (Washington D.C., Department of Labor, May, 1975).
3. "Updating Survey Pertaining To Rehabilitation Facilities Operated By State Vocational Rehabilitation Agencies, Third Party Agreement Operated Facilities and Other Publicly Operated Facilities", Arthur J. Dixon, Bureau of Vocational Rehabilitation - State Department of Education, Louisiana (Baton Rouge, Louisiana, August 1972), mimeographed.
4. "Amendments to Wagner-O'Day Act" hearings before a subcommittee of the Committee on Government Operations, House of Representatives, on H.R. 11143, (Washington, D.C., 1973) pp. 66,70.
5. Rehabilitation Facility Needs in the 70's. - A National Summary of the Need for Rehabilitation Facilities, U.S. Department of H.E.W. (Washington, D.C. - 1968).
6. "ARF, Rehabilitation Facilities Operations Survey - F.Y. 1976," Association of Rehabilitation Facilities, (Washington, D.C., April 1975).
7. "ARF, Survey of State Funding Needs Rehabilitation Facilities - F.Y. 1976" Association of Rehabilitation Facilities, (Washington, D.C., June 1975).
8. Annual Report of the Department of H.E.W. to the President and the Congress on Federal Activities Related to the Administration of the Rehabilitation Act of 1973, U.S. Department H.E.W. Office of the Secretary (Washington, D.C., October, 1974).
9. Draft Final Report Comprehensive Needs Study, Urban Institute for Department H.E.W. (Washington, D. C., June 1975).

Mr. HIPKENS. The association agrees that there is overwhelming need for a speedy extension of the present law. State agencies and others involved in the rehabilitation effort need to plan and budget for current ongoing and near-future programs.

However, and this is a big "however," this early simple extension at this time is acceptable under the following assumptions—assumptions that we have been led to believe are appropriate:

1. That authorization levels in the extension will be adequate enough to provide an inducement to each State to support maximum matching. It is further assumed that authorization levels will be consistent with the congressional mandate to increasingly serve the more severely handicapped.

2. It is generally recognized that "service to the severely handicapped" is almost synonymous with "service at a rehabilitation facility." It is assumed that authorization levels will recognize the need to assist communities to provide adequate capacity to respond to this mandate. Such capacity may be quantitative in terms of expansion of existing facilities or creation of new ones; or it may be qualitative in terms of the addition of new programs or response to higher standards requirements as established by accrediting bodies and Federal Government regulations. The Rehabilitation Act should provide sufficient financial inducements to allow for a creative combination of private and public funds which will strengthen services to the severely handicapped.

3. That a 2- or 3-year extension of the act is only a temporary expedient, appropriate for the moment. There is an overwhelming need for extensive hearings no later than next spring to examine not only the administration and achievements of the Rehabilitation Act, but to look at rehabilitation as a process, as it is evolving in a rapidly changing social and economic climate.

The congressionally mandated Greenleigh workshop study and comprehensive needs study deserve careful scrutiny. Of particular importance is a need for strengthening of RSA's leadership role, not only in administering the State-Federal program, but much more importantly, its responsibilities for leadership in the development, proliferation and support of rehabilitation concepts and activities in general, and insuring the availability of quality services to all who need them no matter the category of handicap or the funding source.

4. We pledge our full assistance to the Congress in assisting in the process of delineating key issues and in providing full information and data to you. We hope you will call upon us.

Thank you very much.

Representative QUIE. Thank you.

Now I will turn to Richard Verville, National Easter Seal Society legal counsel.

Dick, it is a pleasure to have you here. You probably understand HEW and the Congress better than anybody here this morning.

Mr. VERVILLE. That is a great compliment.

Representative QUIE. I do not know if it makes you optimistic.

Mr. VERVILLE. I am happy to be here.

I am representing the Easter Seal Society, which is one of the major voluntary associations providing rehabilitation care to disabled people.

I would like to commend these two subcommittees and their staffs for all the great work they have done over the—I guess 6 years I have been around Washington. I had two different perspectives on it. One from within HEW, and I worked with a lot of people here, and brought their wrath as well as sometimes their support, but always felt that they were working for the best interests of the program, and particularly people at the receiving end of the services.

What I would like to say today on behalf of the Easter Seal Society is really just two things.

One, to just simply support what all of the members of this panel and others said, and that is that there is a need to extend the program for 2 or 3 years. I think really the question of how many years to some extent depends on whether it is possible to pass amendments to a program without those amendments being part of the basic authorization.

That is, if you have in-depth hearings, which we assume both subcommittees will have next year, and it turns out that some changes in the law are needed to be made, then I think the issue of whether the extension were a 1-, 2-, or 3-year, would come into play.

That is, if it were only a 1-year extension, it would be easy to deal with those changes. If it were 2 or 3, it would be more difficult, unless you could pass amendments at that time that were unrelated to the authorization itself.

I think basically the major problems are ones that do not have to be dealt with by changes in the law so that a 2- or 3-year extension makes a great deal of sense.

The basic problem I think for the hearings are probably three at least. One is the failure to implement some of the civil rights provisions in the Rehabilitation Act of 1973.

For example, there are no regulations under section 504, which is the antidiscrimination provision in the law, despite the fact that 2 years have passed since the provisions were enacted.

The second issue is the one raised before, and particularly in the dialog, your dialog with the gentleman from Minnesota, about the State organization, State structure, and what the emphasis on coordinating services might do to Federal requirements and Federal categorical programs. I think that is a very serious issue that these two committees have to look at.

And finally, there is the issue of the comprehensive needs study and what is happening out in the field in regard to implementing the priority for the severely disabled.

All three of those issues need fairly intense study, and we hope that there will be an in-depth review of them early next year.

In the meantime, we would urge at least a 2-year extension with the following suggested authorization levels.

For the Federal-State program, \$760 million in fiscal year 1977, and \$800 million in 1978.

For rehabilitation research, \$35 million, plus such sum which is the current language in fiscal 1977, and \$37.5 million plus such sums in 1978.

For the facility improvement program, which includes the grants for staffing, equipment and renovations, \$20 million in 1977, and \$25 million in 1978.

That is the end of my statement.

Thank you.

Representative QUIE. Thank you, Mr. Verville.

I now turn to Frederick Enck, who is executive director of the United Cerebral Palsy Association of the Pittsburgh District.

Mr. ENCK. Thank you, Mr. Quie, and we appreciate the opportunity to be with you today.

We have also submitted a written statement and appendices, and we would like to have them in the record.

Representative QUIE. It will appear in the record at the conclusion of your testimony.

Mr. ENCK. The United Cerebral Palsy Association also strongly supports continuation of the Vocational Rehabilitation Act.

However, as might be imagined, we do have concerns about the services to the severely handicapped individuals. Consequently, we do recommend a 2-year extension through fiscal year 1978, and we support our sister agencies, the National Association of Retarded Citizens, and the Council of State Administrators of Vocational Rehabilitation at the authorization levels that have just been stated by our colleague, representing National Easter Seals.

So I see no reason to repeat all those numbers. We support them, as were stated, sir.

We also feel that it is imperative that extensive and comprehensive oversight hearings be conducted, especially as it relates to the HEW's comprehensive needs study of individuals with the most severe handicaps.

The Urban Institute study has been completed. We feel that the next logical step, of course, is to authorize funds in order to develop a series of demonstration projects that would help implement some of the findings of this study.

Certainly there is a concern that in the field of research there is always a research lag. We feel that rehabilitation, medical and scientific research technology has developed processes that, at this point, are not reaching the severely involved. We feel that with an opportunity to fund various demonstration projects involving use of bio-engineering, or use of rehabilitation engineering, we will be able to ameliorate the situation of many severely involved individuals, and get them placed in the mainstream of society, including employment.

We feel that the oversight hearings should also be addressing themselves to section 503 and the congressional mandate for Government action. I must confess that I do not see anyone, either Federal or State agencies in the public sector, or even agencies in the private sector, assisting industry in achieving the mandates of affirmative action to actually assist industry in coming up with its appropriate accommodations to hire the disabled.

We feel again that the use of existing technology, if it were directed toward our sister agencies to achieve the mandate, this would be a

worthwhile objective, and it certainly should be explored in the oversight hearings, sir.

We are also, of course, concerned about section 504, the civil rights, the nondiscrimination section.

We are concerned about the fact that section 504 regulations have not yet been promulgated. I think Senator Randolph already indicated this.

These are major concerns, and I appreciate the opportunity to share them.

Thank you.

Representative QUIE. Thank you, Mr. Enck.

Thanks to all of you on the panel.

[The prepared statement of Mr. Enck and material referred to follows:]

STATEMENT

Respectfully Submitted
to the Joint Hearings of
The House Subcommittee on Select Education
and
The Senate Subcommittee on the Handicapped
on
Extension of the Rehabilitation Act of 1973
on behalf of

United Cerebral Palsy Associations
The Chester Arthur Building
425 "I" Street, N.W., Suite 141
Washington, D.C. 20001

presented by

Frederick A. Enck, Executive Director
United Cerebral Palsy Association of
the Pittsburgh District

December 9, 1975

STATEMENT OUTLINE

1. Support For Rehabilitation Act Continuation
2. Recommended Period of Extension
3. Services To Those With Severe Handicaps
4. Issues of State Agency Administration
5. Civil Rights of Persons with Disabilities
6. Conclusion
7. Appendices
 - a) "Comprehensive Needs Study of Individuals with the Most Severe Handicaps," Report of UCPA To the Urban Institute
 - b) UCPA "Background Paper: Job Related Discrimination and the Disabled" Submitted to and at the request of the Senate Subcommittee on Constitutional Amendments

Support for Rehabilitation Act Continuation

United Cerebral Palsy Associations appears before this subcommittee to reaffirm our strongest possible support for continuation of the Rehabilitation Act programs.

During the February 1, 2, and 3, 1972 public hearings conducted by the House Subcommittee on Select Education, witnesses stated, "one measure of the humanness of any culture and society can be said to be the opportunity that that society provides the handicapped to live in full measure. Therefore, the extension of the Vocational Rehabilitation Act is essential. The Rehabilitation Act has provided opportunity for many thousands to be rehabilitated, to be employed, and to live broader lives Since the Rehabilitation Act has been helpful to many handicapped persons, UCP has supported all its aspects and especially its attempt at expanding rehabilitation services as well as broadening the concept of rehabilitation." We are here today to emphatically reaffirm this statement and thus the continuation of the federal program.

Recommended Period of Extension

UPCA has some serious concerns regarding implementation of the Rehabilitation Act especially as it relates to serving those individuals with severe handicaps and issues related to civil rights of all handicapped persons. We recognize the anticipation and uncertainty of State Vocational Rehabilitation Agency Directors regarding federal appropriations for the program. Good administration requires long term planning and continuity of the budgetary process. We also comprehend the impact that the economic situation of our nation is having on human services programs and thus this is not the choice time for broadening service scope and

activity. However, the needs of individuals remain with us and many handicapped persons, especially those with the most severe disabilities, are not being adequately addressed by the Vocational Rehabilitation system.

Our organization thus supports a two year extension of the current Rehabilitation Act. But we encourage these subcommittees, today, to declare their commitment to conduct rather extensive oversight hearings into operation of the Rehabilitation program in order to adequately consider the concerns of our organizations as well as those of our sister agencies.

Services To Those With Severe Handicaps

UCPA remains deeply concerned that despite Congressional priorities to serve those with severe handicaps, the severely handicapped remain generally unserved. We encourage these subcommittees to examine HEW's "Comprehensive Needs Study of Individuals with the Most Severe Handicaps" as its first oversight, please refer to our November 15, 1974 report to the Urban Institute, which is included as an appendix to this statement. We specifically refer you to page 5 of the report for a discussion of the benefits of providing rehabilitation services to the handicapped whose disabilities are severe.

UCPA highly recommends that this Rehabilitation Act extension bill authorize a series of small demonstration projects for serving the severely handicapped. This seems to us the next logical step following the Urban Institute study. It will assist state agencies in planning and reorienting its service focus. And, it will provide the necessary time to gradually broaden the scope of VR to better serve those with

severe handicaps.

The central question related to serving the severely handicapped is the degree to which society wishes to accept dependency. A strong rehabilitation program which attempts to serve the severely handicapped will reduce dependency, will provide an alternative to income maintenance through Social Security and Supplemental Security Income, will add self esteem to the individual, and will assist in developing the individual's contributions to his society.

Issues of State Agency Administration

A second area requiring Congressional oversight is that of state agency administration of the rehabilitation program. Several issues and questions are critical to this point.

- (1) Communication. Regular, clear cut lines of communication between the voluntary and state agency sectors must be developed. Regularly scheduled meetings to seek solutions would be part of this approach. Systematic feedback and planning are also important components.
- (2) Continuum of Services. Has the voluntary sector worked out a logical continuum of services with the state agency which eliminates duplication and ensures progression? Does a continuum exist where an individual potentially can move from developmental day programming to work activities to sheltered workshop to sheltered employment to competitive employment?
- (3) Catch 22 Certification. Does the state VR agency still play the old catch 22 certification game? This involves a certification of employability by OVR only after a job has been offered to a client but also involves a private employer only making a job offer after OVR certifies the individual is employable.
- (4) Successful Closures. Does the state VR agency and the state legislature still judge the success of the program by the percentage of successful closures made in relation to clients served? Are there still other disincentives for serving the severely disabled?
- (5) State Agency Coordination. Has a continuum between state Vocational Rehabilitation, Vocational Education, and State employment service agencies developed where the individual

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in a logical progression from one of these state agencies to the other?

- (6) Outreach. Has the state VR agency developed an effective outreach mechanism with the public schools, the private schools and agencies, and with the state institutions?
- (7) Continuing Education. Has the state undertaken a training program to fully acquaint rehabilitation counselors to adequately serve the severely disabled? Has the voluntary agencies constructively offered their assistance in such training endeavors.
- (8) Follow-up. Who follows the individual along after he leaves OVR? Is this OVR's responsibility or social services or the voluntary sector's.

Civil Rights of Persons With Disabilities

Another crucial issues requiring Congressional oversight is the administration and implementation of Section 503 and 504 of the Rehabilitation Act of 1973. A second appendix, "UCPA's Background Paper on Job Related Discrimination and the Disabled," submitted to the Senate Subcommittee on Constitutional Amendments, provides a starting point for discussion of these issues.

Conclusion

United Cerebral Palsy Associations is deeply committed to the continuation and operation of a strong and viable Vocational Rehabilitation program. We support a two year extension of the program with the accompanying commitment of the Congress to conduct extensive oversight of the program.



Report of
United Cerebral Palsy Associations, Inc.
to
The Urban Institute

COMPREHENSIVE NEEDS STUDY
OF INDIVIDUALS WITH THE
MOST SEVERE HANDICAPS

November 15, 1974

Submitted By:

Ernest Weinrich
Coordinator, Planning for
Long Term Services

Marie L. Moore
National Advocacy Coordinator

UCPA Professional Services Program Department
66 East 34th Street
New York, New York 10016

Harold A. Benson, Jr.
Director

E. Clarke Ross
Assistant Director

UCPA Governmental Activities Office
15 E St., N.W.
Washington, D.C. 20001

COMPREHENSIVE NEEDS STUDY OF INDIVIDUALS
WITH THE MOST SEVERE HANDICAPS

Section 130 of P.L. 93-112, the Rehabilitation Act of 1973, mandates the Secretary of the Department of Health, Education, and Welfare to undertake a study of the comprehensive needs of individuals with the most severe handicaps. United Cerebral Palsy Associations, Inc., has been requested by the Urban Institute, HEW's prime contractor for the study, to participate in the study. In response, UCPA has addressed the ten questions posed by the Urban Institute as follows:

- (1) How many in the group you represent would fit the category of "most" severely handicapped? What is the source of this estimate? What are the age, sex, race, education, income, marital status, and labor market characteristics of this group?

Experience has demonstrated that the majority of persons with cerebral palsy (most of whom are severely handicapped) have received minimal service from the State vocational rehabilitation agencies. Severely handicapped persons are those individuals who have a multiplicity of disabling conditions which seriously interferes with their independent living and impairs the development of self care skills.

To facilitate better documentation, the Urban Institute questionnaire was mailed to seventeen affiliates of UCPA who were known to be operating ongoing adult programs. Thirteen responses were obtained. These responding affiliates represent the broad range of local organizations contained within the UCPA national structure and are widespread geographically. These affiliates are located as follows:

- Chicago, Illinois (Cook, Lake, Du Page Counties)
- Columbus, Ohio (Franklin County)
- Orange County, California
- Seattle, Washington (King, Snohomish Counties)
- Oklahoma City, Oklahoma (Oklahoma County)
- Dallas, Texas (Dallas County)
- Middlesex County, New Jersey
- New York City, New York (Kings, New York, Bronx, Richmond Counties)
- Des Moines, Iowa (Boone, Jasper, Polk, Warren, Story, Marshall, Madison, Dallas, and Marion Counties)
- St. Louis, Missouri (St. Louis and St. Charles Counties)
- Pottsville, Pennsylvania (Schuylkill, Northumberland and Carbon Counties)
- Pittsburgh, Pennsylvania (Allegheny County)
- Scranton, Pennsylvania (Lackawanna County)

The total population of these thirteen areas is approximately 22,450,000. There are approximately 8,250 community based persons with cerebral palsy twenty-one years of age and over who need or could use some community based services. The thirteen affiliates reported that they are currently serving 1,729 persons, of which 1,539 are classified as severely handicapped. The age ranges of this population are between

sixteen and sixty-four with the majority between twenty-one and forty-five years of age. There are approximately 911 males and 818 females. The vast majority, well over 1,200, are white and the majority of minority individuals are black or Latin.

The range for levels of academic achievement is through undergraduate college with the majority of the achievement levels being between the second and eight grades. Approximately 90% of these persons are in the low income category with most either receiving Supplemental Security Income or attempting to receive SSI benefits. Over 90% are single and less than 10% married, widowed, or divorced. Based on the reports received, the majority of severely disabled persons have minimal or no marketable skills due to lack of work experience, vocational training opportunities, and limited mobility and self-care skills.

- (2) What are the special needs of this group as related to the nature of the disability? How are their income, health care, work, etc. needs met?

Special needs identified by the thirteen respondents include:

- continuing education in basic academics and the broad educational areas
- residential planning and services for a variety of alternatives in living arrangements
- training in independent living
- transportation alternatives
- health care and maintenance (medical, dental, therapies, adaptive equipment and prosthetic devices)
- training in activities of daily living
- training in socialization skills
- vocational rehabilitation sponsorship
- vocational counseling and planning
- prevocational skills training
- income maintenance
- outlets for social and recreational activities including day time activity programs
- assistance in self-care when physical limitations preclude attaining independence
- expansion of opportunities for development of personal awareness and self-esteem including the establishment of a meaningful scheme to daily living
- means of understanding one's community and access to it
- adaptive clothing
- full time permanent employment

- (3) What has been the experience of these people with the state VR program? If some are served and some not, what are the reasons?

From the reports, only 16% of the disabled population included in this survey had received services from State Vocational Rehabilitation programs. The following are some specific comments from UCPA affiliates replying to the survey:

- Fifty per cent of the severely disabled would probably not apply because of the state vocational rehabilitation services' known standard of closing cases of providing long term management.
- State vocational rehabilitation programs are set up to serve only clients with vocational potential; therefore, it has been able to intercede effectively with relatively few clients.
- In general the only term which can be used in regard to vocational rehabilitation services is bad
- Vocational rehabilitation referred those clients seen to an activity center since training for employment was considered non-feasible
- Some clients were placed in sheltered workshops and subsequently terminated because of lack of production.
- Clients served are considered unemployable and therefore little contact was made by the state vocational rehabilitation program.
- Ninety per cent are considered ineligible for state vocational rehabilitation services.
- Clients are rejected because they are considered physically and/or mentally to involved to be rehabilitated.
- In some cases, services are only offered at the State's Vocational School whether it is practical for the individual's circumstances or not.
- VR counselors have become disattached from the severely involved client.
- Most vocational rehabilitation counselors are insensitive to the severely involved client's need.

Two affiliates reported excellent cooperation from state vocational rehabilitation programs. The key positive factors appear to be an openness and willingness on the part of these vocational rehabilitation programs to serve the severely handicapped and cooperate with the private agencies serving them. The communication established between vocational rehabilitation and these two private agencies has been excellent.

(4) For those who are not served, or who have been seen and rejected by VR for severity reasons, what ADL-type services might be presented? How would a program manager know when to accept or not accept an individual? When would a program manager know when maximum benefit from services has been achieved?

For everyone, growth is a life long process. Opportunities for growth are particularly important for persons with severe handicapping conditions. Therefore, it is thought that it is not possible to know when maximum potential has been achieved. Some vocational rehabilitation services would always be applicable. Resources for meeting the needs listed in Item 2 would be necessary to develop the potential of those who are severely handicapped. It is necessary to continually evaluate the status of individuals with severe handicaps because new approaches to service and new technology could well influence the individual's ability to function socially and to work.

(5) Should VR or some other agency be the locus of such provided services? What should these services be? If not VR, what other agency (existing or to be created) would be able to do the job?

Except for three affiliate responses, it would seem that vocational rehabilitation has the organization and structure to provide needed programs and funding for the severely disabled. It would seem particularly opportune for vocational rehabilitation to provide relevant services for the severely handicapped. This is particularly true when we accept as a base of operation the philosophical approach stated in Item 4. More funds, personnel and training will have to be arranged.

Many of the responding affiliates emphasized the necessity of vocational rehabilitation contracting with private community agencies to provide needed services. All required services need not necessarily be provided by the same agency. Efforts should be undertaken by VR to closely work together and cooperate with all interested agencies, organizations, and groups of individuals in the community.

(6) What adjustments to other federal programs might one recommend to improve vocational or ADL oriented services? What anomalies, disincentives or other malfunctioning of programs (within the scope of this concern) should we examine?

Some of UCPA affiliates feel that state vocational rehabilitation is so vocationally oriented that it cannot and is unwilling to expand its horizons. More emphasis should be placed upon habilitation rather than rehabilitation. Perhaps vocational rehabilitation, developmental disabilities and additional programs for the disabled should be situated within an office of Human Development.

An important specific related to the present state vocational rehabilitation programs is the incentive system which places emphasis on specified criteria for admission and closures. Consideration should be given to developing incentives which would encourage giving priority to long term programs required by the severely disabled.

(7) Is there enough existing information or knowledge (technology) to provide services? Is the reason for inadequate services, inadequate resources, delivery system, knowledge, or some combination?

There is a great deal of knowledge which is not being fully utilized. For example, referrals are not forth coming from a variety of sources so that there is a feeling that more effective utilization has to be made of present resources. It has been pointed out that most vocational rehabilitation counselors simply do not know the needs of clients who are severely disabled. There was almost no response concerning technical information involving utilization of various kinds of equipment and the need for adapting modern day technology to benefit the severely disabled persons in order to make him more self-sufficient and productive. It was indicated, however, that if existing skills, knowledge and technology were appropriately utilized and implemented, there is enough to provide prolonged and highly sophisticated services but the use of such technology is not utilized because "it is simply too expensive".

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(8) What is the estimated cost of services, alternative programs, or the like, per person per year? What are the expected measurable benefits or returns to services? What are the non-measurable benefits?

Due to the complexity of funding varieties of services which contribute to life enrichment programs, it is difficult to estimate the total cost per person. The estimates given by the respondents range from \$2,185 to \$10,500 per annum and depend upon the number of opportunities offered and included in the price estimate.

Identifiable measurable benefits include at least the following:

- increase functioning in all areas
- movement toward independence
- progress from supervised living to independent living
- changes in personal appearance
- changes in behavior and socialization
- increased self-confidence
- enhanced decision making abilities
- increased productivity in leisure time
- decreased deterioration in physical, intellectual and emotional status
- decreased cost for basic care as independence increases
- increased compensatory educational experiences

Among those benefits considered non-measurable would be included:

- elevated feelings of self-worth
- increased maturation and personal growth
- feelings of being more like other people
- benefits of respite for family members

(9) What role might qualified consumers or representatives of consumer, self-help organizations play in improving the delivery of rehabilitation services?

The role of qualified consumers and consumer representatives can be very specific concerning the exploration of needs in the identification of barriers or resources as it relates to the utilization of the competencies of the developmentally disabled as a human resource.

The quality of services and the delivery system can be improved immeasurably with the active participation of individual consumers, consumer representatives and self-help organizations in advisory and monitoring capacities. It is also essential that some groups be involved in primary policy and decision making bodies.

It is therefore important for the consumer to have opportunities to improve their self-advocacy and class-advocacy skills. Follow up of those previously serviced would evaluate the efficacy of existing services and point up needs of shortcomings that could be corrected. Communication with self-help organization representatives could give consumers an opportunity to express their needs.

(10) What other concerns, facts, opinions, etc, would you like to have considered?

In providing opportunities to develop satisfying lives, there

are many routes. Persons can develop careers which allow them to make contributions to society as well as being extremely satisfying. Such careers may not stem directly from specific training and are not necessarily synonymous with a vocation although, for example, a career in writing poetry, painting or collecting specific items may or may not become marketable.

The normalization principle should be applied to all persons who are severely handicapped. Therefore, it is essential that opportunities be available for continuing growth and promoting more satisfaction in life for those with severe disabilities. Funds for such opportunities should come from government sources while individualized programs should be developed by private agencies.

Meeting the needs listed under Item 2 would go a long way in accomplishing the normalization principle. It is important to emphasize the provision of physical assistance for those who cannot manage self-help but who could otherwise be employed at professional and technician levels if such assistance were available. It is also important to emphasize the provision of transportation alternatives for the severely disabled so that all kinds of community resources would be more easily accessible.



BACKGROUND PAPER: JOB RELATED DISCRIMINATION AND THE DISABLED

Submitted to and At the Request of the
Subcommittee on Constitutional Amendments
of the
Senate Committee on the Judiciary

Prepared by: E. Clarke Ross
Assistant Director
United Cerebral Palsy Associations, Inc.
Bellevue Hotel
15 E Street N. W.
Washington, D.C. 20001

August 1, 1975

United Cerebral Palsy Associations, Inc. has prepared this background paper on the effects of job discrimination on those with disabilities at the request of the Senate Subcommittee on Constitutional Amendments. It is the hope of UCPA that this paper will reinforce the Subcommittee's thinking that oversight hearings on this subject are urgently needed.

A great volume of professional literature already exists on discrimination and the disabled. This paper will not repeat ideas expressed in published literature. Rather, the paper will discuss several problems identified by disabled individuals in the past several years. It will emphasize several case examples of situations discriminatory in nature encountered by individuals, and will conclude with several recommendations for immediate action by the Congress and the federal agencies.

Identified Problems

Case examples cited further in this paper will outline obvious incidents of discrimination. This section outlines several problem areas which contribute to the practice of job discrimination against those with disabilities.

- (1) Training. Gaps in education and experiences of life greatly affect one's ability to satisfactorily seek employment. Isolated and incomplete educational programs, outside the public school arena, seriously detracts from the disabled individual's ability to successfully complete a job interview.
- (2) Counselling Deficiencies. One disabled individual refers to this phenomena as "miscounselling." Frequently, disabled individuals are counselled to choose a vocation which the individual can easily attain yet there are no employment opportunities in that vocation in the society at large.

- (3) Insensitivity of Employment Environment. A large percentage of disabled persons, trained and competent in a given vocation, are denied employment opportunities because of architectural barriers and lack of accessible and specialized transportation programs. Employment counsellors with little to no contact with individuals with disabilities are frequently insensitive to or uncomfortable with the disabled and hastily conclude job interviews and related activities.
- (4) Employment History. A vicious cycle exists in many disabled person's employment history which hinders their employment chances. Once refused and once unemployed; employers are very reluctant to hire an individual with a spotty, incomplete, or non-existent employment record.
- (5) Society Unemployment. A frequently heard expression by a number of minorities in the United States is that in times of high unemployment "the last hired are the first fired." This situation is not only true for the disabled but frequently can be characterized as "the last interviewed, never hired."
- (6) Public Assistance Transfer. Inherent inequities exist in the transfer situations from public assistance receipt to self support. The economic compensation of the employment must at least purchase the same goods and services as are available through public assistance. What the Congress and the public sector does not realize is that Supplemental Security Income and related income maintenance programs frequently means social services, medical care, and transportation coverage. Although a disabled individual may acquire a job which equals or exceeds public assistance payments, such income is inadequate to purchase medical care, social services, etc. Without such supportive

services, many of these individuals will lose their jobs and revert back to the public assistance roles.

Other problem areas will become evident in the case examples discussion and the recommendations section.

Case Examples

(1) B.J.

B.J. has a B.A. degree in art education, has earned the state teacher's certificate, and has several years part-time substitute teaching experience. B.J. applied for and was turned down for a full-time art teacher position in favor of an English teacher whom the school district had fired from the position previously. The Superintendent of Schools flatly stated, "I didn't hire him because of his handicap and I don't think anyone else would either."

(2) L.D.

L.D. was prevented from earning his high school diploma because Minnesota law states that no one taking the Minnesota Secondary School Equivalency Certificate Examination may have an aid mark the exam for them.

(3) R.M.

R.M., physically disabled from the waist down, with good secretarial skills, good hand use, and good speech was refused a medical secretary position at a local hospital because of her use of crutches. R.M. was fired as a medical records aide at another local hospital because the supervisor believed that R.M.'s ability as a typist was decreased because of her use of crutches and her use of the medication dantrium. Today, R.M. is successfully

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employed as an executive secretary.

(4) M.G.

M.G. is a college graduate, mildly physically disabled, and with some speech impairment. She has encountered many years of underemployment and unemployment. She states, "When I do not receive a position for which I know that I am qualified, I often wonder and sometimes am sure that I have been denied the position because of my disability, and my disability alone."

M.G. was denied a research position with a private organization because the organization stated that "we want to be as little of an obstruction as possible so we better not have a person with your handicap working on this project..." M.G. was denied a telephone company job for the telephone company was sure a young disabled woman would not desire to work the night shift despite M.G.'s statement to the contrary.

While working on her M.A. degree, M.G. was employed part-time as a library aide for \$2.25 per hour, a job which required a high school diploma. Shortly after she was hired, M.G. was transferred to the school office to mark attendance records because the librarian felt "uncomfortable" around her.

M.G. was employed as a coder of questionnaire and forms for evaluation of community action projects. Despite a successful job performance, she received no salary raises while other workers with less tenure on the job received raises. When grant funding was cut back, M.G. was the first to be laid-off despite her tenure.

M.G. overheard her state vocational rehabilitation counselor in discussing M.G. with a potential employer declare, "she has a speech defect and, of course, she could not have much public contact..." When M.G. questioned the counselor on her statement, the counselor replied that M.G. should accept her limitations and be content with

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whatever job she was able to attain.

(5) P.T.

P.T. has a B.S. degree in Rehabilitation Education and a B.A. in Psychology with specialized training in mental health-mental retardation. She has been unemployed for a year and a half and sincerely believes that MH/MR professionals are reluctant to hire the physically disabled.

(6) S.D.

S.D. was a disabled SSI recipient who accepted a position as a staff coordinator of a voluntary membership organization. Soon after she was hired, S.D. was faced with two alternatives: (1) she required an increase in salary to cover the costs of social services, medical care, transportation, etc. which the employer was unable to do or (2) she must ask the employer to reduce her salary to permit her continued SSI eligibility. The second alternative, though the best for her financially, undermines the self support goal, is degrading to the individual, and creates an employment history of underpayment.

(7) R.D.

R.D. is a B.A. student and works part-time as a service station attendant. Recently after being hired, R.D. had a disagreement with the oil and supply company owner's daughter over the daughter's unorthodox requests for the station's receipts while R.D. was on duty. The following week R.D. was fired without a hearing for the reason that he was "incompetent and incapable of handling the job" despite the station manager's feeling that R.D. did excellent work. When R.D. approached the American Civil Liberties Union, the ACLU was unwilling to proceed because the disabled are not covered under the Civil Rights Act.

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(8) Z.P.

Z.P. is in her early thirties, disabled by muscular dystrophy, and until four years ago was employed by a community agency. Five years after working full time, Z.P.'s father suffered a series of disabling strokes which have seen him hospitalized since. Z.P., who does not have the strength to do an independent car transfer, was totally dependent on her father for transportation to and from work. During her working years, Z.P. never lost a single day from work. Faced with inadequate, undependable and expensive transportation, Z.P. was forced to resign from her job two years later, and apply for social security. Z.P. is bitter that her skills as a productive member of society can no longer be needed and that she has, in her words, "been forced by our charitable system, which prefers to solve problems by forcing people onto a subsidized system instead of taking that money to constructively work towards solutions, to take from the economy, to have the finger of blame pointed at me because I was breaking the economy's back with expensive social welfare programs."

(9) E.A.

E.A., mildly disabled by cerebral palsy, is the wife of a non-disabled fully employed individual who is unable to locate health insurance coverage for his wife. Both Blue Cross of Minnesota and Aetna Insurance Company of Minnesota refused E.A. insurance coverage for only one reason: she was disabled by cerebral palsy.

(10) D.S.

D.S. is a practicing counseling psychologist with Blue Cross insurance coverage. As a child, she was covered by Blue Cross but denied Blue Shield coverage under her parent's policy. Independently employed with adequate income, Blue Shield refused her application for coverage because of her disability, cerebral palsy. D.S. is a

resident of Pennsylvania.

Recommendations

- (1) The disabled should be included under Title VI of the Civil Rights Act.
- (2) Section 504 of the Rehabilitation Act, prohibiting discrimination against the disabled in programs funded by the federal government should be immediately implemented and enforced.
- (3) Section 503 of the Rehabilitation Act, requiring affirmative action programs for the disabled by federal contractors, must have final regulations immediately published and the program implemented. A common problem is the lack of promotional opportunities given the disabled employee who remains at an entry level position for an unusually lengthy period of time.
- (4) Guaranteeing in any national health insurance program that universal coverage is accepted with the requirement that there be no discrimination against insurance coverage for the disabled.
- (5) A narrow interpretation of Bonified for Occupational Qualification (BFOQ) emphasizing academic and work experience and not allowing mobility and work assistance needs to undermine one's BFOQ.
- (6) Require HEW's Office for Civil Rights to investigate and follow through on all individual complaints of discrimination related to Section 504 of the Rehabilitation Act.

UCPA believes that the incidents of discrimination cited in this paper warrants the calling of public hearings by the Senate Subcommittee on Constitutional Amendments on the subject of job related discrimination and the disabled.

Representative QUIE. Does anybody have any questions they want to ask? I have restrained myself enormously this morning in asking questions, because there are a lot of things I want to find out about. It is an indication of my desire to speed this legislation through so we would have the assurance of the authorization legislation for another few years, along with the expectation of an opportunity to ask a host of questions when the oversight hearings are held so I will defer until a later time.

I want to apologize for those of my colleagues who wanted to be here but who were not able to. We are coming to the end of the session, hopefully, and Christmas is coming at us pretty fast, too.

We recall the session on Christmas Eve, and I know the Congress has not wanted to do that. It is not because of a lack of interest that my colleagues are not here. It is because of other burdens. It is why I also suggested that we change the committee structure. I think another candidate for further reform is the Congress itself. We are now committed to so many activities that we cannot work in depth as we would like to on a regular need, like in the vocational rehabilitation.

I commend all of you who have devoted your life to vocational rehabilitation because we need you to bring the story to us, and to try to hammer through some of all the other burdens we have, so we can hear you loud and clear.

I think you did well this morning.

Thank you very much.

We will now convene tomorrow morning at 9:30, in room 2257, Rayburn House Office Building. We will hear from the Administrator of the Council, State of Administrators, Vocational Rehabilitation, and several other organizations having responsibility for vocational rehabilitation with us as well.

[Whereupon, at 11:40 a.m., the subcommittees recessed, to reconvene at 9:30 Wednesday, December 10, 1975.]

JOINT OVERSIGHT HEARING ON PROPOSED EXTENSIONS OF THE REHABILITATION ACT

WEDNESDAY, DECEMBER 10, 1975

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

U.S. SENATE,
SUBCOMMITTEE ON THE HANDICAPPED
OF THE COMMITTEE ON LABOR AND PUBLIC WELFARE,
Washington, D.C.

The joint subcommittee met at 9:30 a.m., room 2257, Rayburn House Office Building, Hon. John Brademas (chairman of the subcommittee) presiding.

House Members present: Representatives Brademas, Lehman, and Quie.

House staff: Jack G. Duncan, counsel; Martin L. LaVor, senior legislative associate.

Senate staff: Patria Forsythe, professional staff member; and Jack Andrews, minority counsel.

Mr. BRADEMAs. The House Subcommittee on Select Education and Senate Subcommittee on the Handicapped will come to order for the purpose of further oversight hearings on proposals to extend the Rehabilitation Act of 1973.

Let me at the outset observe that our Senate colleagues are busy in markup on legislation in the other body but we hope that one or more of them will be able to join us this morning.

Let me extend my appreciation to everyone who has participated in these hearings so far and those who will be testifying today.

Yesterday we were pleased to hear from a number of representatives of professional persons who deal with problems of the handicapped as well as from spokesman for organizations that attend to the interests of handicapped persons.

Today we shall hear from representatives of the administration as well as from the Council of State Administrators of Vocational Rehabilitation, the American Coalitions of Citizens with Disabilities, Paralyzed Veterans of America, Inc., and the National Federation of the Blind.

Before calling on our first witness, let me make an observation that is clearly relevant to the subject of these hearings. That is, that last night the House Committee on Education and Labor of which the Select Education Subcommittee is a part, unanimously approved a simple 2-year extension of the present Rehabilitation Act. With the exception of the basic State program and the innovation and expan-

sion State grants, the remaining sections of the bill that were last night reported authorized such sums as Congress may deem necessary so far as the dollar figures are concerned.

With respect to the basic Federal-State program of vocational rehabilitation, the bill reported last night, H.R. 11045, would provide for authorization of appropriations of \$740 million for fiscal 1977 and \$760 million for fiscal year 1978.

The present 1976 authorization, to remind you, is \$720 million and the appropriations bill provides for the full appropriation of \$720 million.

The bill that was reported last night also provided, with respect to the innovation and expansion grant program, \$25 million annually which is a reduction from that now authorized in present law which is \$42 million for fiscal year 1976. The Chair would note that the appropriations for this particular program were in the amount of only \$18 million.

The reason for moving this bill expeditiously will be apparent to those who deal with this program, who administer it, namely, that to take into account the fact that many State legislatures meet early next year and need to know how much each State is entitled to under the allotment formula which, as you are aware, is determined not by the appropriations figure but by the authorization figure.

Having made that announcement, the Chair wishes to say that the testimony that we look forward to hearing today will nonetheless be taken most seriously by members of the subcommittees and will be deemed part of the oversight hearings that will be continued early in the next session of Congress and where it seems necessary to the committees we shall approve any modifications in the existing law which the testimony and our judgment indicate necessary.

[Text of H.R. 11045 and S. 2807 follow:]

[H.R. 11045, 94th Cong., 1st sess.]

A BILL To amend the Rehabilitation Act of 1973 to extend the authorizations of appropriations contained in such Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Rehabilitation Act Amendments of 1975".

EXTENSION OF AUTHORIZATION OF APPROPRIATIONS FOR VOCATIONAL REHABILITATION SERVICES

SEC. 2. (a) (1) Section 100 (b) (1) of the Rehabilitation Act of 1973 (29 U.S.C. 720(b)(1)) (hereinafter in this Act referred to as the "Act") is amended by striking out "and" immediately after "1975," and by inserting immediately before the period at the end thereof the following: ", \$740,000,000 for the fiscal year ending September 30, 1977, and \$760,000,000 for the fiscal year ending September 30, 1978".

(2) The first sentence of section 100(b)(2) of the Act (29 U.S.C. 720 (b) (2)) is amended by inserting immediately before the period at the end thereof the following: "; and there is authorized to be appropriated for such purposes \$25,000,000 for the fiscal year ending September 30, 1977, and \$25,000,000 for the fiscal year ending September 30, 1978".

(b) The first sentence of section 112(a) of the Act (29 U.S.C. 732(a)) is amended by striking out "and" immediately after "1975," and by inserting immediately after "1976," the following: "and for the fiscal year ending September 30, 1977, and September 30, 1978,".

(c) Section 121(b) of the Act (29 U.S.C. 741(b)) is amended by striking out "June 30, 1977" and inserting in lieu thereof "September 30, 1979".

EXTENSION OF AUTHORIZATION OF APPROPRIATIONS FOR RESEARCH AND TRAINING

SEC. 3. (a) The first sentence of section 201(a)(1) of the Act (29 U.S.C. 761(a)(1)) is amended by inserting immediately before the period at the end thereof the following: "; and for the fiscal years ending September 30, 1977, and September 30, 1978, such sums as the Congress may determine to be necessary".

(b) Section 201(a)(2) of the Act (29 U.S.C. 761(a)(2)) is amended by inserting immediately before the period at the end thereof the following: ", and for the fiscal years ending September 30, 1977, and September 30, 1978, such sums as the Congress may determine to be necessary".

EXTENSION OF AUTHORIZATION OF APPROPRIATIONS FOR GRANTS FOR CONSTRUCTION OF REHABILITATION FACILITIES

SEC. 4. (a) The first sentence of section 301(a) of the Act (29 U.S.C. 771(a)) is amended by inserting immediately before the period at the end thereof the following: ", for the fiscal years ending September 30, 1977, and September 30, 1978".

(b) The last sentence of section 301(a) of the Act (29 U.S.C. 771(a)) is amended by striking out "July 1, 1978" and inserting in lieu thereof "October 1, 1980".

EXTENSION OF AUTHORIZATION OF APPROPRIATIONS FOR VOCATIONAL TRAINING SERVICES FOR HANDICAPPED INDIVIDUALS

SEC. 5. Section 302(a) of the Act (29 U.S.C. 772(a)) is amended by inserting immediately before the period at the end thereof the following: ", for the fiscal years ending September 30, 1977, and September 30, 1978".

EXTENSION OF AUTHORIZATION OF APPROPRIATIONS FOR SPECIAL PROJECTS AND DEMONSTRATIONS

SEC. 6. Section 304(a)(1) of the Act (29 U.S.C. 774(a)(1)) is amended by inserting immediately before the period at the end thereof the following: ", and for the fiscal years ending September 30, 1977, and September 30, 1978, such sums as the Congress may determine to be necessary".

EXTENSION OF AUTHORIZATION OF APPROPRIATIONS FOR NATIONAL CENTER FOR DEAF-BLIND YOUTHS AND ADULTS

SEC. 7. Section 305(a) of the Act (29 U.S.C. 775(a)) is amended by striking out "and" immediately after "1975," and by inserting immediately before the period at the end thereof the following: "September 30, 1977, and September 30, 1978".

EXTENSION OF AUTHORIZATION OF APPROPRIATIONS FOR PROGRAM AND PROJECT EVALUATION

SEC. 8. Section 403 of the Act (29 U.S.C. 783) is amended by striking out "and immediately after "1975," and by inserting immediately after "1976," the following: "September 30, 1977, and September 30, 1978,".

EXTENSION OF AUTHORIZATION OF APPROPRIATIONS FOR SECRETARIAL RESPONSIBILITIES

SEC. 9. Section 405(d) of the Act (29 U.S.C. 785(d)) is amended by striking out "and" immediately after "1975," and by inserting immediately before the period at the end thereof the following: ", and such sums as may be necessary for the fiscal years ending September 30, 1977, and September 30, 1978".

EXTENSION OF AUTHORIZATION OF APPROPRIATIONS FOR ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD

SEC. 10. Section 502(h) of the Act (20 U.S.C. 792(h)) is amended by striking out "and" immediately after "1975," and by inserting immediately before the

period at the end thereof the following: “, and such sums as may be necessary for the fiscal years ending September 30, 1977, and September 30, 1978”.

[S. 2807, 94th Cong., 1st sess.]

A BILL To amend the Rehabilitation Act of 1973 to extend the authorization of appropriations contained in such Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the “Rehabilitation Act Extension of 1975”.

EXTENSION OF AUTHORIZATION OF APPROPRIATIONS FOR VOCATIONAL REHABILITATION SERVICES

SEC. 2. (a) (1) Section 100(b) (1) of the Rehabilitation Act of 1973 (29 U.S.C. 720(b) (1)), as amended (hereinafter in this Act referred to as the “Act”), is amended by striking out “and” immediately after “1975,” and by inserting immediately before the period at the end thereof “, and \$720,000,000 for the fiscal year ending September 30, 1977”.

(2) Section 100(b) (2) of the Act is amended by striking out “and” immediately after “1975,” and by inserting immediately after “1976” the following: “, and \$42,000,000 for the fiscal year ending September 30, 1977”.

(b) Section 112(a) of the Act is amended by striking out “and” immediately after “1975,” and by inserting immediately after “1976” the following: “, and up to \$2,500,000 but no less than \$1,000,000 for the fiscal year ending September 30, 1977”.

(c) Section 121(b) of the Act is amended by striking out “June 30, 1977” and by inserting in lieu thereof “September 30, 1978”.

EXTENSION OF AUTHORIZATION OF APPROPRIATIONS FOR RESEARCH AND TRAINING

SEC. 3. (a) Section 201(a) (1) of the Act is amended by striking out “and” immediately after “1975,” and by inserting immediately after “1976” the following: “, and \$32,000,000 for the fiscal year ending September 30, 1977”.

(b) Section 201(a) (2) of the Act is amended by striking out “and” immediately after “1975,” and by inserting immediately after “1976” the following: “, and \$32,000,000 for the fiscal year ending September 30, 1977”.

EXTENSION OF AUTHORIZATION OF APPROPRIATIONS FOR GRANTS FOR CONSTRUCTION OF REHABILITATION FACILITIES

SEC. 4. (a) Section 301(a) of the Act is amended by striking out “and” immediately after “1975,” and by inserting immediately after “1976” the following: “, and September 30, 1977”.

(b) Section 301(a) of the Act is further amended by striking out “July 1, 1978” and by inserting in lieu thereof “October 1, 1979”.

EXTENSION OF AUTHORIZATION OF APPROPRIATIONS FOR VOCATIONAL TRAINING SERVICES FOR HANDICAPPED INDIVIDUALS

SEC. 5. Section 302(a) of the Act is amended by striking out “and” immediately after “1975,” and by inserting immediately before the period at the end thereof “, and September 30, 1977”.

EXTENSION OF AUTHORIZATION OF APPROPRIATIONS FOR SPECIAL PROJECTS AND DEMONSTRATIONS

SEC. 6. Section 304(a) (1) of the Act is amended by striking out “and” immediately after “1975,” and by inserting immediately after “1976” the following: “, and \$20,000,000 for fiscal year ending September 30, 1977”.

EXTENSION OF AUTHORIZATION OF APPROPRIATIONS FOR NATIONAL CENTER FOR DEAF-BLIND YOUTHS AND ADULTS

SEC. 7. Section 305(a) of the Act is amended by striking out “and” immediately after “1975,” and by inserting immediately before the period at the end thereof “, and September 30, 1977”.

EXTENSION OF AUTHORIZATION OF APPROPRIATIONS FOR PROGRAM AND PROJECT
EVALUATIONS

Sec. 8. Section 403 of the Act is amended by striking out "and" immediately after "1975," and by inserting immediately after "1976," the following: ", and September 30, 1977".

EXTENSION OF AUTHORIZATION OF APPROPRIATIONS FOR SECRETARIAL RESPONSIBILITIES

Sec. 9. Section 405 (d) of the Act is amended by striking out "and" immediately after "1975," and by inserting immediately before the period at the end thereof ", and \$600,000 for the fiscal year ending September 30, 1977".

EXTENSION OF AUTHORIZATION OF APPROPRIATIONS FOR ARCHITECTURAL AND
TRANSPORTATION BARRIERS COMPLIANCE BOARD

Sec. 10. Section 502 (h) of the Act is amended by striking out "and" immediately after "1975," and by inserting immediately before the period at the end thereof ", and \$1,500,000 for the fiscal year ending September 30, 1977".

MR. BRADEMAS. We are very pleased this morning to have as our first witnesses the Assistant Secretary of Health, Education, and Welfare for Human Development, Stanley B. Thomas, Jr.; accompanied by Dr. Andrew S. Adams, the Commissioner of the Rehabilitation Services Administration in the Department of Health, Education, and Welfare.

Gentlemen, we are very pleased to have you with us. Mr. Secretary, would you like to go ahead?

STATEMENT OF STANLEY B. THOMAS, JR., ASSISTANT SECRETARY
FOR HUMAN DEVELOPMENT, DEPARTMENT OF HEALTH, EDUCATION,
AND WELFARE; ACCOMPANIED BY DR. ANDREW S. ADAMS,
COMMISSIONER, REHABILITATION SERVICES ADMINISTRATION,
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, AND
PAUL SIMMONS, OFFICE OF LEGISLATION

MR. THOMAS. Thank you very much, Mr. Chairman.

It is always a pleasure to appear before you. As you know, a number of the activities in the Office of Human Development are under the jurisdiction of this committee.

On my immediate right, as you noted, is the Commissioner of the Rehabilitation Services Administration, Dr. Andrew Adams. On my left is Paul Simmons, Special Assistant to the Deputy Assistant Secretary for Legislation.

Knowing of your interest in trying to keep our presentation as minimal as possible, Mr. Chairman, I will just say a few things about what we have done this year with respect to the Rehabilitation Services program.

Dr. Adams will present a very brief overview of some specific activities that the rehabilitation program has been involved in in terms of its programmatic activities.

I will briefly summarize the administration's proposal with respect to extension of the Rehabilitation Act.

First of all, I might say from a personal point of view, it has been my distinct privilege and pleasure to have responsibility for this particular program. I think over the past months I have come to learn

of the deep and abiding commitment of the people who are involved in this program, both at the Federal as well as at the State level.

I have had the opportunity to meet with and talk with counsellors, State agency heads, and, individually and collectively with the staff in the Rehabilitation Services Administration. They are a professional group of people deeply committed to provide quality services to the handicapped people of this Nation.

In terms of the management highlights that have been accomplished, Mr. Chairman, regulations implementing the Rehabilitation Act of 1973 and title I of the 1974 amendments to the Rehabilitation Act have been developed and published in the Federal Register.

As you know, these regulations were developed with the advice and assistance of representatives from State Rehabilitation Agencies, National Service Agencies and professional organization and consumer groups.

Proposed regulations covering the Randolph-Sheppard Act amendments of 1974 are expected to be published shortly. Indeed these are before the Secretary at this moment. These regulations have been prepared in cooperation with major Federal property managing agencies, the GSA, Postal Service, and Defense.

We have conducted, analyzed, and sent to the Congress reports on three major studies mandated by the Rehabilitation Act: The Sheltered Workshop Study, the Special Study on Comprehensive Service Needs, and the allocation study which was completed and sent to the Congress last year.

We have established in the Rehabilitation Services Administration an Office for the Blind and Visually Impaired and an Office of Deafness and Communicative Disorders. We are working vigorously in the process of developing long and short range program goals aimed at more effectively implementing the emphasis in the Rehabilitation Act which brings greater numbers of more severely disabled people into the State rehabilitation programs.

The Architectural and Transportation Barriers Compliance Board has been activated and has submitted the first report to the Congress as well as having held hearings on transportation issues.

As you know, the President has announced the White House Conference on Handicapped. The Advisory Committee has been selected. I have participated in a meeting of Secretary Matthews with the committee last week. These are the efforts along the way to strengthen the management of the most important human services program for people with disabilities.

I have asked Dr. Adams to present an overview of the rehabilitation program and its major accomplishments since the passage of the act of 1973.

Dr. Adams has a more elaborate text to provide for the record but he will give a brief overview in the moments permitted now.

**STATEMENT OF DR. ANDREW S. ADAMS, COMMISSIONER,
REHABILITATION SERVICES ADMINISTRATION**

Mr. ADAMS. Mr. Chairman.

I am pleased to come before these committees to provide an overview of the vocational rehabilitation program and to report some of the ac-

accomplishments implementing the Rehabilitation Act of 1973 as amended in 1974. This milestone legislation has opened doors for the disabled of America, especially the severely handicapped. On behalf of the seriously disabled of this country I extend our gratitude and appreciation to all of you.

Today I am presenting an abridged version of the full statement I have submitted for the record.

The legislation provides the handicapped a greater chance to utilize their full potentials in working and living as well as increased rehabilitation services, better impact on their services through research and training and special projects, and provided consumers a voice in their own destiny and individualized written plans. We are moving forcefully on the implementation of the legislation and we have made significant progress. However, comprehensive program delivery takes time in gearing up for the new and often unknown approaches and systems needed to serve those with severe disabilities. But across the land, in all the States and territories, change and progress is evident.

Lastly, as an introduction, I would like to cite my address at the Council of State Administrators of Vocational Rehabilitation meeting in San Francisco last September as the basis for my presentation here. I offer a copy of that speech for the record.

EMPHASIS ON SEVERELY HANDICAPPED INDIVIDUALS

Consistent with the strong mandate in the Rehabilitation Act of 1973 and amendments of 1974, the Rehabilitation Services Administration and the State Agencies have undertaken program and management activities that are providing services for greater numbers of the more severely handicapped. During 1975 the State Programs Rehabilitated 325,000 of whom 115,746 were severely handicapped individuals, an increase of 1.5 percent over the number of severely handicapped persons rehabilitated in 1974.

Estimates prepared this year show that higher levels of severely handicapped clients are found in current State agency case loads. This data suggests increasing proportions of severely handicapped persons among rehabilitated clients in the future.

The Rehabilitation Services Administration and the State Agencies have focused their entire array of resources on developing and affecting priority services to the severely handicapped. Initially, RSA conducted conferences in all regions of the country to explain new initiatives in the Rehabilitation Act of 1973 and Amendments of 1974. We continue to stress this priority at all meetings. Many State Agencies have followed up with special programs to orient staff to the new priorities, and States are expanding the practice of strategic assignment of counsellors by disability specialization and location. In the Central and Regional Offices, we have been developing technical guidelines and continually reassessing the program and management goals and objectives to implement the new requirements of the act.

STRIVING FOR QUALITY PROGRAMS IN THE STATES

As we have worked with the States to achieve the objective of serving more of the severely handicapped, we have discovered a number

of problems and program deficiencies impeding the appropriate expansion of quality services to the severely handicapped. We have analyzed the information obtained through HEW and GAO audit, as well as the in-place RSA systems.

The information and analysis derived from these sources highlights a number of problems and concerns with the basic State programs including the social security programs.

The major problems and concerns include:

Ineffective or insufficient rehabilitation services for closed cases affecting sustained employment.

Homemakers trained in the social security program.

Ineligible persons receiving services.

Client demotivators.

Difficulties in the definition of severely handicapped.

Concentration on easy cases.

A need for more and better training of counselors and other staff, and for improved facilities to work with the unique requirements of the more severely handicapped.

A need to identify and develop more and better linkages with other human resources for special services and employment support.

The need for readjustment in States planning and evaluation to reflect the fact that services to the severely handicapped may require longer time periods and more intensive application of resources.

Problems with State agency administrative control systems including fiscal controls, planning effort, and recordkeeping.

Carrying out individualized plans and placement followup.

Inadequacies of some facilities and work shops.

Disincentives to quality services associated with the numbers game.

State manpower ceilings and personnel freezes.

State legislative and administrative decisions on financial matching and organizational structures.

We have had intensive dialog with State directors and others on these problems and concerns. RSA has been developing and improving various resource components required to attack the problem.

We are choosing to orchestrate and strategically direct these resources to solve the problems. Resources we will use are itemized in my submitted testimony.

In summary, Mr. Chairman, we are directing a substantial part of our resources toward the identified problems and concerns of our basic State programs while maintaining our leadership role in preparing for future needs and opportunities.

In my written statement, submitted for the record, I have discussed our progress and programs related to various sections of the legislation including: Special projects; client assistance projects; training services and facility improvement projects; special projects for the severely handicapped; projects with industry; projects for handicapped, migratory, and seasonal farm workers; technical assistance; evaluation; construction; research; training; peer review; and implementing the Randolph-Sheppard amendments.

In summary, we have made substantive progress in all these areas and achieved outstanding results in some.

IMPORTANT EMPHASES

As Commissioner I am stressing a number of approaches and directions for the future of our program:

Insure the important Randolph-Sheppard amendments are fully implemented so that the blind of this country have full opportunity.

Support the implementation of the model State plan for the deaf, hard of hearing, and communicative disorder and quality programs for all handicapped groups.

Improve the outreach, evaluation, selection, training, placement, and followup process in State programs so as to achieve better services for the most severely disabled.

Insure that State organizational structures comply with the Federal law.

ties to develop and accelerate services for the severely handicapped.

Strengthen the capability of public and private rehabilitation facilities.

Analyze carefully the unique role and responsibilities of RSA where we must give top priority, and the shared roles and responsibilities of RSA where, with limited resources, we can contribute in partnership with other agencies and organizations.

Implement the findings of the important studies that have just been completed, the comprehensive service needs and workshop studies.

Establish a regional office monitoring and an assessment system of State programs for cooperative and constructive program improvement.

Complete the development of technical assistance and guidance material.

Direct training, research, and demonstration, and special projects to immediately and directly respond to problems in the administration of State programs.

Improve our management information systems for optimum diagnoses of program operations, progress and need.

Implement with the State agencies evaluation standards for program improvements.

Vigorously promote effective affirmative action employment programs for the handicapped, minorities, and women by making RSA a model and provide strong leadership to the public and private sectors.

Concentrate on combined efforts with business and industry to improve training and employment possibilities for the handicapped that will bridge rehabilitation and business and industry.

Find additional ways to bring the private sector of rehabilitation into full partnership with the public sector.

Contribute to a successful White House Conference on the Handicapped now being planned for December 1976.

Continue to encourage and systematize consumer input and involvement in our program development and operations.

Develop more joint programs with other Federal activities and agencies such as the Office of the Handicapped, the Veterans' Administration, the President's Committee on the Employment of the Handicapped, the U.S. Office of Education, and the Department of Labor so that limited Federal resources can be employed most effectively on behalf of the disabled.

Continue to build a strong relationship with the Council of State Administrators of Vocational Rehabilitation. We now have monthly fruitful meetings held with the CSAVR Liaison Committee and have implemented many joint efforts with their special committees.

Maximize my personal dialogue with the various ad hoc advisory committees I have formed representing the nonwhite rehabilitation providers and consumers, the deaf, the hard of hearing and speech disabled, the rehabilitation counselors, the rehabilitation psychologists, and the Association of Rehabilitation Facilities.

Provide a good start for the newly formed Rehabilitation Services National Advisory Committee to secure useful and quality input on improving our programs for the handicapped.

Continue to emphasize the rights of the handicapped to have a voice in their own destiny and to have full access to rehabilitation services, education, employment, recreation, citizenship, family life, transportation and physical facilities.

I, as the Commissioner, and the staff of the Rehabilitation Services Administration, are dedicated to effective and efficient delivery of services to handicapped Americans under the Rehabilitation Act and other authorities. We welcome your continued support in these efforts.

Thank you for this opportunity.

[Statement of Dr. Adams follows:]

PREPARED STATEMENT OF DR. ANDREW S. ADAMS, COMMISSIONER, REHABILITATION SERVICES ADMINISTRATION

Mr. Chairman, and members of the sub-committees, I am pleased to come before these committees to provide an overview of the vocational rehabilitation program and to report some of the accomplishments implementing the Rehabilitation Act of 1973 as amended in 1974. This milestone legislation has "opened doors" for the disabled of America, especially the severely handicapped. On behalf of the seriously disabled of this country, I extend our gratitude and appreciation to all of you.

The legislation provides the handicapped a greater chance to use fully their potentials in working and living. It has increased rehabilitation services, effectively impacted on these services through research and training and special projects, and provided consumers a voice in their own destiny and participation through individualized written plans. We are moving forcefully in implementing the legislation, and we have made significant progress. However, comprehensive program delivery takes time to gear up for the newly developed approaches and systems needed to serve those with severe disabilities. Across the land, in all the States and territories, the movement is underway! Lastly, and as an introduction, I would like to cite my address at the Council of State Administrators of Vocational Rehabilitation meeting in San Francisco last September as the motif of my presentation here. I offer a copy of that speech for the record.

BACKGROUND

As you know, the State-Federal vocational rehabilitation program is one of the nation's oldest grant-in-aid programs, having been established in 1920 with the passage of the Smith-Fess Act (P.L. 66-236). During the intervening 55 years the State-Federal partnership, along with the involvement of the private-voluntary sectors, has served many millions of disabled individuals. Approximately four million service recipients have been rehabilitated and returned to work, with over 8 percent of this total rehabilitated in fiscal year 1975.

The basic objective of the State-Federal services program is to provide rehabilitation services which assist physically and mentally handicapped individuals to become employable. The role of the Federal government in this joint effort is one of national planning, and leadership. It serves as a focal point on issues. The role includes also, the provision of Federal funds to each State, with monies being allocated on a formula basis with a matching 80 percent Federal

and 20 percent State rate. These grants are given to State agencies on the basis of approved annual State plans for vocational rehabilitation services.

With these Federal funds augmented by State funds and using a great variety of community facilities and service agencies, States provide services to individuals in accordance with individual needs. Services are given according to an individualized written rehabilitation program which the disabled person and the agency counselor develop together. Staff of the State agency provide counseling, guidance, referral, and placement services. They also coordinate and authorize the provision of other services which the disabled individual may need. These are purchased on a fee for service basis and include such services as diagnostic examinations, evaluation of rehabilitation potential, physical and mental restorative services (medical and corrective surgical treatment), hospitalization, prosthetic, orthotic and other assistive devices, therapy, and psychological services; training, including personal and work adjustment; maintenance, transportation, and post-employment services.

Certain disabled individuals of workingage are not served by this program. Eligibility is based on an evaluation of information about the person requesting services, including pertinent data sufficient to determine the individual's rehabilitation potential, and the existence of a disability which constitutes a substantial handicap to his or her employment. Clearly, some disabled people are not sufficiently handicapped by their impairment to qualify for services and others are too severely disabled to engage in employment. We emphasize the necessity of documenting the substantiality of handicap in each case, and of determining that an individual is too handicapped to benefit from vocational rehabilitation services. For those who are admitted into the services program, counselors and clients plan together for additional evaluation of individual capability. This leads to the joint development of the individualized written rehabilitation program. It specifies services to be provided and employment objectives to be achieved.

Disabled individuals in the program are placed in employment consistent with their individual capacities and abilities. They may go into the competitive labor market; engage in a profession; become self-employed; engage in homemaking, farm or family work; or be employed in a sheltered workshop, in homebound employment or in other gainful work.

People served by the rehabilitation programs have one or more disabilities. The program serves people disabled by mental retardation, absence of limbs, orthopedic impairments, speech, and hearing disorders, blindness, deafness, heart disease, epilepsy, cancer, stroke, tuberculosis, congenital deformities, mental illness and other neurological disabilities among many others.

EMPHASIS ON SEVERELY HANDICAPPED INDIVIDUALS

Consistent with the strong mandate in the Rehabilitation Act of 1973 and amendments in 1974, the Rehabilitation Services Administration and the State agencies have undertaken program and management activities that are providing services for greater numbers of the more severely handicapped. During FY 1975, the State programs rehabilitated 325,000 of whom 115,746 were severely handicapped individuals, an increase of 1.5 percent over the number of severely handicapped persons rehabilitated in FY 1974.

This numerical increase and the increase in the percentage of the total rehabilitations of severely handicapped persons contrasts with a sharp 15.7 percent decline in the number of rehabilitations of the non severely handicapped in fiscal year 1975. In FY 1975, the severely disabled accounted for 35.7 percent of all rehabilitations—compared to only 31.6 percent in the prior year. Reports coming in now from State agencies indicate that approximately 37 percent of all clients rehabilitated in the first quarter of FY 1976 were severely handicapped. The increase in rehabilitation of severely handicapped persons in the first quarter of FY 1976 vs. the first quarter of FY 1975 will be considerable, probably surpassing a 40 percent increase.

Estimates prepared earlier this year showed that larger numbers of severely handicapped clients are found in current State agency caseloads than have been reported among rehabilitated closures this past year. This data suggests increasing proportions of severely handicapped persons among rehabilitated clients in the future. The trend is demonstrated by data covering the last half of FY 1975 and is strongly expected to continue into this fiscal year.

The Rehabilitation Services Administration and the State agencies have been utilizing a variety of methods to provide priority services to the severely handicapped. RSA conducted conferences in all regions of the country to explain new initiatives in the Rehabilitation Act of 1973 and the 1974 amendments to public and private agencies. State agencies have followed up with special programs to orient staff to the new priorities, and States are expanding the practice of strategic assignment of counselors by disability specialization and location. Private agencies and rehabilitation facilities have done the same. In the Central and Regional Offices, we have been developing technical guidelines and continually reassessing program and management goals and objectives to implement the new requirements of the Act.

Some States have established special budgets for serving people with catastrophic disabilities on an expedited basis, and for increasing the availability of funds for special needs of the severely handicapped, such as modification of residential accommodations and provision of higher education. States are also working more closely with special education authorities to develop joint vocational rehabilitation and special education planning. More States are exploring closer linkages to the State and local manpower development projects under CETA. Interest is developing in more projects with industry aimed at expanding the job market for the handicapped.

We are working with the State agencies to encourage improved management of resources. Our reports indicate that many States have increased their capability to conduct evaluative studies of all aspects of their programs and the various facilities and resources used by their clients. Reports from 90 percent of the State agencies indicate that they have doubled their State program evaluation staff between 1973 and 1974. In that time, the agencies produced more than 300 evaluative studies of which approximately one-third dealt with services, facilities and effectiveness of programs serving the severely handicapped.

STRIVING FOR QUALITY PROGRAMS IN THE STATES

As we have worked with the States to achieve the objective of serving more of the severely handicapped, we have discovered a number of problems and program deficiencies impeding the appropriate expansion of quality services to the severely handicapped. We have analyzed the information obtained through HEW and GAO Audits, as well as the in-place RSA systems.

The information and analysis derived from these sources highlights a number of problems and concerns with some basic State programs including the social security programs. *The major problems and concerns include:*

Inadequate results for some qualified handicapped persons who did not receive sufficient and/or substantive services prior to case closure, as well as inappropriate services which did not have lasting effects on employment potential. Also, it was discovered that too many persons trained for competitive employment were returning to the homemaker role. Some sub-systems tend to act as "client" demotivators.

Some ineligible persons receiving services and some concentration on "easy cases."

difficulties in understanding and implementing a consistent definition of "severely handicapped" and in making priority determinations to affect achievement of "balanced" distribution of services to various types of needs.

A major need for more and better training of counselors and other staff and for improved facilities to work with the unique requirements of the more severely handicapped.

A need to identify and develop more and better linkages with other human services programs which can provide the special services required to help support and prepare the more severely handicapped for employment and to assist them to remain in employment.

The need for readjustments in State planning and evaluation to reflect the fact that services to the severely handicapped may require longer time periods and more intensive application of resources.

Problems with State agency administrative control systems including fiscal controls, planning efforts, documentation and records (especially the lack of evidence that persons are placed in occupations related to training), controls to monitor third party contractors, and supervisory capabilities.

Failures to perform some program requirements including the mandated individualized plans and sufficient placement follow-up procedures.

The inadequacies of some facilities and workshops, and the substantial need to improve existing employment opportunities within sheltered workshops settings.

The disincentives to quality service which are associated with overconcentration on numbers or misapplication of appropriate planning and evaluation systems.

The States' need for timely budget information in order to plan and implement their major role in the partnership.

Individual State manpower ceilings and personnel freezes, and the need to upgrade existing staff capabilities.

State legislative decisions and administrative directives affecting financial resources for matching requirements and State vocational rehabilitation organizational structures.

We have been intensively relating to the State program directors and others in addressing these problems and concerns. RSA has been developing and improving various resource components required to attack the problems. We have chosen to orchestrate and strategically direct the following *resources toward the problem solving efforts*:

- Regulations and interpretations

- State plan requirements

- Placing priorities on the production of Guideline Chapters of completely new RSA manual

- Reinstituted and expanded Program Administrative Reviews (PARS)

- Expanding and improved systems for regional offices monitoring of State programs

- A timely and useful Management Information System

- Improved and explicit Evaluation Standards

- Strategic direction for RSA discretionary programs, including:

- Special Projects

- Research Utilization

- Demonstration Grants

- Training

- Technical Assistance

- Facility Improvements

- Cooperative Programs with other Federal Agencies (under the assumption that such efforts reinforce the States' capability to deliver rehabilitation services).

In summary, we are directing a substantial part of our resources toward the identified problems and concerns of our basic State program while maintaining our leadership role in preparing for future needs and opportunities.

I will now present some of the programs mentioned in sections of the legislation.

HIGHLIGHTS IN SPECIAL PROJECTS

The innovation and expansion program is new formula grant funding, provided directly to the States. Approximately 300 special projects have been started under the direction of Federal guidelines which are oriented to increasing services for the severely disabled. These are short-term projects which help States develop new approaches to the existing service delivery process. These new approaches require State involvement and direction and their success depends on the commitment of basic State program resources in future years. RSA regional staff provide technical assistance to the States through a monitoring role.

Client Assistance Projects (Sec. 112) have been developed this past year to help certain handicapped individuals overcome problems with the service delivery system and/or better understand available benefits. They are improving the program by providing ombudsmen to work directly with the clients and State agency personnel. Preliminary reports show that findings and program recommendations from some of these projects are already changing the delivery system to overcome problems with time lags, attitudes regarding eligibility, administrative procedures, and public awareness of available services.

Training Services and Facility Improvement Projects (Sec. 302)

The vocational training services projects being supported are designed to train handicapped individuals, especially those severely disabled, in occupational skills within a rehabilitation facility, like the services provided in the basic State grant programs. Clients receive work evaluation, work testing and specific job training, provision of occupational tools and equipment, weekly training allow-

ances and such other items as will enable individuals to engage in suitable employment. During 1975, 43 of these projects were serving 4,600 individuals in 56 different types of training. 157 facility improvement grants were underway in 1975. We are working with these projects and the States to assure that services are coordinated, duplication is reduced, and planning is linked.

Special Projects for the Severely Handicapped (Sec. 304(b)(1))

The focus of these projects has been to improve services to handicapped individuals, especially those with the most severe handicaps, including the older blind and deaf individuals whose maximum potential has not been reached. Such model projects will assist the States in meeting these special needs under the basic State grant program. During 1975 six projects were continued and four new ones started to serve the older blind, and the under-achieving deaf. In FY 1976 we hope to transfer five spinal cord injury projects from the Research and Demonstration program, and to initiate five new projects for the blind and the deaf in coordination with the concerned States.

Projects with Industry (Sec. 304(d))

Under this authority contracts and jointly financed cooperative arrangements are being made with employers and organizations for the establishment of projects to prepare handicapped persons for gainful and suitable employment in the competitive labor market. More than 500 private industries are associated with the 11 projects funded under this program. In 1975, 1,500 clients of the 2,000 being trained were placed in employment. Through these efforts the handicapped are being provided career opportunities through employment by private industry in jobs compatible with the needs and requirements of the job market. We are planning to link each concerned State into this program to improve the coordination and promotion of this effort. You should note that the affirmative action requirements for hiring handicapped workers will promote the same objectives outside this formal program. In the long run when affirmative action objectives are met the special emphasis on this program will be included in the regular State program.

Projects for Handicapped Migratory and Seasonal Farmworkers (Sec. 304(c))

During 1975, eight of these special projects served approximately 800 migrants, of whom about 250 were rehabilitated and placed in suitable jobs. In the future, such efforts will be coordinated with the targeted programs for migrant training under CETA.

Technical Assistance (Sec. 304(e))

This program provides skilled professional consultant services on a short-term basis to rehabilitation facilities in need of management services. During 1975, 160 consultations were provided in accounting, industrial engineering and safety, program development and administration. More than 5,000 clients were affected by these consultations through either a safer and more efficient environment or improved quality of services.

Evaluation (Sec. 401)

The Rehabilitation Act of 1973 includes a requirement to measure and evaluate the impact of all programs and their structures and mechanisms for delivery of services. Evaluation activities in FY 1975 and 1976 are examining: the extent to which benefits from participation are derived, client satisfaction achieved, and results sustained; the use of resources and the extent of the eligible population of the handicapped individuals; and the development of evaluation instruments to be used for on-going evaluations of critical aspects of the program, such as the development and refinement of General Standards, modules for evaluating specific program components and the evaluation of specially mandated projects.

Construction (Sec. 301)

The purpose of this authority is to improve the quality of buildings used to provide rehabilitation services to the handicapped and provide resources for planning for and the initial staffing of the facility programs. In 1975, \$500,000 was appropriated to plan a recreation complex for the handicapped in West Virginia. This project will serve as a model to other communities in making recreation facilities readily available to the handicapped. A comprehensive rehabilitation facility for West Florida was provided for in the same year through the appropriation of \$1,800,000. It will serve an area population with more than 62,000 disabled individuals.

Highlights in Research (Sec. 202)

The Rehabilitation Act which places emphasis on services to the most severely disabled also directs and authorizes a research program to develop new and innovative methods of applying the most advanced medical technology scientific achievement, and psychological and social knowledge to make this emphasis a reality.

Rehabilitation research is becoming more goal oriented. It is directed to improve linkages between the services provider, the professional workers and the research so that improvements can be incorporated into the service delivery system as quickly as possible. Currently, a wide range of activities are provided for—investigations into the nature of disability and restorative techniques, studies and analyses of factors affecting rehabilitation, homebound and institutionalized, and architectural and engineering design adapted to special needs of the disabled—to increase knowledge and improve methods in rehabilitation. In addition, certain “institutional” programs are provided: Research and training centers, spinal cord injury research, end-stage renal disease research and international research. In keeping with the provisions of Section 201 of the Act, one quarter of appropriated funds are devoted to the rehabilitation engineering program.

During this past year (1975) 19 new projects were funded, along with 48 continuation grants for projects underway. Nineteen research and training centers were supported. Of these, 12 are devoted to the medical aspects of rehabilitation, 3 to the vocations, 3 to the developmentally disabled and one to the deaf. Current goals for the research program are improved services and new methods of providing services to the severely handicapped.

Highlights in training (Sec. 203)

The primary objective of the rehabilitation training program is to ensure the availability of skilled manpower that is capable of effecting the expansion and improvement of vocational rehabilitation services for the disabled. Training grants are made (1) to increase the number of rehabilitation personnel qualified to provide rehabilitation services to handicapped people, especially those with the most severe handicaps and (2) to improve and maintain the skills of employed rehabilitation personnel.

Resources from this program support (a) long-term training grants, mostly at the graduate level, which provide institutional and traineeship support in a broad range of rehabilitation disciplines and innovative training projects designed to train new types of rehabilitation manpower or develop new training methods; (b) short-term training courses related to technical aspects of the provision of vocational rehabilitative services and (c) in-service training grants for the development of State agency staff and (d) continuing education programs to upgrade the skills of newly employed and experienced rehabilitation workers in both the public and private rehabilitation sectors. 600 projects are being supported. We are examining this program to assure that States have a greater involvement, the skilled personnel needs are being met, and that equal employment opportunities objectives are being addressed.

PEER REVIEW IN THE RESEARCH PROGRAM

With respect to peer review in the research program in which the Congress had expressed considerable interest, the Rehabilitation Services Administration has had continuous peer review within the rehabilitation engineering program for over 10 years. We proposed the establishment of two additional peer review groups—one in rehabilitation medicine and another in the psycho-social area. In considering ways to accomplish this, we examined the alternatives of supporting two groups with our own staff or of contracting for the support of the groups with some impartial scientific organization, such as the National Academy of Science or the National Science Foundation.

Since the NAS is already reviewing our rehabilitation engineering projects, we turned to them first. A number of meetings have been held between RSA and NAS and informal drafts of agreements have been reviewed. Much delay has been encountered because of reorganization and changing personnel in NAS. A definite decision from the NAS is expected within the next six weeks. If an agreement cannot be reached within that time, RSA will extend its search for a suitable contractor.

IMPLEMENTING AMENDMENTS TO THE RANDOLPH-SHEPPARD ACT

We are making progress in implementing the 1974 Amendments to the Randolph-Sheppard Act. A year ago, I provided greater visibility to our activities for the blind and the visually handicapped by raising the status of the Office of the Blind and Visually Handicapped in the agency. We have been able, also, to increase staff for the Office by four positions for which recruitment will begin soon. After months of negotiation with the General Services Administration, the Department of Defense and other concerned agencies, proposed regulations to carry out the new initiatives in the Randolph-Sheppard Amendments have been completed. They will be published shortly.

The mandated study on the desirability and feasibility of a retirement, pension and health insurance program for vending stand operators has been completed and will be submitted to the Secretary soon. Funds have not been available for the studies on set asides and on the assignment of vending stand income. We are considering a reprogramming of a modest amount to initiate these studies underway and the meet expenses involved in arbitration procedures under the Act.

IMPORTANT EMPHASES

As Commissioner, I am stressing a number of approaches and directions for the future of our programs.

Insure that the important Randolph-Sheppard Amendments are fully implemented so that the Blind of this country have full opportunities.

Improve the outreach, evaluation, selection, training, placement and follow-up processes in State programs to achieve better services for the most severely disabled.

Insure that State organizational structures comply with the Federal law.

Analyze carefully the *unique roles* and responsibilities of RSA where we must give top priority, and the *shared* roles and responsibilities of RSA where, with limited resources, we can contribute in partnerships with other agencies and organizations.

Strengthen the capability of public and private rehabilitation facilities to develop and accelerate services for the severely handicapped.

Implement the findings of the important studies that have just been completed—the comprehensive service needs and workshop studies to which references have already been made.

Establish a regional office monitoring and assessment system of State programs for cooperative and constructive program improvement.

Complete the development of technical assistance and guidance materials.

Oversee the strategic direction of training, research and demonstration and special projects to immediately and directly respond to problems in the administration of State programs.

Support the implementation of the "Model State Plan" for the Deaf, Hard of Hearing, and Communicative Disordered—and quality programs for all handicapped groups.

Improve our management information systems for optimum diagnosis of program operations, progress, and needs.

Implement with the State agencies the evaluation standards for program improvements.

Vigorously promote effective affirmative action employment programs for handicapped, minorities, and women by making RSA a model and providing strong leadership to the public and private sectors.

Concentrate in coordination with the Department of Labor and the President's Committee on Employment of the Handicapped, on combined efforts with business and industry to improve training and employment possibilities for the handicapped that will "bridge" the rehabilitation and business and industry.

Find additional ways to bring the private sector of rehabilitation into full partnership with the public sector.

Contribute to a successful White House Conference on the Handicapped now being planned for December 1976.

Continue to encourage and systemize consumer input and involvement in our program development and operations.

Develop more joint programs with other Federal activities and agencies such as the Office for the Handicapped in OHD, the Veterans Administration, the U.S. Office of Education and the Department of Labor so that limited

Federal resources can be deployed most effectively in behalf of the disabled.

Continue to build a strong relationship with the Council of State Administrators of Vocational Rehabilitation. We now have fruitful monthly meetings which are held with the CSAVR liaison Committee and have implemented many joint efforts with their Special Committees.

Maximize my personal dialogue with the various Ad Hoc Advisory Committees I have formed representing the Non-White Rehabilitation Providers and Consumers, the Deaf, the Hard of Hearing and Speech Disabled, the Rehabilitation Counselors, the Rehabilitation Psychologists, and the Association of Rehabilitation Facilities, and others.

Provide a good start for the newly formed Rehabilitation Services National Advisory Committee to enable their useful and quality input on improving our programs for the handicapped.

Continue to emphasize the rights of the handicapped to have a voice in their own destiny and to have full access to rehabilitation services, education, employment, recreation, transportation, and physical facilities.

I, as the Commissioner, and staff of the Rehabilitation Services Administration are dedicated to effective and efficient delivery of services to handicapped Americans under the Rehabilitation Act and other authorities. We welcome your continued support in these efforts.

SPEECH BY DR. ANDREW S. ADAMS AT THE MEETING OF THE COUNCIL OF STATE ADMINISTRATORS OF VOCATIONAL REHABILITATION IN SAN FRANCISCO, CALIF., ON SEPTEMBER 10, 1975

It is always wonderful and productive to be with you—the stimulation last winter at the Marriot seems like yesterday. I could spend most of the afternoon discussing current RSA developments and goals and ambitions for the future. However, you have scheduled many sessions where much will be covered, including reports from your committees who have been working with RSA staff, and presentations by other important people. Therefore, I will, in my remarks, only touch upon some overall happenings and directions.

First of all, I bring you greetings from our new secretary. I have had meetings with Dr. Mathews and he has already shown firm support for our programs. I also bring you greetings from our assistant secretary for human development—like for the aged, the native Americans, the run-a-way youth, and the disadvantaged children, Stan Thomas has demonstrated strong support for the rehabilitation of the disabled.

What is vital to me is the significant progress we have made in the development of a potent state-federal working team. I have heard some of you say that our relationships are closer now than they have been for several years. These remarks make me very grateful and appreciative.

Evidence of our progress is:

The productive monthly meetings I, and my executive staff are holding with key representatives of CSAVR.

The activities of the standing committees of CSAVR who work with my staff.

The individual working relationships you and I have developed, so that we directly discuss joint matters and hit problems "head on."

And, the emerging role of our regional offices on the state-federal team.

I am extremely pleased and appreciative on the emerging strength and vitality of your CSAVR organization under the dynamic leadership of Joe Owens, your elected officials, and your membership support. I am grateful to your special committee who has faithfully met with me monthly on our common problems and issues: Thorold Funk, Owen Pollard, Adrian Levy, Russ Baxter, Bert Risley, Jerry Starkweather, Lowell Green, and Gus Gehrke.

I am also grateful to the many others of CSAVR who have drawn close so that we can attach our concerns with synergetic force. As I look on the audience here, I see such members who have been particularly cooperative as: Nat Nolan, Jess Irwin, Ed Crawley, Dill Beckman, Harvey Hershey, Ed Reece, Russ O'Connell, Del Frost, Ken Jernigan, Walt Penrod—I wish I had time to name all I should.

And now turning to the programmatic aspects, I must say that I am getting more disturbed about the information from a variety of audits and evaluations indicating that we have some serious problems. These focus on management controls in state agencies that result in ineligible cases being served, needed services not being provided, cases closed as rehabilitated that shouldn't be,

counselors not meeting the Rehab Act of 1973 on priority for the severely handicapped, and in small but increasing numbers, criminal action on V.R. staff on state funds.

We must diligently and professionally face these findings—and, when they are valid, we must accept them and correct them—there is too much at stake for handicapped Americans, and our programs, for us to be defensive. RSA and your CSAVR liaison committee will be concentrating on solving these problems. We will be carefully analyzing the findings, as, “a problem well-defined is half solved.”

A couple months ago, I firmly established RSA's long-range goal as “providing *quality* rehabilitation services for handicapped people, with priority on the severely disabled, for optimum employment”. Even though some would have liked to see us taken on additional goals at the same priority level, like, “providing leadership in related areas”, these are now sub-goals. If I had unlimited resources, I would love to have RSA assume primary responsibility for related programs for handicapped. But, we do not have this luxury—and I am not going to see RSA do a “half-baked” job on our primary task—the rehabilitation of the handicapped, especially the severely, for productive and rewarding employment—after all, about 70% of our funds go directly to the States, and the rest is designed to boost that 70%. Therefore, in the future, if you don't see RSA staff at all the affairs, conferences, and activities for the variety of efforts for the handicapped—please remember our unique mission—to support, to concentrate, to remove the deficiencies in, the basic State V.R. program.

This year you will see me pushing hard on improving our management systems by:

- Program administration reviews and constructive monitoring of your State programs.

- Providing you more technical assistance.

- Implementing, with you, the evaluation standards for program improvements.

- Improving our management information systems so that we know better “where we are”, where our problems and achievements are, and where we want to go.

- Making our definition of the severely disabled exact.

- Making our training, research and demonstrations, and special projects more “immediate and direct” to your state programs.

- Issuing regulatory, instructional, and guidance materials.

Other important directions in the coming months for RSA will be:

- Implementing the Randolph-Sheppard amendments of 1974 which give the blind a better chance. The regulations are at the HEW Department level soon to be published for your comments.

- Continuing to encourage and systematize input and involvement. The Act of 1973 gave the handicapped the right to have a voice in their own destiny. I will strive to establish “wave lengths” and listen. I am positive you want to do likewise.

- Holding tight to insure that state organizational structures comply with the law in accordance with my firm policy statement last winter. Currently we are holding approval on eight plans in seven states that are in question.

- Improving the outreach, evaluation, selection, training, placement and follow up processes to get top quality in all the rehabilitation links.

- Following up on the two important studies that have just been completed—the comprehensive needs and the workshop studies. I am convinced that “independent living” is an integral part of our rehabilitation programs, and we must be the nucleus. In the workshop area, I am greatly concerned about employment factors.

- Developing joint programs with other Federal activities, like the veterans Administration, U.S. Office of Education and others, so that limited resources can be combined and the handicapped will get more for the dollar.

- Putting teeth into affirmative employment for the handicapped, women, and minorities—we should be the “showcase” in our own agencies.

- Supporting the White House Conference on the Handicapped now being planned for December 1976.

- Finding ways to combine efforts with business and industry where the majority of our rehabilitants will work.

- Bringing the private sector of rehabilitation into full partnership with the public sector. It is so good to see so many representatives from private and professional rehabilitation organizations here at this meeting.

And, providing leadership for the new legislation next year. The economic situation will probably prevent much program expansion, but program depth is possible. It is also good to see our hard working and dedicated members of congressional staff on the agenda this week.

And now, I want to highly compliment and commend all of you for the results in the number of handicapped people rehabilitated in fiscal year 1975 under some trying conditions, like the economic and unemployment situation, the higher cost of rehabilitating the severely disabled, and the change in delivery systems to implement the Rehabilitation Act of 1973. Even though the 324,000 rehabilitated was the first drop we've had in 21 years—10 percent from fiscal year 1974—the percentage of severely handicapped rose from 31.6 percent the prior year to 35.7 percent—and the number of severely handicapped exceeded our national goal—but most significant you rallied in the late innings so that in the second half of fiscal year 1975 you rehabilitated 39 percent severely handicapped—it shows we are on our way, and, again, I highly commend you.

In closing, I want to remind you of the wonderful work you are in—I urge you to, once in awhile, look up from the grindstone and eminent problems you face everyday, and realize the very important persons that you are—you are providing an opportunity for handicapped people to work and live a rewarding and productive life—usually an only chance—I am a graduate of your programs—and we are very, very grateful—please feel awfully good about your job.

I close expressing my appreciation for being at this important meeting—for being your representative in Washington—and I look forward to this exciting and productive week as we work together for the handicapped, which, in turn, will benefit, in some way, the lives of all Americans. I thank you.

Mr. THOMAS. Moving on to the administration proposal with respect to the extension of this act.

Earlier this year, the Secretary sent to the Congress a draft bill to extend the Rehabilitation Act of 1973.

The 2-year extension of the Rehabilitation Act requested by this legislation reflects our belief that the programs funded under the act are making a significant contribution toward helping handicapped individuals to acquire the skills and ability necessary to lead productive lives.

In that regard, Mr. Chairman, we are basically delighted that the House has seen fit to extend that act, that basically it has seen fit to do so with minimal changes. There are however, Mr. Chairman, two specific issues and I was delighted by your comments that indicate you will be taking these under advisement.

As you know, the President has established a policy which requests the Congress to authorize legislation or have authorization levels in the legislation which are consistent with basic Presidential budget requests.

So there are a number of areas in the current legislation, Mr. Chairman, where we have asked for changes, generally reductions, in authorization levels. Rather than going through all of those I will cite the relevant sections and submit the rest of the text for the record.

Section 100(b)(1), section 201(a)(1), section 201(a)(2), sections 302, 304, 305, sections, 403, 405, and 502(b).

There are two elements of the present law that we would like to see not continued to be authorized.

We recommend the elimination of authorizations in section 100(b)(2), title I, part C, innovation and expansion grants.

Activities under this program can and should be financed with funds authorized under section 100(b)(1) for the basic programs.

While many of the projects developed under this authority have been exceptionally innovative experience indicates that the authority

is not necessary and some States are seeking innovative approaches in the use of basic grants.

This approach is preferable because the State dedication is more direct and the spread of proven techniques is quicker and acceptance of change is built into the initial experimental effort.

Also, Mr. Chairman, we are recommending no authorization levels for section 301 grants for construction of rehabilitation facilities for the fiscal years ending in 1977 and 1978.

This program served a useful purpose in developing resources such as new rehabilitation centers and workshops during the 1960's.

In our judgment Federal sources available through the basic grant should be directed as needed toward the improvement of services and programs in existing facilities and to the payment of cost of services for clients now in the program and awaiting service.

During fiscal 1974, 7.9 percent of the rehabilitation dollar was spent for construction and establishment of rehabilitation facilities.

Mr. Chairman, we also recommend the repeal of section 303 of the act, mortgage insurance for rehabilitation facilities. This authority has not been utilized and no resources have been requested for the program nor appropriated by the Congress.

Under the Housing and Community Development Act of 1974 bloc grant recipients are able to finance the development of public facilities in which such training could be provided.

The use of community development funds is up to the discretion of bloc grant recipients subject to only minimal Federal review.

In 1976 there is \$2.8 billion available under the community development bloc grant program. These resources can be utilized for the construction of such facilities.

Mr. Chairman, again except for the basic State programs where we are asking for an increase in the authorization level as compared to our initial draft legislative proposals, all of the others are reductions which we again think will bring the authorization levels more closely in line with the Presidential budget request.

We are delighted to have had the opportunity to make these presentations.

The Commissioner and I will be delighted to answer any questions that you or your colleagues may have.

[Statement of Mr. Thomas, Jr. follows:]

PREPARED STATEMENT OF STANLEY B. THOMAS, JR., ASSISTANT SECRETARY FOR HUMAN DEVELOPMENT, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

I am pleased to have this opportunity to come before you to discuss the extension for two years of the Rehabilitation Act of 1973. I am accompanied by the Commissioner of the Rehabilitation Services Administration, Dr. Andrew S. Adams.

Before discussing specific proposals, I wish to review with you some management highlights affecting the Rehabilitation Services Administration and the vocational rehabilitation programs since it was transferred to the Office of the Secretary and placed in the Office of Human Development. Commissioner Adams will present an overview of the program with emphasis on accomplishments since enactment of the Rehabilitation Act of 1973.

As you know, I am delighted that this program is part of the Office of Human Development. And, we are making strong efforts to support its mission of services to disabled people.

MANAGEMENT HIGHLIGHTS

1. Regulations implementing the Rehabilitation Act of 1973 and Title I of the 1974 Amendments to the Rehabilitation Act have been developed and published

in the Federal Register. As you know, these regulations were developed with the advice and assistance of representatives from State rehabilitation agencies, national service agencies and professional organizations, and consumer groups. Proposed regulations covering the Randolph-Sheppard Act Amendments of 1974 are expected to be published shortly. These proposed regulations have been prepared in cooperation with the major Federal property managing agencies: the General Services Administration, the U.S. Postal Service, and the Department of Defense.

2. We have conducted, analyzed and sent to the Congress reports on three major studies mandated by the Rehabilitation Act of 1973: The Sheltered Workshop Study, the Special Study on Comprehensive Service Needs, and the allocation study which was completed and sent to the Congress last year.

3. We have established in the Rehabilitation Services Administration an Office for the Blind and Visually Impaired and an Office of Deafness and Communicative Disorders. These offices will provide a focal point for our efforts to aid these two severely disabled groups.

4. In cooperation with OHD Planning staff, the Rehabilitation Services Administration is actively involved in the process of developing long and short range program goals aimed at more effectively implementing the emphasis in the Rehabilitation Act which will bring greater numbers of the more severely disabled into the State rehabilitation services programs.

5. The Architectural and Transportation Barriers Compliance Board has been activated and has submitted to Congress the first of several mandated reports by that group. Hearings have also been held on transportation and housing issues.

6. Work on the White House Conference on the Handicapped is underway. The national advisory committee for that function has been appointed, and is working with staff to identify key issues and problems to be discussed at forthcoming State conferences.

These are some of the efforts now underway to strengthen the management of these most important human services programs for people with disabilities.

I have asked Dr. Adams to present an overview of the vocational rehabilitation programs and its major accomplishments since the passage of the Rehabilitation Act of 1973. Following that I shall discuss several proposed amendments to the Act.

PROPOSED AMENDMENTS

Earlier this year the Secretary sent to the Congress a draft bill "To extend the Rehabilitation Act of 1973." The two-year extension of the Rehabilitation Act requested by this legislation reflects our belief that the programs funded under the Act are making a significant contribution toward helping handicapped individuals acquire the skills and ability necessary to lead productive lives. The proposals for an extension without substantial amendments reflect the fact that although the mandated studies on workshops and comprehensive service needs have been completed, there has not been time for the Administration, the Congress and the many national organizations concerned to analyze fully the results and evaluate all of the recommendations. Many of these recommendations can be addressed under existing law. Summaries and recommendations were sent to the Congress in November, but the studies have not yet been made available to other groups. I have available copies of papers detailing the most significant findings and recommendations growing out of these two studies which the Subcommittees may want to review.

As you know, the President is making every effort to restrain the growth of the Federal budget and achieve a balanced budget in three years. Accordingly, he is proposing that the Federal commitment in many State-Federal programs be limited to help achieve this purpose. As a general rule, recommendations for new authorizations are being kept to the level of current expenditures recommended by the President. Extension of authorizations have not been recommended for sections of the Act which have not been implemented.

I shall refer to major provisions of our bill section by section:

1. We recommend the retention in Section 100(b)(1) of authorizations for the basic support of State rehabilitation programs at current levels, i.e. \$720 M for each each of the fiscal years ending September 30, 1977, and September 30, 1978. Based on our current assessment of State matching effort, we have no objection to this revision to our July proposal. With better management of these programs described earlier, we can expect improved services to assist disabled people.

2. Under present law, client assistance projects under Section 112 of the Act must be funded if (and only if) the amount appropriated for special projects under Section 304 exceeds \$11,860,000. In that event at least \$1,000,000, but no more than \$2,500,000, must be set aside by the Secretary for client assistance. Our bill would reduce the authorization for Section 304 special projects to less than that triggering level, because the bulk of the projects now funded under that section would in the future be funded under the special projects authority in the Administration's proposed Developmental Disabilities legislation. Section 1(b) of our draft bill therefore would eliminate the triggering mechanism in Section 112 and would authorize the Secretary to utilize up to \$1,000,000 from the Section 304 special projects authority for client assistance projects.

3. We recommend the elimination of authorizations in Section 100(b)(2) Title I, Part C, Innovation and Expansion Grants. Activities under this program can and should be financed with funds authorized under Section 100(b)(1) for the basic programs. While many of the projects developed under this authority have been exceptionally innovative, experience indicates that the authority is not necessary and that some States are seeking innovative approaches in their use of basic grants. This approach is preferable because the States' dedication to innovation is more direct and the spread of proven techniques is quicker and the acceptance of change is built into the initial experimental effort.

4. We suggest a reduction in authorizations in Section 201(a)(1) for research from \$32 M in 1976 to \$20 M for each fiscal year ending September 30, 1977, and September 30, 1978. This level for research activity will emphasize research directly related to the changing program emphases in the State's services programs. This research effort is not the sole instrument to improve the provision of VR services.

5. Similarly, reductions are recommended in Section 201(a)(2) for training from \$32 M in 1976 to \$22,200,000 for each of the fiscal years ending September 30, 1977, and September 30, 1978. The amounts recommended for this program are and will be directed specifically toward the preparation of new rehabilitation personnel and staff already employed by rehabilitation agencies and facilities to enable them to do a more effective job in serving handicapped individuals, particularly the more severely handicapped. We are considering greater State participation in these decisions and not treating these funds as a grant to a higher educational institution. Our objective is to assure that skill shortages are the major focus of such funds, that minority representation is given proper emphasis, and State agency personnel training needs are taken into account.

6. We are recommending no authorization levels for Section 301 Grants for Construction of Rehabilitation Facilities for the fiscal years ending in 1977 and 1978. This program served a useful purpose in developing resources such as new rehabilitation centers and workshops during the 1960's. In our judgment, Federal resources available through the States' basic grants should be directed, where needed, toward the improvement of services and programs in existing facilities and to the payment of costs of services for clients now in the program and awaiting service. For 1974, 7.9% of the rehabilitation dollar was spent for construction and the establishment of rehabilitation facilities.

7. The authorization level for Section 302, Vocational Training Services projects operated by public and private organizations outside the State-administered rehabilitation programs should be changed to remove the "such sums" and to substitute the specific amount of \$6.9 M for each of the fiscal years ending September 30, 1977, and September 30, 1978. We believe this program should be continued but in the future organizations should place greater reliance on the use of Title XX and private funds as well as funds available under Section 100(b)(1). This approach will assure greater program coordination and efficiency at the State and local level.

8. We recommend the repeal of Section 303 of the Act, Mortgage Insurance for Rehabilitation Facilities. This authority has not been utilized and no resources have been requested for the program. Under the Housing and Community Development Act of 1974, block grant recipients, primarily cities and counties are able to finance the development of public facilities in which such training could be provided. The use of community development funds is at the discretion of block grant recipients subject to only minimal Federal review. In 1976 there is \$2.8 billion available under the Community Development Block Grant Program. These resources can be utilized for the construction of such facilities.

9. We suggest the reduction of authorizations in Section 304 (a)(1) from \$20 M in 1976 to \$3.4 M. This reduction is made possible by the enactment of

the new Developmental Disabilities legislation (P.L. 94-103) which should be the primary authorization base for such special projects and demonstrations for the mentally retarded and people with other developmental disabilities.

10. We suggest that Section 305 be amended to change authorization language for the National Center for Deaf-Blind Youth and Adults from "such sums" to \$2.1 M each of the fiscal years ending in 1977 and 1978, which would establish clearer funding guidance for the Center's use and planning.

11. Authorizations of appropriations in Section 403 for program and project evaluation are continued, i.e., an amount equal to $\frac{1}{2}$ of 1% of funds appropriated under Titles I, II, and III or \$1 M whichever is the greater.

12. We recommend that authorizations for Secretarial Responsibilities in Section 405(d) be continued but reduced from \$600,000 in 1976 to \$200,000 for each of the fiscal years ending in 1977 and 1978. We believe that the availability of the evaluation set-aside, research authorizations, and the completion of the comprehensive study will permit the full exercise of the Secretary's responsibilities at the new authorization levels.

13. In Section 502(b), we suggest a reduction from \$1.5 M in 1976 to \$300,000 for each of the two fiscal years ending in 1977 and 1978 for the work of the Architectural and Transportation Barriers Compliance Board. This Board is now equipped with staff to develop a basic plan of action for the Board which is supplemented by the major Federal agencies concerned with issues involving accessibility and usability of structures and sites by handicapped people.

Mr. BRADEMAS. Thank you very much, Mr. Secretary and Dr. Adams. We appreciate your statements.

Mr. Secretary, you indicated delight with the action of our committee last night in reporting the bill that would for 2 years extend the authorizations for this act.

Mr. Quie and I are both here now. We will be glad to take that statement as endorsement by the administration of our bill.

Mr. THOMAS. With the exception of the authorization levels and the areas where we asked that no authorization levels be continued, Mr. Chairman. Those are the two caveats.

Mr. BRADEMAS. Let me remind you, Mr. Secretary, if you had heeded what I had said at the outset, that with the exceptions of the basic grant program and the innovation and expansion program, we did not write in any specific dollar amounts.

Does that make it easier for you to unburden yourself of the ambiguity which freighted your reply to my question?

Mr. THOMAS. Almost, Mr. Chairman. Obviously, we would prefer specific authorization levels consistent with the Presidential budget request.

Mr. BRADEMAS. In that connection, I have been quite fascinated to read the recommendations that you have made with respect to authorizations in a number of areas and to contrast your recommendations with those of a subsequently scheduled witness, Mr. Levy, who is a spokesman for a number of organizations but most particularly the Council of State Administrators of Vocational Rehabilitation.

If we are to take seriously the rhetoric of the administration, those in the field always know better than the bureaucrats back here in Washington, D.C., I must say that I find your recommendations quite astonishing because you call, for example, for a reduction in funds for research. Yet, Mr. Levy in his document says that we ought to be expanding and increasing the research authorizations.

In like fashion in regard to training moneys, you say that you want a reduction, while Mr. Levy notes that since these training programs are very important in the field of rehabilitation and receive no major support from any other source, the Council of State

Administrators recommends increases of authorizations through the 3 years for which they call for the program to be extended.

I note also that in the document submitted to us by Dr. Adams, that among the points to which he indicates, your own studies have suggested emphasis needs to be given to training.

I note as well that you recommend the elimination of any authorizations for innovation and expansion, but then as you look again at the document of Mr. Levy, you will see that he says these grants have promoted new State initiatives with the mentally retarded, physically and other severely handicapped groups, and he goes on to say, "This has been one of the most creative and effective titles in the Rehabilitation Act."

I could cite as well your statement with regard to facilities from which you recommend no authorization levels for section 301 grants for construction of rehabilitation facilities for the fiscal years ending 1977 and 1978, while Mr. Levy says that sorely inadequate numbers of such facilities exist and in reasonably available sites in most communities. Then he calls for an increase in dollar authorization amounts.

It is almost as if you are looking at two different worlds. It is almost as if you have never shaken hands with each other. If one at least is to take seriously these spokesmen for the men and women who administer these programs, it is almost as if you back here don't even know what they are saying or don't read your mail from them, or if you do, don't believe them. Therefore, I find it very difficult to take seriously the rhetoric, which is always agreeable to hear, that you really are deeply committed to this program. As former Attorney General Mitchell—if I may be forgiven for citing him in support of my point—once said, "Don't pay so much attention to what we say; pay attention to what we do."

So if I pay attention to what you are doing, at least in respect to your proposal for money, I am not very impressed by what you say.

What do you say to these observations on my part?

Mr. THOMAS. Mr. Chairman, I would say that, first, in addition to being a dedicated and effective administrator and public servant, Mr. Levy is also from the State of New York, which is a particular reason for recognizing that he is indeed very capable of representing the views not only of the State administrators but also of the people that he directly is involved in serving.

I can certainly appreciate the interest on the part of the State administrators for expansion of the existing programs. Their specific interest in rehabilitating the handicapped people is well understood and deeply appreciated.

We are not in disagreement in our interest in rehabilitating people. It is simply a matter that the President has articulated on a number of occasions his particular desire to hold the Federal budget steady, to hold down the increases, and as a result, we are facing the reality that much as we would like to, within the resources that are available to us, we simply can't do everything that we would like to do in a whole host of areas.

Suffice it to say that therefore within the resources that are available to us, we should be as effective as we can be with what we have.

But I can certainly appreciate the point of view of a State administrator who does not have the responsibility for both raising and al-

locating the resources that are available to the Federal Government, at least in terms of the Federal Government dollar, his interest in having a greater Federal investment.

If I were sitting in his chair, I suspect I would feel the same way.

From our vantage point we have to look at the entire panoply of resources available to the Federal Government and try to make the most credible decisions we can make within the resources available to us and deliver the most quality services possible.

Mr. BRADEMAS. Let me ask you about another matter with which I know you are concerned.

Last summer I wrote to then Secretary Weinberger, and subsequently to Secretary Matthews, objecting to the request of the State of Florida for a waiver of the law with respect to the requirement in the Rehabilitation Act regarding State organizational structures and arrangements.

Can you report to the subcommittees on the status of this matter?

Mr. THOMAS. I can, Mr. Chairman.

Commissioner Adams may wish to expand on that.

We clearly see that at the present time there is no waiver authority available to the Secretary or the Commissioner relative to the structure of the State organization.

In response to the specific area of your concern, the State of Florida's proposed plan is not acceptable.

Unless we can come to closure on this point, on which the Commissioner is working with the Florida State officials, we will have no alternative but to not accept their plan and follow the procedure that is established in that instance.

I would say however, Mr. Chairman, that one of the areas that we hope the Congress will take a look at would be the whole question of those situations where, on the basis of some very specific criteria that we develop and publish in the Federal Register, We could have situations where waiver might be permitted.

We think that would be a good thing. The real reason we think that a demonstration effort along those lines might be propitious, as I am sure you are aware, is our interest in being able to utilize the resources made available in a State through a whole host of different categorical programs which conceivably could be more effectively brought to bear on the handicapped person.

So that while we see no alternative at the present time in terms of their particular plan, we do hope that the Congress would look to the possibility of developing a method for us to do certain kinds of demonstrations and experiments on the basis of some very specifically designed criteria, all to the ultimate purpose of integrating more effectively the services that could be made available to handicapped people.

Mr. BRADEMAS. I appreciate your statement that you intend to enforce the law because I note that in Dr. Adams' presentation on page 10, among the important emphases that he says he proposes to stress is to insure that State organizational structures comply with the Federal law.

In my letter of October 7, 1975, to Secretary Matthews I noted that the program at both the State and Federal level must be responsible for its own program development, its own budget, its own staffing,

including ability to hire and fire, as well as maintaining a viable, visible and high advocacy position at the State level.

Then I went ahead, if I may be forgiven for quoting myself, to tell the Secretary that though we might argue the merits and demerits of such plans as that submitted by Florida and debate various delivery mechanisms, at least it was my own view that if we had learned anything from the period known as Watergate, it is that the law and the intent of Congress must be complied with, and the fact that some persons may disagree with the law is no excuse for ignoring and disobeying it and that the proper forum for changing the law and recommending changes is through the legislative process.

I take it you do not disagree with that and when you talk about developing specific criteria to be published in the Federal Register you did not have in mind doing that without legislative authorization?

Mr. THOMAS. No. As a matter of fact, Mr. Chairman, consistent with your comments, we have obviously no question about our responsibility to enforce the law.

We are simply saying that conceivably a legislative change followed by the development of criteria which would be made public it would be possible to approve specific demonstration programs. In that regard, we would like at a future date to submit to the committee our proposal.

Under the present circumstances we have no option but to enforce the law.

Mr. BRADEMAS. I have two other questions before I yield to Mr. Quie.

I read that you are being considered as the head of SRS as well as continuing as the head of OHD.

If that should prove to be the arrangement could you elaborate on how you see your role and how you would view that new organizational structure?

Mr. THOMAS. Mr. Chairman, I appreciate the flattery in terms of having the statement of the possibility of my assuming additional responsibilities in the Department.

No announcement or final promulgation by the Secretary relative to that has been made. I would not presume that he will do that. In the event that he does I would obviously let you and other interested parties know. But he has not done that and I will be unable to comment on that prior to such an announcement.

Mr. BRADEMAS. My final question has to do with the matter of regulations. I note, Mr. Secretary, that you indicate that you have now developed and published in the Federal Register regulations implementing the Rehabilitation Act of 1973, and title I of the 1974 amendments.

Congressmen only get elected for 2 years. So we are glad you are coming along and we can have an anniversary party every 2 years when the department heads get the regulations out to implement the law passed in the preceding Congress.

In this respect I note that Dr. Adams talked about the importance of the Randolph-Sheppard Act. If that is the case, Dr. Adams, why has it taken so long to get the regulations promulgated and why have the necessary authorized personnel not yet been hired?

Mr. ADAMS. Mr. Chairman, in response to your question, number one, on the delay in the regulations, there is one major problem that has involved a lot of legal considerations as well as other agencies like the Post Office and the Department of Defense. That deals with the

size of the Federal Establishment in terms of the requirements of the act on what that minimum size should be.

Of course the act requires that all States agree on what that size is.

We have been delayed in trying to resolve that legal issue of size in getting the regulations out.

On your question number two, dealing with our staff, we are moving ahead on filling 4 of the 10 positions mentioned in the act. The other positions, despite the fact that we have requested administrative authority to do so, have been held up because of financing and personnel ceilings in the department.

Mr. BRADEMAS. Thank you very much. Mr. Quie.

Mr. QUIE. Thank you, Mr. Chairman.

First, Mr. Thomas, I recognize that you answer as you do because nothing has been finalized in the department, but let me say that the controversy which has existed in the past over RSA and SRS being together under one person had a lot to do with personalities as well as the administrative structure.

I know you and the Secretary, as you are developing this, will be trying to set up an administrative structure where the needs of those who are served by both SRS and by RSA, to say nothing of the rest of the people under OHD, will be met and served well.

As far as personalities are concerned I want to say publicly that I think you are the person that could bring support from both sides. People would not object to you because of any lack of interest you have shown in the needs of unfortunate people whether handicapped or served by SRS.

I want to tell you I hope you take that job, whatever comes, despite the fact that at times we have disagreed. It is not because of any lack of respect for your abilities.

Mr. BRADEMAS. If my colleague will yield, I would like to associate myself with that observation.

Mr. THOMAS. Thank you very much, gentlemen.

I am delighted you make those comments and even despite the fact the distinguished chairman is a Harvard man, the institution from which I graduated.

Mr. QUIE. I also recognize the talk of money in this administration. They want to have a level figure of 720 on the grants. That is a position you have to take.

I also recognize that people from the States would prefer to get money from the Federal Government. It is a lot easier than facing the State legislature and asking for money.

There is the human factor as well.

What is enough?

Mr. THOMAS. Mr. Quie, I find that a difficult question to answer. I will simply say that we do have the need to be able to do as much as we can with what is available.

The Federal budget as you know has increased very dramatically annually. The President has been very emphatic about that whole issue and has made every effort and continues to make every effort to try to bring closer together the resources that we raise compared to the resources that we spend.

I do remember a former Secretary of HEW saying that it is conceivable that if HEW did everything it could do for all the people

that its mission was to serve that we would be close to taking the entire Federal budget.

Suffice to say enough at that point in time when the resources that you take in are so far exceeded by the resources that you expend that you create a very difficult problem.

Mr. QUIE. To what extent are the States demonstrating that interest and desire to help the handicapped by overmatching beyond the 20 percent of the basic grants?

Mr. THOMAS. I would defer to the Commissioner on that. I can say this.

Generally, the States certainly are providing sufficient resources to match appropriately the Federal resources that are available to them. How many have gone above that I don't have the information at hand. The Commissioner may. If not, we will be delighted to submit it for the record.

Mr. ADAMS. Yes, I have to answer rather generally and say that they are not over enthusiastic to supply more money for the program, not because they are not supporting the program but because they are experiencing similar financial problems.

One of the problems that we are picking up on our audit, both GAO and HEW, is the fact that States are having problems on their matching and they are having problems on providing personnel ceilings adequate to carry out our programs.

In other words, they have personnel freezes also. So it is probably the other picture generally speaking but again we can give you an itemized list of those States for the record.

Mr. QUIE. If you would, that would be helpful.

Let me speak for one State I know about and the Federal Government I know about. The Federal Government is going to go \$73-\$75 billion in the red this year.

Minnesota has a State surplus. How many people from Minnesota can tell me they are incapable of matching that 20 percent?

I would like to see how it works with the other States. They are not all in the same plight as New York financially.

By this I am not suggesting that we change the matching. I would like to see the needs demonstrated by those States that are asking more Federal money.

Also I would like to have a breakdown of how that 20 percent is used and to what extent do you use Federal money as compared to State money in the State administration, if you will supply that as well.

Last question.

You talk about architectural barriers, barriers to handicapped people, especially in transportation. Greyhound Bus Lines has worked out an agreement now that if the companion of a handicapped person will take care of and help the handicapped person on and off the bus, so the bus company does not have to do it, that companion will travel free.

I commend them for doing that.

It bothers me that FAA has not designed regulations as yet for the airlines because the handicapped people need to travel on airlines as much as people who are not handicapped.

I think some of the regulations of the airlines are ridiculous in preventing the handicapped from traveling. To what extent are you

involved in FAA, putting the pressure on them, putting a burr under their saddle and lighting a fire or placing a feather under their tails to get it done?

Mr. THOMAS. The Department has presented to the FAA its views on regulations that they have formally promulgated. We have made our views known.

We will be delighted to share with the Congress our comments on their regulations.

As for us the immediate situation, perhaps Dr. Adams is more up to date with respect to it than I am but I do know they have not promulgated regulations on that matter.

There are a number of concerned parties who have brought to the attention of FAA some of the problems that the handicapped people face.

I think our Department and I, particularly in terms of my role as Chairman of the Architectural Barriers Board are very interested in trying to work out a solution which is credible from the point of view of FAA and airlines but most particularly to take into account the particular needs that handicapped people have.

Mr. ADAMS. We reacted to their proposed regulations about six months ago I believe in writing both at RSA level as well as the department level.

Right now they are still analyzing the returns of those proposed regulations. There are of course some difficult problems dealing with the accident problem, a crash situation in the airplane and the handling of handicapped people.

The regulations that came out posed a number of real problems, problems of where they sit on the airplane, as to the window or the aisle seat. For instance many handicapped people can get in the aisle seat but not over to the window and they were requiring by the window.

Another problem is regulations dealing with the blind and how they would travel. Reactors have come back and said, for instance, if the plane goes down at night and all lights are out they can probably do better than sighted people.

These kinds of problems have come up. It is the uncertainty of the crash situation.

Other than that, I think the airlines concede the arguments we have given them.

Now, on the Greyhound bus this has been a real milestone as far as having an attendant. There is one problem and that is that the aisle on the Greyhound bus is 18 inches and the average wheelchair is 27 inches.

So there are some minor problems on the Greyhound situation. But the effort they are making I think is significant.

Of course, Metroliners, for instance, have made progress on adapting for the handicapped. Now you can get on a Metroliner car in Washington with absolutely no assistance. It is another story when you get into Penn station in New York. I would like to take this opportunity for the record to say that when you get into Penn Station that is another situation.

In New York you can get out of the train all right if you get off at the right track where there are elevators as compared to a long

flight of steps. Then you can use three elevators but you have to get a transfer from each elevator to get on another one to get upstairs.

Unfortunately to get from the second elevator to the third elevator you have to go through the garbage center of Madison Square Garden.

If you have an odor defect you are in great shape on that. If not, there is a problem.

Mr. BRADEMAs. If the gentleman will yield for a followup question.

Do I understand, Dr. Adams, that buslines are saying, with respect to handicapped persons traveling on them, that they must be assisted by another person or are the airlines saying this too?

Mr. ADAMS. Are the airlines saying you must be assisted? It depends on the degree of disability. These are individually determined by the airlines.

Mr. BRADEMAs. What about the buses?

Mr. ADAMS. The buses are not saying that to my knowledge. They are saying that you can have an attendant at free fare if you need one but to my knowledge, if you are able to get on a bus they do not restrict you.

Mr. QUIE. I say to the gentleman if you need an attendant, an attendant will take care of the handicapped on buses and not require the bus attendant, then that attendant can ride free.

So it is not a financial barrier for a person to have an attendant with them. The way the airlines work now, they have all kinds of regulations, depending on the number of stewardesses on board, and the number of exits and emergency exits, and really what it boils down to now is I wish FAA would get their regulations out and if they are not good enough we can see that they get amended later on.

Mr. Chairman, I would like to have Mr. Adams and Mr. Thomas send us the information which they have submitted to FAA and if they could contact FAA for us to report in these hearings what FAA has done so far and when they will get the final regulations out.

Mr. BRADEMAs. It might be helpful, if the gentleman will yield, following what he has requested and after we have had an opportunity to examine that information we could consider inviting spokesmen from the FAA to testify before us and perhaps even from the transportation industry so that this matter, which, from what I have been able to read in the newspapers, has been floating around in a twilight zone, can finally be brought to Earth and everybody know what the rules and regulations are.

Mr. QUIE. Good. I appreciate that.

Mr. ADAMS. May I add one comment? I think it is very important as you pursue this that you get full consumer input at some point before the fact rather than after the fact.

Mr. BRADEMAs. That is a wise suggestion.

Mrs. FORSYTHE, do you have any questions from the Senate side?

Mrs. FORSYTHE. No, Mr. Chairman.

Mr. BRADEMAs. Gentlemen, thank you very much indeed for your statements.

I am confident that when we resume these hearings next year you may expect to be hearing from us further with additional questions we may have and in particular with regard to any proposals for changing the legislation that either you or others may make.

Thank you very much for your testimony.

Mr. THOMAS. Thank you, Mr. Chairman.

Mr. BRADEMAS. Next we are pleased to have a panel from the Council of State Administrators of Vocational Rehabilitation.

STATEMENTS OF A PANEL OF COUNCIL OF STATE ADMINISTRATORS OF VOCATIONAL REHABILITATION: ADRIAN LEVY, ASSOCIATE COMMISSIONER, OFFICE OF VOCATIONAL REHABILITATION, ALBANY, N.Y.; C. OWEN POLLARD, DIRECTOR, BUREAU OF REHABILITATION SERVICES, AUGUSTA, MAINE; E. RUSSEL BAXTER, COMMISSIONER, REHABILITATION SERVICES, LITTLE ROCK, ARK.; AUGUST W. GEHRKE, DIRECTOR, VOCATIONAL REHABILITATION, ST. PAUL, MINN.; AND ROBERT L. POGORELC, ADMINISTRATOR, STATE COMMISSION FOR THE BLIND, PORTLAND, OREG.

Mr. BRADEMAS. After these gentlemen testify we will be pleased to hear from a second and final panel this morning.

Mr. Levy, we are pleased to have you with us and we look forward to hearing what you have to say.

STATEMENT OF ADRIAN LEVY, ASSOCIATE COMMISSIONER, OFFICE OF VOCATIONAL REHABILITATION, ALBANY, N.Y.

Mr. LEVY. Mr. Chairman, let me express my personal pleasure at the opportunity to appear before you and your distinguished committee again.

Mr. QUIE. You may proceed.

Mr. LEVY. Thank you, Mr. Chairman.

If I may, I would like to introduce my colleagues individually so that they will be known as individuals.

On my immediate left is Mr. Russel Baxter, who is the Arkansas commissioner of rehabilitation services. He is a past president of the CSAVR and a member of the board of directors of both the Association of Rehabilitation Facilities and of the National Rehabilitation Association.

I am sure I don't have to introduce Mr. August W. Gehrke, director of vocational rehabilitation who is also presently the president of the National Rehabilitation Association.

Next to Mr. Baxter is Robert L. Pogorelc who is administrator of the Oregon State Commission for the Blind and currently president of the National Council of State Agencies for the Blind.

Finally, but not least, it is our current president of the Council of State Administrators who is also the director of the State of Maine's Bureau of Rehabilitation Services, C. Owen Pollard.

We appreciate again the opportunity to appear before the committees. We are especially pleased at the fact that these are joint hearings because both of the two subcommittees have been most responsive and helpful in the past needs of handicapped people.

These joint hearings reaffirm our opinion that the awareness and the interest in the needs of disabled persons by this Congress are greater than at any other time.

With your permission, Mr. Chairman, I am not going to read very much of the statement because it is already available to you.

I will read two or three paragraphs. What I would like to do is to summarize as we go down and to just emphasize highlights in this report.

Mr. QUIE. Without objection your entire statement will be made a part of the record.

Mr. LEVY. Thank you sir.

[The statement referred to follows:]

PREPARED STATEMENT OF THE COUNCIL OF STATE ADMINISTRATORS OF VOCATIONAL REHABILITATION

Mr. Chairman, I am Adrian Levy, Associate Commissioner for Vocational Rehabilitation in the New York State Education Department and Past President of the Council of State Administrators of Vocational Rehabilitation (CSAVR). Accompanying me are C. Owen Pollard, President of the CSAVR and Director of the State of Maine's Bureau of Rehabilitation Services; E. Russell Baxter, Arkansas Commissioner of Rehabilitation Services, Past President of the CSAVR, and a member of the Board of Directors of both the Association of Rehabilitation Facilities and the National Rehabilitation Association; August W. Gehrke, Minnesota Assistant Commissioner for Vocational Rehabilitation and President of the National Rehabilitation Association; and Robert L. Pogorele, Administrator of the Oregon State Commission for the Blind and President of the National Council of State Agencies for the Blind. We represent the Council of State Administrators of Vocational Rehabilitation. Both the Council and I are grateful for this opportunity to present this statement to the Subcommittees and to make our concerns known during these joint hearings on extension of the Rehabilitation Act of 1973 (P.L. 93-112), as amended.

The Council of State Administrators of Vocational Rehabilitation is composed of the chief administrators of all the public vocational rehabilitation agencies for physically and mentally handicapped persons in the fifty states, the District of Columbia, Guam, Puerto Rico, the Trust Territory, and the Virgin Islands. These agencies constitute the State partners in the State-Federal program of vocational rehabilitation services for the disabled provided by the Rehabilitation Act of 1973, as amended. This 55-year-old program is the major resource for vocational rehabilitation services, and the CSAVR has been an active force for strengthening the effectiveness of service programs for the disabled.

To provide state input for the State-Federal Vocational Rehabilitation Program, the Council was established by the State Directors in 1940, on the recommendation of and with the full support of the Federal Administrator of the vocational rehabilitation program. Since its inception, the Council has enjoyed quasi-official status as an active advisor to the Federal administrators in the formulation of policy and program decisions at the Federal level. It is also the organization through which the State Directors express their concerns on issues of national importance to the disabled.

The history of the State-Federal program of vocational rehabilitation in the United States has been characterized more by the expansion of numbers of individuals to be served and the range of services to be provided, than by a change in its basic concept. The primary purpose of vocational rehabilitation services remains to render employable those disabled persons who, because of their handicaps, are unable to secure and hold employment. The justification for this program has changed very little, although the rapid growth of social security and welfare programs for the disadvantaged, including the disabled, and the great cost of these programs, have resulted in greater awareness of, and emphasis upon, the economic benefits of rehabilitation; and the growing concern for the general health and education of individuals has resulted in a greater knowledge of the extent of disability in the population and the contribution that vocational rehabilitation can make to increase the work potential of the handicapped population.

We think members of the Committee will agree that the Rehabilitation Act is the most complete and best balanced legislation in the human service field. In one law, there are included provisions for a direct service program to physically and mentally handicapped individuals, an innovation and expansion program, a training program, a research program, and a rehabilitation facility program.

This balanced program embodies all of the elements necessary for a successful rehabilitation program, and this balance needs to be maintained. Essential, of course, is a well funded program of direct services to help handicapped individuals become employable. But there must be, also, research to reveal new knowledge, special demonstration projects to test this knowledge in practical settings, trained personnel to work with handicapped people. Also, agencies must be encouraged to initiate new programs and expand existing programs to apply the new knowledge to new groups of handicapped individuals. Likewise, rehabilitation facilities must be developed in which severely handicapped individuals may develop their maximum potentials under the tutelage of competent rehabilitation workers. It is this balanced approach that has enabled the rehabilitation movement to make the widely acclaimed progress that has been evident in recent years.

The Council is pleased to appear before the two Subcommittees that have been so responsive and helpful in the past to the needs of handicapped Americans. These joint hearings reaffirm our opinion that the realization of the needs of disabled persons by the Congress is more prevalent now, than at any other time.

The importance of proceeding with all deliberate speed towards extending the Rehabilitation Act of 1973, as amended, cannot be overstated. We feel that there are three important considerations worthy of the attention of the Congress. First the Act is due to expire on September 30, 1976. Second, it is important to the program that Congressional statutory authority be established prior to the consideration of the Federal budgetary process for Fiscal Year 1977. Then, finally, it is important to give the states the necessary lead time in planning that they need. State legislatures, many of which will only be in session for short, specified periods, of time, beginning in January 1976, will be considering programs for 1977 and 1978. Advance knowledge of Federal authorization figures for the next two fiscal years by state legislatures can significantly impact on state legislative appropriation and program decisions. Effective administration and continuity of the program, as well as the need for coordination between the states and the Federal government, necessitate an expeditious consideration and passage of extension legislation.

EXTENSION OF THE ACT

Mr. Chairman, we are here to strongly urge the extension of the Rehabilitation Act of 1973, as amended, for a minimum of three years, through Fiscal Year 1979. This minimum extension is needed to insure program stability in the State-Federal Vocational Rehabilitation Program and to provide continued quality services to the millions of disabled Americans who are in desperate need of rehabilitation.

It is our firm conviction that a one or two year extension of the Act provides an insufficient legal and fiscal framework for the planning and coordination necessary for a nationwide State-Federal program which involves the Federal government and all the states, and which so seriously affects the lives of handicapped people.

Since 1968, it has been difficult to carry out planning and coordination, because there has been a patchwork of extensions of one to three years. Most recently, with the enactment of the Rehabilitation Act of 1973, there was a two year extension, and later, a one year extension was authorized by the 1974 Amendments to the Rehabilitation Act of 1973 (P.L. 93-516). This patchwork of extension legislation was caused, in part, by a series of vetoes, which further compounded the problem of planning and coordination that is so necessary for an effective program.

A three year respite from expiration, as opposed to shorter periods, will provide stability to a program that has already been dealt more than its share of uncertainty in the past few years. Prompt extension for at least three years will provide this stability and afford the state rehabilitation agencies the opportunity to focus full attention on the provisions of the rehabilitation legislation of 1973 and 1974.

The State-Federal Vocational Rehabilitation Program is funded in a unique manner; that is, the dollar amounts contained in the authorization provision of the Act constitute, for the basic state program (Title I grants), an entitlement of funds. States, therefore, need to have adequate advance knowledge of Federal funding in order to appropriate sufficient state funds to match their Federal allotment.

What entitlement means to the state agencies is that the states can plan for rehabilitation services for authorized years without having to wait until the money has been appropriated by the Congress. It was for the very purpose of planning that this unique entitlement provision was continued in the Rehabilitation Act of 1973, as amended. This advance knowledge, coupled with the favorable State-Federal matching ratio of 20%-80%, is used by the State Directors in making their case for appropriations before their own state legislatures. As a result, almost every state is matching its share of the Federal monies with state dollars. If Federal authorization figures are not available in time to serve as guides, full financial participation by the states may be hindered. And, therefore, handicapped people may not receive the services which were intended by the Congress.

When one considers the fact that the needs of the handicapped far exceed the limited resources available, it is most important that states have advance information on authorization amounts, if every dollar is to be utilized effectively in rehabilitating handicapped individuals.

Fiscal stability and planning can only be achieved if the rehabilitation legislation is renewed for a sufficient period of time. With one or two year extensions, state vocational rehabilitation agencies are limited to short-term funding with regard to all planning efforts within the state. Staff and resources are involved in a continual planning process that focuses on short-term gains. This makes it difficult for the state vocational rehabilitation agency to perform internal long-range planning or to participate effectively in required long-range planning within the state. Long-range planning with rehabilitation facilities and other co-operating agencies who are involved in the service delivery process is also rendered difficult by short extensions of rehabilitation legislation.

BASIC STATE GRANTS

Section 110 of the Rehabilitation Act of 1973, as amended, Basic State Grants, is the cornerstone, foundation, and superstructure of the State-Federal Vocational Rehabilitation Program, without which there would be no program. Section 110 monies are the funds to which the states are entitled by law, provided sufficient matching funds are appropriated by the state (the matching ratio is 80% for the Federal government and 20% for the state).

Basic State Grants permit a state rehabilitation agency to provide service that will contribute to making an eligible individual employable. Such services include evaluation, comprehensive diagnostic services, counseling, comprehensive physical restoration services, prosthetic devices, various kinds of training and training supplies, maintenance, placement, placement tools and equipment, initial stocks, transportation, post-employment, followup, and other services needed to rehabilitate an individual. The grant also covers the administrative costs of operating the program and may be used for the establishment and construction of rehabilitation facilities, though funds for facility construction are also authorized under Title III of the Act.

In Fiscal Year 1975, the \$680 million authorized and appropriated for Basic State Grants was utilized by the state rehabilitation agencies to serve nearly 2.4 million disabled individuals, of which 324,039 cases were closed as being rehabilitated. Despite this expenditure, there still was not enough money to serve all those persons who needed rehabilitation and were eligible for rehabilitation services.

The Council strongly recommends that the Congress provide legislation which authorizes \$760 million for Fiscal Year 1977, \$800 million for Fiscal Year 1978, and \$840 million for Fiscal Year 1979, for Basic State Grants under Section 100(b) (1) of the Rehabilitation Act of 1973, as amended.

Our recommended authorization levels for the next three fiscal years, while calling for a \$120 million increase in monies for basic services (computed, using the authorized amount of \$720 million for Fiscal Year 1976), in fact, represent, in terms of purchasing power (assuming a conservative 6% annual inflation rate) a reduction in funding. The recommended increase in authorization figures will not fund wider coverage or an expansion of services to all the disabled, or even to all the severely disabled. It will not even maintain service at the current level.

While inflation has been devouring any increases in funding, the Act has mandated that state rehabilitation agencies give priority of service to the rehabilitation of the severely handicapped. The costs, in terms of time, effort, and money, of serving this group are great, much greater than the cost of

rehabilitating the less severely disabled. What this means is that the program will be serving less people, while costing more money for adequate services, adequately trained staff, adequate equipment, and adequate facilities.

It is important in these times of spiraling costs and budgetary restraints to remember that human lives and the quality of services are what we are actually talking about when discussing authorization amounts. Our justification for higher authorization amounts stems from the purpose for which the money is spent—the prevention of an incalculable waste of human potential—a purpose on which no price tag can be placed. Whether the cost is hundreds of millions or hundreds of thousands, there is no other human service program whose funds are spent in such a cost-effective fashion to help people to live more self-sufficient and productive lives. Vocational rehabilitation has continually more than paid for itself by helping handicapped people increase their earning capacity, by decreasing the amount of welfare payments they might need, and by assisting them to become taxpayers. (Statistics collected and prepared by the Rehabilitation Services Administration for Fiscal Year 1975 indicate that the number of wage earners among all rehabilitated clients rose from 66,181 at the time of referral to the program, to 256,738 at closure, and that aggregate weekly earnings rose from \$4.5 million to over \$21 million.) More importantly, the value of rehabilitating people's spirits and lives is, of course, immeasurable.

INNOVATION AND EXPANSION GRANTS

Under Part C, Section 120 and Section 121 of the Rehabilitation Act of 1973, provision is made for Innovation and Expansion Grants to states to enable them to develop innovative programs and projects or to expand services for classes of handicapped individuals. These projects may be of three years duration and have served as a very effective mechanism for encouraging states to provide new or expanded services for handicapped groups with special problems.

The favorable Federal matching rate of 90%-10% has made it possible for states to move out into needed areas of services for severely handicapped individuals without having to curtail existing programs under Title I, Section 100, the Basic Grant Program.

In prior years, these Innovation and Expansion Grants have promoted new state initiatives with the mentally retarded, mentally ill, and other severely handicapped groups. This mechanism affords an opportunity for the Rehabilitation Services Administration to encourage certain new efforts nationwide and also gives each individual state a means for initiating new endeavors for underserved or neglected classes of handicapped citizens. By proving the effectiveness of such programs through a three-year innovation or expansion grant effort, many states have been able to incorporate these projects into the on-going basic grant programs.

This has been one of the most creative and effective titles in the Rehabilitation Act. The Congress saw fit to continue this provision with the passage of the Rehabilitation Act of 1973. With the emphasis being given to the severely disabled, this section of the Act affords each state an established and proven procedure for expanding services to the severely handicapped and for testing creative and innovative approaches to services for the severely disabled.

Because this section offers both a unique and proven approach to expanded services for the severely disabled, the Council of State Administrators recommends continued authorization at the level of \$42 million for Innovation and Expansion Grants for each year through Fiscal Year 1979.

SPECIAL PROJECTS AND DEMONSTRATIONS

Under Section 304(b) (1) of the Rehabilitation Act of 1973, continued legal authorization is provided for Special Projects. This is part of Title III, Special Federal Authorities. Under this authority the Secretary may make grants to the states and to public or non-profit organizations and agencies for all or part of the costs of special projects for improving services to handicapped individuals. Special emphasis has been placed on services for those with the most severe handicaps such as spinal cord injuries, older blind individuals, and for deaf individuals whose maximum vocational potential has not been reached.

Provision was also made for special projects for handicapped migratory workers, for projects with industry, projects on new careers for the handicapped and

efforts which may offer technical assistance to rehabilitation facilities or promote the removal of architectural and transportation barriers.

This section provides an important means for undergirding important new thrusts of the Rehabilitation Act, as well as certain tested and proven project approaches. Such projects have demonstrated the possibilities of bringing into the mainstream of the program certain services for severely handicapped people who otherwise have been considered too great a risk to be included in the regular program. These may be handled on a national basis under this authority.

Because of the demonstrated effectiveness of this section, it is recommended that authority be given to provide \$20 million for the present authorization level to continue these important special projects and demonstrations.

TRAINING GRANTS

This is a time when we should be strengthening our staff competencies to deal with the increased numbers of severely disabled we are serving. The specialized rehabilitation professions, such as those in the areas of counseling, work evaluation, rehabilitation medicine, and rehabilitation facility administration, do not have long histories of broad support and, in fact, have been the creations of the training programs under the Vocational Rehabilitation Act. We believe that these programs should continue to receive vocational rehabilitation support, so that we may continue to upgrade the quality of professional services to the handicapped.

Since these training programs are very important to the field of rehabilitation, and since they receive no major support from any other source, the Council of States Administrators recommends authorizations of \$35 million for Fiscal Year 1977, \$37.5 million for Fiscal Year 1978, and \$40 million for Fiscal Year 1979.

FACILITIES

There is a great need to assure quality services within the community, especially in the case of the severely disabled. These services are available in rehabilitation facilities, but sorely inadequate numbers of such facilities exist in reasonably available sites in most communities. The lack of funding for construction and improvement of facilities has greatly limited the ability of the state agencies to serve additional applicants, especially those with severe handicaps.

Insufficient funding for facilities construction can be attributed, in part, to the "authorized to be appropriated such sums" language of Title III of the Rehabilitation Act of 1973, as amended. The use of "such sums," rather than a specified dollar amount, has proved to have a limiting effect on adequate appropriations for Title III facilities' grants.

To insure that adequate levels of funding are available for construction and initial staffing of rehabilitation facilities, the CSAVR recommends that the Act be amended by deleting the words "such sums" in Title III and adding the following authorization amounts: \$50 million for Fiscal Year 1977, \$60 million for Fiscal Year 1978, and \$70 million for Fiscal Year 1979.

RESEARCH

Before closing, Mr. Chairman, we wish to comment briefly on the subject of research, since others will deal with this area more completely.

The research provisions of the Rehabilitation Act have had a profound effect on the discovery of new knowledge on severe disabilities and on the development of prosthetic appliances, technical devices, and restorative techniques for severely disabled people. If the field of rehabilitation is to continue to advance in scientific and engineering skills to develop the capability of serving more of the severely handicapped population, there must be an effective program of research together with a system of disseminating new knowledge to practitioners in the field.

Solving the problems facing the state-Federal Vocational Rehabilitation Program and those facilities and institutions serving handicapped clients of the program must continue to receive high priority in funding. Every effort should be made to utilize the research capacity under the law to improve direct services to handicapped people.

To keep pace with these research requirements, we feel that authorization levels of \$35 million, \$37.5 million, and \$40 million for Fiscal Years 1977, 1978, and 1979, are essential minimums.

Therefore, ever mindful of the fiscal limitations of the Federal Treasury, but also cognizant of the pressing needs of handicapped Americans, we strongly urge that the Subcommittees draft extension legislation, using our recommendations as the minimum amounts, which provides sufficient authorization levels to meet the mandates of the Rehabilitation Act of 1973, as amended.

Mr. LEVY. Obviously this panel represents the Council of State Administrators of Vocational Rehabilitation who in their 35 years of existence have had a quasi official status and have had input and provided advice in the overall State-Federal program.

We have been most involved with the development of the strength of this program of services.

The history of the State-Federal program of vocational rehabilitation in the United States has been characterized more by the expansion of numbers of individuals to be served and the range of services to be provided, than by a change in its basic concept.

The primary purpose of vocational rehabilitation services remains to render employable those disabled persons who, because of their handicaps, are unable to secure and hold employment.

We think members of the committee will agree that the Rehabilitation Act is the most complete and best balanced legislation in the human service field. In one law, there are included provisions for a direct service program to physically and mentally handicapped individuals, an innovation and expansion program, a training program, a research program, and a rehabilitation facility program.

This balanced program embodies all of the elements necessary for a successful rehabilitation program, and this balance needs to be maintained.

Essential, of course, is a well funded program of direct services to help handicapped individuals become employable. But there must be, also, research to reveal new knowledge, special demonstration projects to test this knowledge in practical settings, trained personnel to work with handicapped people.

Also, agencies must be encouraged to initiate new programs and expand existing programs to apply the new knowledge to new groups of handicapped individuals.

Likewise, rehabilitation facilities must be developed in which severely handicapped individuals may develop their maximum potentials under the tutelage of competent rehabilitation workers.

It is this balanced approach that has enabled the rehabilitation movement to make the widely acclaimed progress that has been evident in recent years.

Now we feel the importance of a speedy action towards extending the Rehabilitation Act of 1973 cannot be overstated. Although I walked in a few minutes late this morning I was pleased to hear that action already had been taken on a bill, and again this confirms the interest, the concern and the progressive forwardness of the committees in this action.

I would like to specify that the council as a whole feels that speed is very important for approximately three reasons.

We could go on but just to pick the three most important.

First, and you know this, the act is about to expire during this fiscal year.

Second, we believe with the committee, as I interpret their action, that it is very important that the congressional statutory authority be

established prior to the consideration of your Federal budgetary process for the fiscal year 1977 because this should have a strong impact on the nature of their consideration.

Finally and perhaps even more importantly is the idea that the States who are the service arms of the State-Federal program require this kind of leadtime in planning for the future and in planning adequate services and obtaining the necessary funds.

Most of you know that there will be many State legislatures that are convening this January for short periods of time and that in many instances they will be considering programs and their support for the years 1977 and 1978.

Without this advanced knowledge of what to expect, what the potential impact is of the Federal authorization, you are handicapping the State agencies in getting the support that you are urging for services for the handicapped.

We need this information in the States. We need it for our planning. We need it to convince our legislators and/or administrators throughout the Governors' offices that this is indeed a viable program; that we do have some sense of where the program might go and what kind of support it can expect from the Federal Government; and without this I think you can expect with the current climate and economic conditions that we are not going to fare very well with State legislators.

I feel this is one of the most important considerations for the continuation of this program because if we don't plan we are going to have chaos, and this authorization extension will enable us to plan.

Now, I express the consensus of opinion, and I might point out in light of a question or comment that was made in the previous testimony and questioning, I might point out that we represent the council and the consensus based upon a questionnaire in which the majority of members of the council responded to questions relevant to this material that is being presented to you today.

It was the consensus of the council members to urge the extension of the Rehabilitation Act of 1973 as amended for a minimum of 3 years.

It was felt that this would be a way to insure program stability and to provide continued quality services to the millions of disabled Americans who are in desperate need.

We have had a great deal of trouble since 1968 in carrying out planning and coordination because there have been such a variety of extensions of short periods of time.

We urge you to afford us a period of stability so that we do have an opportunity to help the program grow in desired ways.

I have to say to you that we look forward to the indepth hearings in the near future about which we heard. We in the council are concerned about many things both in the act and things that are happening in the program.

In fact, our concern was expressed in a joint letter to the chairmen of both of the subcommittees here. We are not going into a list of issues such as I heard this morning—I was not here yesterday, but I understand they were covered yesterday—because we feel that right now the most important factor is the extension of the authorization in this act.

I assure you that the council is prepared for and is eager to see early hearings in which it may participate and lend its voice in strengthen-

ing the program and getting accomplished what needs to be accomplished in this act.

I would like to just comment for a minute on the use of the term "authorization" because we think in the council that this is unique, and we think it is a magnificent strength in the program.

The dollar amounts contained in the authorization provisions of the act constitute an entitlement of funds. States therefore need to have adequate advance knowledge of the Federal funding so that they may appropriate sufficient State funds to match their Federal allotment.

Incidentally, there was some comment in the earlier questioning about how the States—I believe it was your question, Mr. Chairman—about how the States were matching in the Federal area.

I don't have exact figures and they will be provided, but on my knowledge from general discussion and from previous reviews of materials, I am inclined to think that approximately two-thirds of the programs—now there are 83 programs—two-thirds of those programs are probably above matching.

Despite Mr. Thomas' reflection to me as a New Yorker and the concerns there, I have to point out that Mr. Thomas is a New Yorker.

I would have to say that in New York State is probably the biggest overmatcher of all. Yesterday before I left my office, I sent in a report in which they asked for what is available in the State.

I had to fill in at the bottom how much would be required if we really could go along. I told them that based on our current projection of existing programs, I would like an additional \$7 million over and above my allotment.

So, if there is any question about the availability of matching, I think it ought to be looked at very carefully.

It is our understanding that in most instances all of the States are matching or overmatching. There are probably one or two where there is not this factor, but I am not sure.

I think I have already mentioned the purpose of planning, the advance knowledge of trying to obtain the necessary resources.

I have already emphasized the importance of the authorization.

Mr. BRADEMAs. Excuse me Mr. Levy, there is a vote in progress. If you will allow us to go and vote, we will return shortly.

[Whereupon, a short recess was taken.]

Mr. BRADEMAs. The subcommittee will reconvene.

Mr. Levy, you may continue.

Mr. LEVY. Mr. Chairman, just before you returned the first time before the recess I had commented on the extreme importance of extending authorization language in the bill and had taken the liberty of referring to my own State experience in terms of matching and overmatching, and pointed out that New York had a good deal of overmatching in its program.

I just want to make clear that I was not doing this for any personal reasons, for any boasting, but I think it is a very good indication of the importance of authorization language because I say to you that without having had authorization in the Federal act in front of me, it would have taken a lot more doing to get the extent of participation and responsibility even in a State that prides itself on being in the forefront of social legislation.

I know it has been most helpful to have authorization language in the bill.

As a final statement on this, I will say that fiscal stability and planning can only be achieved in the rehabilitation field if your rehabilitation authorization is renewed.

I am going to cover very quickly, and even more quickly than originally expected because of the chairman's very kind use of this material previously; I am going to just cover a couple of sections in this latter part.

The basic State grants of section 110 money are, of course, the cornerstone and foundation and really the superstructure of the total State-Federal rehabilitation program; without it, there would be no program.

These are the moneys to which the States are entitled by law, and they are the support that provide the State agency with the opportunity to develop the services that contribute to making an eligible individual employable.

I am not going to repeat the variety of services. I think we already have had, perhaps in Commissioner Adams' testimony, the indication of what last year's funds, the amount authorized and appropriated, with State grants were able to do in the way of helping some 2½ million disabled individuals, of which some 325,000 were closed in employment. Despite all the funds that have been given us thus far, obviously we still do not have enough money to serve the needs of all those who are eligible for services.

I will not go into the figures for authorization. They are in the statement you have.

I want to point out, though, that our recommended authorization levels for the next few years, while it calls for a modest increase in moneys as against what was authorized for the current year, actually represents in terms of purchasing power, assuming a very conservative estimate of 6 percent annual inflation, a reduction in funding for this program.

We know that this will be taken into consideration. I think we have to recognize that in developing authorization amounts that you must take into account your own mandate as provided in the Rehabilitation Act because you have mandated the State Rehabilitation Agency give priority of service to the rehabilitation of the severely handicapped and the cost in time, effort and money in serving this group is greater than the cost of rehabilitating the less severely disabled.

What it means is that the program may be serving fewer people while costing more money for adequate service, adequately trained staff, adequate equipment and adequate facilities.

I merely remind you that the justification for our asking for higher authorization amounts stems from the purpose for which the money is spent, the prevention of incalculable waste of human potential, a purpose on which no price tag can be placed.

Whether the cost is hundreds of millions or hundreds of thousands, there is no other human service program whose funds are spent in such a cost-effective fashion to help people to live more self-sufficient and productive lives.

Vocational rehabilitation has continually more than paid for itself by helping handicapped people increase their earning capacity, by de-

creasing the amount of welfare payments they might need, and by assisting them to become taxpayers.

I think though, more importantly, the value of rehabilitating peoples' spirits and lives is immeasurable, is priceless and must be kept in mind over and above all of the economic values of this program.

You have had some discussion, Mr. Chairman, with the previous speaker about innovation and expansion grants and you quoted from our statement on this matter.

I would like to support strongly your statement of the fact that the Council of State Administrators feels that this is a most important part of the bill, that it has served to enable us to move out into needed areas of services for severely handicapped individuals without having to curtail existing programs under title I, the basic grant program.

We strongly urge that these innovation and expansion grant authorizations be continued. We have indicated our feeling about what we think would be adequate funding for these purposes.

As to special projects and demonstrations, we feel too that this has enabled us to place special emphasis on services for people with the most severe handicaps such as spinal cord injury, the older blind individuals, certain deaf individuals.

I don't have to point out too that these sections have been important in helping us move in for services for handicapped migratory workers, for projects with industry, projects on new careers for the handicapped.

It is an important means for undergirding the important new thrust of the Rehabilitation Act as well as cementing some previously tried and somewhat proven approaches.

Our authorization for this amount is also included in the statement.

All of these things, the mandates on severely disabled, the importance of extending our program to reach more people, to improve more programs, quality of programs, to get better coverage in the areas where we may be less able than we should be, require competent personnel.

You have aptly picked out the wording in our statement which indicated the area that we think deserves the greatest support and that is in those professions where there is no other area of support and in fact, there never was any area of support until the first Rehabilitation Act, which included such training activities, was developed and passed by your Congresses.

We believe these programs should continue to receive support. We need to upgrade the quality of professional services to the handicapped.

We have indicated the level of support.

One more comment about the need of facilities. I think I heard this morning in the presentation, although I must admit I heard very little of it sitting in the back, I think I heard this morning some suggestion that we did all this in the 1960's, we don't need any more for the future in the way of facilities.

Speaking for the Council, I would have to say to you that if we don't do something about the facilities in the future, if we don't give support, it is going to be most difficult to carry out your mandate of services for the severely handicapped.

There are insufficient numbers of facilities that carry the kind of services that are needed for the severely handicapped, that are accessible or available to them.

We urge, as we have in this statement, that there be not only authorization but specific authorization. We feel that the current language which says "Authorized to be appropriated such sums" may in effect have accounted for some of the limitation on the effort for adequate appropriations for title III facilities and we urge your consideration of our indication and recommend the amount for that purpose.

Before closing, even though I understand it was done yesterday and covered by you in your discussion, I want to comment very briefly on the subject of research.

We feel that the research provisions of the act have had a profound effect on the quality of our program. They have discovered new knowledge of severe disability, they have developed new and more effective prosthetic appliances, technical devices and restorative techniques for the severely disabled.

If we want to continue to advance, if we want to develop the capability of serving more of the severely handicapped population, we need an effective program of research together with a system of disseminating the new knowledge to practitioners.

We have indicated the levels at which we hope you will support these requests.

My last comment, Mr. Chairman, is that everybody refers to the current economic climate, the current problems of resources.

I think, Mr. Thomas and Commissioner Adams commented on the fact that, "Yes; of course the State directors only see it from their particular State area whereas we have to see it across the board."

We have struggled with this in this presentation. We are very, very cognizant of the fiscal limitations of the Federal Treasury and of the State treasuries.

We are also cognizant of the very pressing needs of handicapped individuals. We think that rather than our having come to you and requested certain amounts simply to help out the States, that we are being very responsible in our figures because we could have asked, and have legitimately and with justification, for much more than has been suggested in here.

We think it is a matter of priorities. We think that what we have asked for or suggested is very reasonable. We hope that your committees will give them sound consideration and recognize that we are trying to use minimal resources in the best possible manner.

We thank you for this opportunity of making this presentation and of course each of us is available for any questions that may come from you.

Mr. BRADEMAS. Thank you very much, Mr. Levy. That is the second bell, so we will have to recess again while the Chair goes to vote. I will be right back.

[Whereupon a short recess was taken.]

Mr. BRADEMAS. Again the Chair wants to apologize for these interruptions but the House is moving into its last days before the Christmas recess and there is no recourse but the present system.

Mr. Levy, thank you very much for your most thoughtful statement.

Let me put some questions to you, after having first underscored an observation that you made that I think warrants particular attention.

That is that the amounts of money contained in the authorizing bill reported last night, as well as the amounts of money that you recommend, are really modest in light of the extraordinary inflationary pressures that the country has been enduring in recent years and is presently experiencing.

In real terms, these amounts, either in the bill reported or in your recommendations, do not represent, in my judgment—and I think it is not a matter of judgment, it is simply a matter of calculable economic fact—any extraordinary increase in funds for the basic State program.

Let me first put to you a question that I know Mr. Quie would like to have asked and that runs to the matter of the 80-20 match.

Mr. Quie would like your response to the question: How much of the State or Federal money goes for administration of the program? I wonder if you could give us that information, at least from any figures that may be available to the Council of State Administrators on a State-by-State basis?

Mr. LEVY. If I may, I will ask Mr. Baxter to reply to you, Mr. Chairman. I am pretty sure we, in the council, at this point, would not have the specific figures of expenditures but I am sure these could be obtained and developed.

Mr. BAXTER. Mr. Chairman, I think we need to look at total cost in considering the administrative cost part of it. Regardless of how the State sets it up the total cost of the program is on an 80-20 basis. Whatever the administrative costs they are jointly shared in that ratio.

There is a controlling factor in addition to the 80-20 that is being developed in our general standards. We have a suggested performance level for administrative cost of something like 10 or 11 percent. The total administrative cost in 1974, for example, is 7.1 percent which gives us a pretty good indication that overall our administrative costs are all right.

At the same time we have the 80-20 percent control and performance level of 10 or 11 percent which serves as control.

The State may put all the administrative cost on the State appropriation, it may put it all on the Federal appropriation.

At the same time we have the two controls.

Mr. BRADEMAs. If you would be kind enough to submit to the subcommittee the breakdown by State of how much is expended for administration and for programs.

A second area of concern both to Mr. Quie and me touches on the requirement of attention to the severely disabled.

I wonder, Mr. Levy, if you could comment on the impact of that requirement in the law on the number of persons who have been rehabilitated, and could supply some figures for us, also on a State-by-State basis?

I might say further before you give your reply that you will recall that in the statement of Commissioner Adams he said that during

fiscal 1975 the State programs rehabilitated 325,000 of whom 115,746 were severely handicapped individuals, an increase of one and a half percent over the number of severely handicapped persons rehabilitated in fiscal 1974. In addition to the first question I put to you, in light of that statistic, could you comment on the problem of the definition of severely handicapped persons? Has this proved to be a difficulty for you at the State level?

Mr. LEVY. Again, I am going to call on my colleagues to help on this, Mr. Chairman, with your permission.

Of course we have been very much concerned with the mandate of the Congress and the attempts to increase the numbers of severely handicapped in the program.

Mr. POGORELC. could I ask you to comment first from the point of view of the blind.

Mr. POGORELC. Mr. Chairman, the present definition includes a number of categories. The blind are automatically included in the definition of severely disabled.

I might mention however the Rehabilitation Services Administration has issued a contract to study the whole matter of the definition of severely disabled.

I happen to be on the advisory committee of the contractor. We have had one meeting thus far. There are all kinds of problems involved in the definition.

At such time as that contract goes further down the road we may have some more definitive information.

Mr. BRADEMAS. Just two followups on that observation, sir.

With whom is the contract?

Mr. POGORELC. It is called Rehab, Inc. It is an Arlington, Va., firm.

Mr. BRADEMAS. Is it a contract with the Rehabilitation Services Administration?

Mr. POGORELC. With RSA.

Mr. BRADEMAS. That reply on your part suggests that the question of a definition has not yet been resolved.

Mr. POGORELC. Mr. Chairman, there is a definition in the regulation that we are working with now. But the study will presumably come up with a recommendation for a new definition.

Mr. BRADEMAS. Do I take it that differing definitions are used among the different States?

Mr. LEVY. No, I think we use the current one, Mr. Chairman. We are living with the current definition. We are identifying severely handicapped individuals on the basis of their current definition. However, it is admitted that in carrying out the definition it is not quite as effective in truly indicating all instances of severe disability as we hoped for.

This is the basis of looking at how can we develop a more efficient and effective definition so that we are sure that we will get at and identify and recognize all of the severely handicapped.

Now, I don't think there is any question but that living with the current definition and accepting that for the current time as the level of severely handicapped in whom we are interested and mandated to serve, that the agencies have been making an attempt, and I think a successful attempt, as indicated by some of the figures you just quoted, to increase the numbers of the currently defined severely handicapped in our programs.

Owen Pollard or Mr. Gehrke might want to comment on this.

Mr. POLLARD. I am sure this is a real commitment on the part of the State agencies to better serve the more severely disabled. I think there is probably a great variation in how it is being done in different States.

Many States, for example, have set up criteria that would insure that this group get priority service.

Some States have gone to the extent of saying that they will serve only the severely disabled as presently defined.

Mr. Levy mentioned one factor that is extremely important and that is the moneys in special projects, the innovation moneys, because that has given us an opportunity to experiment with more effective ways of serving the severely disabled group.

Some States have set up special caseloads with specially trained counselors in relation to specific kinds of disabilities that come under this definition.

I think probably everybody has experienced the problem of how to provide better services to this group within the budgetary limitations, without more and additional resources and still provide services to the group of people that are not in the severely disabled definition but are still indeed eligible for and in need of vocational rehabilitation services.

Mr. BRADEMAS. In your reply that there is such a contract it seems to me evident that this subcommittee should look very carefully next year as to how that congressional mandate is being implemented across the States.

I am perfectly aware of the fact that we have assigned you and RSA a difficult problem but we will want to know how you are keeping with it.

Mr. LEVY. I think the most direct answer, if I may, as to that impact, there is no question of its impact. I suppose you could define the level of impact differently because it does take more time, it does take more money.

Both items are in very restricted availability in terms of resources these days, and therefore it means that there is a greater concentration on fewer and you will see it in the years ahead in terms of the numbers of person rehabilitated unless the resources are able to be expanded tremendously.

Mr. GEHRKE. Since my Congressman asked the question I feel I should answer as to what Minnesota is doing. Keeping in mind, of course, that you do have many, many clients in the hopper, you have to continue those and you add in the new ones. Therefore, trying to hit the significant fantastic increase is difficult.

In Minnesota we are hitting about 50 percent of our severely handicapped. I think there is a real progression. There is a lot of training.

I support the training again because it does require additional training.

Mr. BRADEMAS. I have one final question of the panel that touches this whole area of research.

I think you know, Mr. Levy, I am a very strong supporter of increased research funds in the rehabilitation area.

Let me ask you if you believe that the States have adequate opportunity to make their contribution to judgments on the kinds of re-

search that are supported in order to be sure that the real needs of handicapped persons are being attended to.

Mr. LEVY. I would have to say that we think there has been some improvement, but as State agencies I think we have had a very difficult time in the last couple of years in terms of getting full impact of the States on input into the research activities.

We do have a research committee in our council which has been very active in terms of working with RSA. We have had very many meetings with them. We had a number of instances that were rather delicate, sometimes heated, because the decision on what research and the level of research and the nature of the researchers was not always shared with the State agencies in time to have any comment or input on it.

We have worked hard at this. I think we have gotten the Federal Administration aware of the importance of our involvement and how we feel about it and I do feel there has been some improvement.

Russ, you have been active on this committee.

Could I ask you to comment.

Mr. BAXTER. I believe in certain areas the State inputs have been strengthened. Research and training centers have been strengthened in the advisory committees. The peer review established by the Congress has strengthened somewhat individual considerations of project applications.

However, I have to agree with Mr. Levy that there is still a lot that is being done, a lot of considerations being made, a lot of decisions being made that we are not informed about, that we don't have adequate input into, and we firmly believe we would have the knowledge and expertise and experience to have significant input into those decisions.

Mr. BRADEMAS. Finally, on that, are you gentlemen aware of any plans to cut back funding for the R. & T. Centers next year and if so, in what areas?

Mr. BAXTER. We have heard some talk, Mr. Chairman, and it is talk. We have had no official word in any form but we have had some talk there will be an elimination of some R. & T. Centers, from three to five R. & T. Centers.

Mr. BRADEMAS. What areas?

Mr. BAXTER. The only ones that we have had specifically mentioned are in the area of mental retardation, mentally disabled.

Mr. BRADEMAS. With what magnitude?

Mr. BAXTER. The three MR Centers have a budget of \$900,000 from RSA grants.

Mr. BRADEMAS. Is it the idea they would wipe out all three of them?

Mr. BAXTER. My understanding, Mr. Chairman, is that they would just discontinue the programs at those three centers.

Mr. BRADEMAS. Where are those centers located?

Mr. BAXTER. At Texas Tech, University of Oregon, and University of Wisconsin.

Mr. BRADEMAS. I must say, speaking for myself, I would find that an astonishingly regressive move and hope very much there will be another look taken at any such idea, and far from moving in the direction of eliminating funds for R. & T. Centers, that attention should be given to expanding funds for such centers.

I am well aware, as Secretary Thomas said, there are all kinds of priorities that must be taken into account but that is our line of work: assigning priorities in this place.

If that is what the administration has in mind it would be one more addition to the litany of misplaced priorities which has characterized this Administration.

Thank you very much, gentlemen. We very much appreciate your appearance.

Mr. LEVY. Thank you, Mr. Chairman.

Mr. BRADEMAs. Our final panel this morning will be composed of Mr. Roger Petersen, board member, American Coalition of Citizens with Disabilities; John A. Lancaster, Deputy National Service Director, Paralyzed Veterans of America, Inc.; James Gashel, Chief, National Federation of the Blind, Government Relations.

Gentlemen, we are very pleased to have you with us.

If it would be possible, given that we are rapidly running out of time, would you be able, gentlemen, each to summarize your statements? That would give us a chance to put some questions to you, and of course your entire statements will be printed in the record.

Shall we begin with you, Mr. Peterson?

STATEMENT OF ROGER PETERSEN, BOARD MEMBER, AMERICAN COALITION OF CITIZENS WITH DISABILITIES, WASHINGTON, D.C.

Mr. PETERSEN. My name is Roger Petersen. I live here in the District of Columbia.

As you said, I am a member of the board of the American Coalition of Citizens with Disabilities, a recently formed coalition that has a number of national and State and local organizations as members.

I might say that you have heard testimony of the National Association of the Deaf and the American Council of the Blind which are members of our coalition and you are about to hear also some testimony from the Paralyzed Veterans of America, who are also members.

We would tell you that we endorse these statements and we would ask that you consider them as part of our testimony as well.

I will be submitting a written statement in the next few days.

Mr. BRADEMAs. Thank you.

[Statement to be furnished follows:]

TESTIMONY OF ROGER PETERSEN, MEMBER OF THE BOARD OF DIRECTORS, AMERICAN COALITION OF CITIZENS WITH DISABILITIES, INC.

The American Coalition of Citizens with Disabilities is made up of over twenty-five organizations—national, state, and local, with a combined membership of tens of thousands of people with disabilities. Thus, we represent the consumers of the programs embodied in the Rehabilitation Act, the people with the most vital stake in what you, the members of the Congress, decide as a result of these hearings. You have heard or will hear testimony from some of our member organizations; among them the American Council of the Blind, the National Association of the Deaf, and the Paralyzed Veterans of America. We endorse these statements, and they may be considered a part of our testimony. Therefore, this statement will concern itself chiefly with matters of general principle, leaving the particular needs of specific disability groups to our member organizations specializing in those disabilities.

The Rehabilitation Act of 1973 is in many ways experimental legislation. It initiates a number of new programs with mandatory reports to the Congress and

other evaluative mechanisms. It defines responsibilities such as those mandated to the Secretary of Health, Education and Welfare to study federal programs for the handicapped and needs of the most severely disabled; responsibilities which are meaningless except as guides to future legislation. And it takes the first noble—albeit small—steps toward bringing to people with disabilities the human and civil rights which they are guaranteed by the Constitution along with all other Americans. Civil rights legislation has always required close Congressional supervision and review, and this Act is no exception, as will be seen later. So the short term of the 1973 Act was purposeful: To allow for changes which would become apparent as the law was implemented.

Now we agree that the data are not yet all in concerning the current Act. In fact we have assumed that major revisions of the whole rehabilitation concept are about a year away as a result of the White House Conference on Handicapped Individuals and other developments which are now in the process of unfolding. We also understand the political exigencies which favor the currently proposed course of extending the Act unchanged. But we have several reasons for doubting the wisdom of this way of proceeding.

First, there are changes which need to be made now. Rather than resorting to lengthy enumeration, we will cite an example which we consider to merit top priority: There have been a number of legal actions brought since the passage of the 1973 Act—actions which claim to be pertinent to the civil rights and affirmative action provisions of Title V. In a few of these cases, decisions have already been rendered. Among other things, courts have ruled in transportation cases that Section 502(c) means that the Congress does not intend that public transportation systems should be accessible to the handicapped, and that Section 504 does not apply to Federally assisted transit systems. Leaving aside our own questions about the intent of Congress with regard to the accessibility of public transportation to the handicapped based on the weakness of the Transportation Bill S662, (which our legal council tells us will do more harm than good if passed in its present form), we think that the Congress should specify in the language of the law that such constructions as these are not its intent.

Second, we have expressed our concern a number of times to members of this Committee and their staff about the abundance of apparent bad faith and general foot-dragging on the part of the Administration as regards the implementation of the various provisions of the current Act. We have seen gross neglect of deadlines for submission of reports to Congress and for publication of regulation. We note that the regulations for Section 504 are still not published, and there is no executive order pertaining to its Government-wide implementation. Regulations implementing 503 were only recently published, and there have been numerous complaints of discrimination against handicapped applicants for the positions in the Labor Department to administer the 503 program. And the Office for Handicapped Individuals has been set up in the Office of Human Development along with the Rehabilitation Services Administration, clearly in violation of the intent of the Congress as expressed in the Committee report on the 1974 amendments. We contend that extension of the Act, especially long extension, would be interpreted by the Administration as approval by the Congress of this shameful record of lack of implementation.

Third, we are uncomfortable about the prospects of getting progressive changes enacted without the pressure of the necessity for the Rehabilitation Act to be extended. We are afraid that we would not now have provisions like Sections 503 and 504 if they had not been attached to the Rehabilitation Act. We fear that if you approve a long extension, you will not hold the indepth substantive hearings which we hold to be so vital; or you will give any proposed legislation such low priority that it will not be reported out of committee.

Therefore, we must urge you as strongly as we can not to approve an extension longer than one year. We must also assert that our support of any extension hinges on your willingness to publicly commit yourselves to substantive hearings on the issues which we and other groups wish to raise concerning the Rehabilitation Act, such hearings to begin before March 31, 1976. We further request that you direct your staff to consult with us more intensively as legislation is being conceptualized and drafted. We feel that many of the misunderstandings and confrontations between the disabled community and the Congress could thereby be avoided.

In closing, let me comment briefly on the procedural aspect of these hearings: People often complain that Washington is really a gaming area for professional

lobbyists for special-interest pressure groups rather than a forum of democracy in action. As an organization which attempts to represent the legitimate interest of a substantial minority of the population in their human and civil rights, this with little money and no paid staff, we would like to respectfully point out that the short notice, changes of location, and manner of calling these hearings discriminates against the rank and file disabled community across the United States in favor of the wealthy professional and provider organizations which maintain full-time offices and staff in Washington for the sole purpose of relating to the Federal Government. We fervently hope that your forthcoming hearings will be called with sufficient notice, and be handled in such a way, that we can assist you in obtaining input from the American Disabled community at large. Perhaps then the hearing room will not be populated by the same old Washington-based faces which appear at every rehabilitation hearing which you hold.

Mr. PETERSEN. Let me summarize it very briefly.

I begin by mentioning that it appears to us that the 1973 Rehabilitation Act is in large part experimental in many ways. There are a number of new programs in it with mechanisms of evaluation and review apparently aimed at possible legislative change in the future.

It would seem to us for that reason that the short term of the act was to some extent intentional. It was foreseen that there would be need for changes. We understand that there are a number of valid concerns that require that you extend the act at this time.

Certainly we recognize the rehabilitation programs must have money to operate. However, we have what you might call rejoinders to make to this, some doubts or questions.

First, there are some legislative matters pertaining to the act that need immediate attention.

As an example of this, I would cite to you some court decisions that we have had recently pertaining to the title V section, the civil rights sections and so forth, which we believe have misinterpreted the intent of Congress.

We would hope that the Congress might choose to clarify its intent.

For example, in San Mateo, Calif., a decision was handed down which interpreted 502(c)—this is a section under the Architectural Barriers Board where it says they shall make recommendations about the cost of transportation about meeting increased expenses of transportation for people who can't use public transit.

The judge interpreted that to mean that it is not the intent of Congress that public transportation should be accessible. We believe that that is wrong. We believe that it is the intent of Congress as indicated a number of times that public transportation should be accessible.

In another transportation case in Birmingham, the judge said that section 504 does not apply to discrimination against the handicapped in public transportation.

The way I read section 504 it says that anybody who gets special moneys is not supposed to discriminate against handicapped people.

I guess if it needs clarifying then it ought to be clarified because that is not the kind of court decisions we want to see come out of it.

Another problem we have with certainly a long extension is the various defaults that the administration has been guilty of, and I don't think I have to enumerate them. They have been talked about on numerous occasions here in these hearings.

We believe that particularly a long extension of the act without specific language to the contrary would be interpreted by the administration as approval of this behavior.

We would not like to see that.

One piece of the administration's behavior that I think has not been mentioned is the organizational structure with the Office for Handicapped individuals in the Office of Human Development along with RSA.

In your conference report on the 1974 amendments to the Rehabilitation Act you clearly state that the Office for Handicapped individuals should not be under the same administrative unit as RSA, and it is.

The problem we have is that we feel that sometimes good legislation doesn't get passed because it is not attached to legislation that is under some time pressure to get passed.

For example, we wonder whether we would have 503 and 504 now if they had not been put in the Rehabilitation Act and there had not been pressure to get the whole Rehabilitation Act passed.

We are afraid that if we have a long extension the hearings, or, if not the hearings, the proposed legislation that comes out of them, will have low priority and might not get out of the committee with any kind of reasonable speed.

Therefore, we have problems with that. So, we end up recommending a 1-year extension. I understand the House committee has already reported a 2-year extension. But I think more important than even the recommendation of the 1-year extension we would like to request that you give us more of an idea than just next year about the hearings.

We would like to have you commit yourselves, you, the members of the committee, to hearings beginning before March 31, 1976, within the first quarter in other words.

In closing, I make a few remarks about the notice with which these hearings were called as tending to limit them to people who are here in Washington with staffs and so forth rather than the rank and file consumers.

I express the hope that the future hearings that we have next year will be called in such a way and with such notice that we can assist you in getting consumer input from the rank and file consumers all over the country and you will see some new faces besides the people you hear testify all the time.

With your permission, I would like to comment on the matter about Greyhound that was brought up earlier.

While I think the coalition would applaud Greyhound's attempt to make its system more accessible to handicapped people by providing free transportation for attendants, there are two rejoinders I would make on that.

One is that we would insist that this policy not prejudice allowing handicapped people, who can go without attendants, to travel alone.

In the past, you know, blind people have been able to travel with attendants on trains and buses. Sometimes trains and bus carriers will say:

You know you can take an attendant with you. We are not going to let you travel alone because you can take an attendant with you at no cost.

The other rejoinder we would have is that we would not want something like this. We wouldn't want a policy of free attendant transportation to interfere or to be used as a copout, you might say, for Greyhound to be moving toward full accessibility to the handicapped.

I was traveling on Greyhound this summer. I noticed in some of the stations there are moves toward accessibility in the restrooms and so forth.

We would hope that Greyhound will continue to be moving toward full accessibility so that these attendants would not be so necessary.

Thank you, Mr. Chairman.

Mr. BRADEMAs. Thank you, Mr. Petersen.

Mr. Lancaster.

STATEMENT OF JOHN A. LANCASTER, DEPUTY NATIONAL SERVICE DIRECTOR, PARALYZED VETERANS OF AMERICA, INC., WASHINGTON, D.C.

Mr. LANCASTER. Yes, Mr. Chairman. I hope you will take time to read our testimony and have it put in the record.

I would like to thank your committee for not going beyond a 2-year extension and at least keeping it at 2 years and I hope that we will get a commitment for indepth hearings within the first quarter as Mr. Petersen has advocated.

We have lots of points and problems with the Rehabilitation Act of 1973. We think it is basically a good law. The problems come in its implementation mainly.

I would like to address myself just briefly to section 504 of this act and ask the chairman if he does not indeed find it very, very frustrating to have worked so hard and to have achieved what I believe is a rather interesting, innovative, and effective piece of legislation as you look at it in black and white print, and then find a Federal district judge in Alabama saying, No. 1, that it doesn't apply and, No. 2, a woman confined to a wheelchair does not have the constitutional right to ride a bus, and that is what he said.

I also would find it so very frustrating as a legislator to make me not to bother to run for the legislature to find out when I worked so hard to get such a law passed, to have not any of the administrative agencies in the Federal Government to bother even to write regulations on that section of the law. They have not been written yet, although the act has been in existence for 2 years.

Does that not bother you?

Mr. BRADEMAs. Mr. Lancaster, if as a consequence of the failure of the executive branch to do what Congress intended or the failure of the courts to carry out what we hoped would be done, I were to allow myself to abandon every effort to write legislation helpful to vulnerable people in our society, I might have quit a long time ago. But one learns to live with these matters.

[The statement referred to follows:]

TESTIMONY OF JOHN A. LANCASTER OF THE PARALYZED VETERANS OF AMERICA

Mr. Chairman and members of the respective subcommittees, the Paralyzed Veterans of America is here today to reluctantly advocate a two year extension of the Rehabilitation Act of 1973 as amended by PL 93-516 which expires on June 30, 1976. We realize that it must be hastily extended without much needed critique and reform in order that there will be funding authorization for the Federal-State Vocational Rehabilitation Programs in the upcoming fiscal year.

There have been many problems in the Rehabilitation Act of 1973, which is still in its infantile state. Many of the well-intended programs are being mis-managed and lost in the bureaucracy and never fully reaching the grass root

constituents most in need of the services. The intended research and pilot programs have barely gotten off the ground and in some cases still exist only on paper. In many of the programs, money authorized by Congress for their implementation has never been appropriated. The affirmative action program for employment of handicapped persons has just recently been implemented with the promulgation of very weak Department of Labor regulations which provide for no effective enforcement mechanism. The civil rights section of the law, the non-discrimination under federal grants, is being totally ignored by the entire executive branch of the government and Congress does not seem to care.

Realizing the political and budgetary pressure presently existing in government, we know Congress wishes to put off addressing the above mentioned problems as long as possible—three, four, or five years. We as “consumers” of the provisions of this Act can not let that happen. PVA would only ask for a one year extension of the Act and ask that the pressing problems be addressed immediately; however, we realize that this is an unrealistic expectation in an election year. We do ask, however, that you give us right now, during these hearings, today, a firm commitment to begin holding in-depth hearings and meetings on the substantive and administrative problems accompanying the Rehabilitation Act of 1973 within the first 90 days of 1976. Let me further add that if you will make such a commitment, the Paralyzed Veterans of America will make a simultaneous commitment to work closely on all levels with your staffs and the administrative agencies to bring about effective changes and implementation of this law within the bounds of fiscal responsibility. We have the capability of giving your committees that support and, obviously, are more than willing to do so; it is in our own best interest. PVA would like to take this opportunity to enumerate just a few of the problems that blatantly exist in the law.

First, Title I of the Act, Vocational Rehabilitation Services, is not effectively reaching the catastrophically disabled citizens as intended. State vocational rehabilitation counselors are still working under the old numbers games. They still operate on quotas and the more of the “four H’s” disabilities, that is hemorrhoids, hysterectomies, hernias, and hearing aids, the greater the numbers they rehabilitate, the more effective their program. There is a need for valid measuring systems.

Second, the law needs to be reworked in order to establish more effective and responsive rehabilitation. Vocational rehabilitation has to look to the needs of the community as well as the individual and effectuate rehabilitation towards those needs. In doing so, greater consideration should be given to human factors engineering, mobility of the individual and a barrier free environment.

Third, something has to be done with our present existing welfare laws which give rise to the negative incentive to work. A severely disabled person should not be forced to give up such life support systems as hospitalization, prosthetics, and medication for taking the initiative to become a functioning member of society and the American labor force.

Fourth, additional funding is needed for spinal cord injury research and end-stage renal disease research. This funding should be appropriated as well as authorized. The spin-offs of basic spinal cord injury research are unfathomable. If science can learn what makes primary nerve cells function and regenerate, then the door will be open to the solution of a host of diseases.

Fifth, the Architectural and Transportation Barriers Compliance Board needs to be given effective enforcement powers. A big step could be made toward this end if the monies authorized would only be appropriated. A more effective reorganization of the Board may be another solution. There are many other problems too numerous to list at this moment. However, we must make one final comment on the total lack of good faith on the part of the administration of this government in implementing section 504 of the Act. This section is the very heart of the Act. It summarizes our reasons for being here today. We are not going to be denied an equal opportunity under the law in pursuing our inalienable rights to pursuit of life, liberty, happiness, and, I might add, a job. It is really a sad comment on our system of government when the executive branch of the government can take the beautiful document we call the Constitution and the laws enacted from it and based on it and convince a Federal District Court Judge to tell a woman confined to a wheelchair that she does not have the right to ride a bus in Birmingham, Alabama.

It is our hope that maybe today the legislative branch will consider a firmer commitment than that already made in the passage of the Rehabilitation Act of 1973. Not only a substantial commitment to strengthen this law, but also a philo-

sophical commitment to let disabled persons live in equality under the law and achieve productivity and dignity in our society.

Mr. BRADEMAS. Finally, Mr. Gashel.

STATEMENT OF JAMES GASHEL, CHIEF, NATIONAL FEDERATION OF THE BLIND, GOVERNMENT RELATIONS, WASHINGTON, D.C.

Mr. GASHEL. Mr. Chairman, my name is James Gashel, and my address is suite 212, Dupont Circle Building, 1346 Connecticut Avenue Northwest, Washington, D.C.

I serve as chief of the Washington office of the National Federation of the Blind.

As you and members of this committee are aware, Mr. Chairman, our federation is a nationwide membership organization of the blind. In fact, we are the only membership organization of blind persons having affiliates in all 50 States and the District of Columbia. Our membership exceeds 50,000.

The National Federation of the Blind was originally conceived and organized over 35 years ago, and we have collectively mounted a sustained effort to achieve security, equality, and opportunity for all of the blind.

As a sort of summary to the beginning part of my statement I would just point out to the chairman our great interest in a swift and expeditious extension of the act and say that our organization has been able to rally up about 50 members from State affiliates in this area to come this morning and to give visible recognition to the need to extend the act and to do so in an expeditious manner.

We appreciate and we would like to have you recognize their presence here this morning.

Today, Mr. Chairman, we are here to ask that these subcommittees, along with the Congress as a whole, move forward expeditiously to extend the Rehabilitation Act of 1973 as amended.

No single piece of Federal legislation has as much potential for emancipating the blind from the bondage of dependence as does the Rehabilitation Act.

Of course, this law, like so many others, does have its weaknesses which permit the spirit and intent of the rehabilitation programs established by the Congress to be abused.

Problems do exist in this field, and by our supporting statements here today we do not wish to leave the implication that all is entirely as it should be.

As concerned citizens and consumers of services to the blind, we are outraged that the National Accreditation Council for Agencies Serving the Blind and Visually Handicapped (NAC) still attempts to exercise its self-appointed authority to control public and private rehabilitation facilities participating in Federal financial assistance under this Act. This regrettable condition is well known to many members of the Congress, and they have frequently brought necessary pressures to bear.

There are also other problems and abuses. Despite all of the eloquent rhetoric—concerning the civil rights of the disabled, the blind,

who find themselves relegated to employment in sheltered workshop facilities, are still regarded as second class workers in the labor force.

Recently under questioning before the National Labor Relations Board, witnesses from the Chicago Lighthouse for the Blind admitted that their facility has two classes of workers—those who are sighted and those who are blind.

According to the Lighthouse officials, the sighted workers are paid the minimum wage and have all available fringe benefits, while the blind have none of these.

Add into it all the fact that the Lighthouse is vigorously attempting to block the efforts of its blind workers to organize, and you get a picture which is reminiscent of the days when organized labor was in its formative stages. Incidentally, the Chicago Lighthouse for the Blind is accredited by NAC.

The undemocratic and highhanded functioning of NAC and the abuses of the blind workers at the Chicago Lighthouse are definitely not alone as problem areas in this field.

It is not, however, appropriate for us to consider the details of these and other issues before these subcommittees this morning. We simply take this opportunity to call them to your attention and to express our legitimate concern.

This brings me to the matter of extension of the act itself. Even accounting for the divergencies in effective administration of vocational rehabilitation services—which divergencies are due primarily to differences among the States with respect to program policy and philosophy—thousands of blind individuals are receiving needed assistance, living better lives, and hoping for brighter futures. It is this act, the Rehabilitation Act, which offers this assistance and provides this hope.

During these hearings others have gone into great detail about the specific levels of authorized funding and the length of time for which such authorizations should be extended.

By contrast, I thought you might appreciate hearing something this morning about the human aspect involved, since this program is indeed designed to serve severely handicapped individuals.

Here are some excerpts from letters which have recently crossed my desk:

A Michigan mother writes: "My forty-one year old son has diabetes and is blind in his left eye. He had eye surgery in April for a detached retina in his right eye. So far he has blurred vision in that eye and possibly another operation. Can you do anything for him? . . ."

In subsequent correspondence I referred her son to the appropriate rehabilitation agency from which he is now getting the assistance he requires.

Next an interested citizen contacted me as follows:

The best blind man that I know is very much like an uncle to me . . . For twenty-five years Roy worked in the sheltered broom shop on Confederate Avenue. When the shop changed hands, he and about fifteen other workers were sent out unmercifully.

Roy and his family lived with an extremely small income for about six months. Now Roy is drawing a little government compensation and sells home care products door-to-door. Is it possible that the Federation could investigate . . . ? It seems that the push for the blind here is very nil.

Another concerned wife writes on behalf of her husband :

My husband . . . has recently lost the sight in one eye to diabetic retinopathy and has lost most of the sight in the other eye due to hemorrhages in the eye. He is thirty years old and has had diabetes for nineteen years. He is presently employed by the Clemson University Extension Services as the Associate County Agriculture Agent. He has been under the care of ophthalmologists . . . They have advised us that he is to be considered legally blind and that this could be a permanent situation . . . Any information you could provide for us would be greatly appreciated.

When I responded to her, I explained the value of rehabilitation services and referred her husband to the appropriate agency for the blind.

Among other things I explained that there should be no reason why her husband could not continue in his employment with the university. Whether he is able to do so will, of course, depend heavily on his successful rehabilitation.

Finally, a blind individual ready, willing, and able to work wrote to me saying :

I graduated from the Overbrook School for the Blind in 1969. Ever since then I have always wanted to work in a darkroom. I was told that in our state, this is run by a computer. How I got interested in this type of work, I read up on it, and we had career day. I'd go anywhere if I could get a job in this field.

These people with their problems and needs for rehabilitation are but a cross section of those who cry out for assistance. They are joined by thousands of others—blind persons who are seeking opportunities through higher education, blind persons who are attending vocation training schools, those who are just becoming blind and do not know where to turn, and those who have been blind for a long time but have not had an opportunity to prove themselves.

One young woman summed it up this way in her recent letter :

I realize times are tough, and jobs are scarce for us all, but I also think you realize the extra difficulty a blind person encounters in seeking employment. It is for this reason that I sincerely hope that you will take a personal interest in my problem and do all you can for me.

I am trying, and so are others—she needs our help.

By way of contrast, let me now introduce you to some of the blind individuals who have been the happy beneficiaries of successful vocational rehabilitation :

Gail Adams, a high school graduate and blind since birth, is an assembler of television antennas. In her work she utilizes various tools including an air-driven screwdriver, wrench, and drill press. She is employed, and she is earning her own way.

Suzanna Mains is an assistant director of nursing education at a major community hospital. She is also blind. Her responsibilities include curriculum coordination and planning, supervising faculty and determining admission policies, and planning the inservice education program for the hospital staff. She is also an instructor of adult psychiatric nursing.

Edward Keninger, blind since childhood, is in charge of heating, air conditioning, and electrical and mechanical equipment in a State-owned building.

His responsibilities include monitoring of the heating and air-conditioning systems, making of minor adjustments when needed, and general maintenance and light repair when indicated.

Finally, Dr. Robert Celander is a professor of biochemistry and chairman of the biochemistry department at a college of osteopathic medicine and surgery. He teaches biochemistry to medical students, administers his department, consults with his staff, and plans and schedules courses. His academic area of interest is hematological research.

These and thousands of other blind individuals have benefited personally from effective programs of vocational rehabilitation.

Their accomplishments as employed, tax-paying citizens demonstrate the validity of our position that given proper training and opportunity, the average blind person can do the average job in the average place of business and do it as well as his sighted neighbor.

Mr. Chairman, I wish to conclude this statement by urging, in the strongest terms possible, that swift action be taken both by the House and by the Senate to extend the basic rehabilitation programs which are of invaluable assistance to so many blind citizens.

We wish also to have you recognize the efforts of the current Commissioner, Dr. Andrew S. Adams, to make the programs of the Rehabilitation Services Administration more responsive and in tune with the needs of handicapped individuals.

Since Dr. Adams has been serving as Commissioner, the voice of the consumer has been heard and heeded more than ever before.

We believe that this approach is entirely in keeping with the desire of the Congress to provide avenues through which those who receive service may speak and get action. We commend the Commissioner for his results in this regard, and we know that you will want to do likewise.

Along with others we recognize that the Rehabilitation Services Administration has its full complement of problems and weaknesses.

Unlike some others, however, it is our position that any difficulties which do exist are more attributable to traditional philosophies and bureaucratic redtape than they are to any alleged inadequacies of the Commissioner who comes to his job during a period of change and transition with a refreshingly open approach.

Finally, Mr. Chairman, the position of the National Federation of the Blind is that a 2-year extension of the basic programs authorized by the Rehabilitation Act is appropriate at this time.

We are supported in this request by most of the other groups who have testified. Also we support modest increases in the authorized funding levels for the basic Federal/State vocational rehabilitation program, and we recommend that \$760 million be authorized for the fiscal year ending June 30, 1977, and \$800,000 for the fiscal year ending June 30, 1978.

With those exceptions, Mr. Chairman, we entirely support the work of the committee and thank you very much for having us here this morning.

Mr. BRADEMAS. Thank you very much, Mr. Gashel. Indeed, my thanks to all of you.

Let me simply say with respect to procedure that the committee has followed, that as a consequence of the need that has already been

touched on here to give early approval to the authorizing legislation in order to enable the State legislatures and State vocational rehabilitation agencies to act and to plan intelligently, we determined that it was wise and prudent to move ahead on the 2-year extension as rapidly as possible.

I would be less than candid if I did not say that I should have preferred also a higher authorization level but there are trade offs in these matters and we felt it important to get the legislation moved as expeditiously as possible.

The second point I have already made but in light of your testimony here I would reiterate, namely that it is our intention as early as possible in the second session we do intend to have hearings to take a look at the several proposals for amending the statute that have been suggested in the hearings that we have held this week on this legislation. The Chair would even now invite all interested persons and organizations and others to write to the subcommittee about any suggestions you may have for amending the law, letting us know what your concerns are and what difficulties you see to which you believe the committees should address themselves.

So I simply want to make clear why it is we have determined to move in the way in which we have. Your suggestions here this morning are certainly among those to which we shall want to give very careful attention.

I have no specific questions in light of the statements that you have made. I think I have a clear picture of what your own major concerns are. Would any of you like to make a statement in light of what has already been said this morning?

Mr. LANCASTER. Mr. Chairman, I would just like to say that the Paralyzed Veterans of America has the capability and is willing to give your staff and committees whatever support and help they would like.

In light of the testimony of the panel before us, I thought it was amazing that there is a contract between the Federal Government and an agency called Rehab, Inc., to work up a definition of severely handicapped persons.

I am sure there is quite a bit of money being expended on that contract and in turn Rehab, Inc. comes around to organizations like ours asking for such enlightened information as pamphlets, and then turns around and goes back to try to work up some sort of definition.

I might propose that your committee could exert some sort of pressure to have the agencies deal directly with organizations such as ours and the American Coalition of Citizens with Disabilities. We will be able to help them and their will be no cost involved.

Also, I might suggest that such a definition might be put into the law itself, rather than filtering down in regulations to various State levels.

Mr. BRADEMAS. I would anticipate at our hearings next year that we will look at the result of that particular contract and make some judgments.

Gentlemen, thank you very much indeed and I thank every one for having come.

The subcommittees are adjourned.

[Whereupon, at 12:20 p.m., the hearing adjourned, subject to the call of the Chair.]

APPENDIX

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
OFFICE OF THE SECRETARY,
Washington, D.C., December 18, 1975.

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

DEAR MR. BRADEMAS: At the hearings on December 10 on extension of the Rehabilitation Act of 1973, as amended, you requested that I provide additional information for the record.

I am enclosing tables to indicate State funds for vocational rehabilitation in excess of amounts needed to earn Federal funds.

You asked, also, for information about administrative costs. This data is also enclosed.

As you requested, I am sending you copies of letters to the Federal Aviation Administration regarding regulations and practices of the airlines in carrying disabled people.

Very sincerely,

Dr. ANDREW S. ADAMS,
Commissioner of Rehabilitation Services.

Enclosures.

FUNDS EXPENDED FOR ADMINISTRATION IN FISCAL YEAR 1975 FEDERAL-STATE BASIC SUPPORT PROGRAM, UNDER
SEC. 110 OF THE REHABILITATION ACT OF 1973

State or territory	Total expenditures (a)	Administration expenditures (b)	Percentage (b) is of (a)
Total.....	\$868, 848, 754	\$62, 775, 302	7.2
Alabama.....	23, 439, 790	107, 543	1.5
Alaska.....	2, 629, 647	328, 561	12.5
Arizona.....	9, 217, 342	641, 417	7.0
Arkansas.....	14, 924, 761	1, 129, 524	7.6
California.....	60, 548, 113	4, 182, 623	6.9
Colorado.....	9, 930, 380	968, 771	9.7
Connecticut ²	7, 255, 941	538, 298	7.4
Delaware ²	2, 449, 092	370, 940	15.1
District of Columbia.....	7, 253, 689	1, 036, 680	14.3
Florida.....	30, 512, 506	2, 205, 497	7.2
Georgia.....	25, 183, 479	1, 983, 564	7.9
Hawaii.....	2, 693, 579	317, 549	11.8
Idaho ²	4, 338, 384	570, 221	13.1
Illinois.....	29, 615, 704	1, 765, 841	6.0
Indiana.....	14, 087, 407	551, 650	3.9
Iowa ²	12, 382, 464	442, 425	3.6
Kansas ²	8, 277, 723	261, 316	3.2
Kentucky.....	18, 666, 268	1, 542, 181	8.3
Louisiana ²	21, 924, 798	3, 500, 932	16.0
Maine.....	5, 625, 597	917, 065	16.3
Maryland.....	13, 322, 320	534, 227	4.0
Massachusetts ²	17, 819, 583	2, 770, 892	15.5
Michigan.....	29, 963, 943	2, 294, 497	7.7
Minnesota ²	16, 147, 479	1, 041, 141	6.4
Mississippi ²	16, 826, 862	834, 268	5.0
Missouri ²	19, 372, 228	481, 356	2.5
Montana ²	3, 656, 215	437, 992	12.0
Nebraska ²	6, 093, 234	707, 273	11.6
Nevada.....	2, 834, 818	226, 009	8.0
New Hampshire.....	3, 628, 986	380, 191	10.5
New Jersey ²	19, 541, 534	1, 036, 073	5.3
New Mexico.....	6, 310, 615	531, 554	8.4
New York ²	45, 386, 475	2, 781, 733	6.1
North Carolina ²	32, 034, 866	1, 993, 879	6.2
North Dakota.....	3, 667, 991	411, 218	11.2
Ohio.....	37, 428, 754	3, 184, 314	8.5
Oklahoma.....	14, 820, 730	398, 911	2.7
Oregon ²	10, 893, 688	951, 179	8.7
Pennsylvania ²	46, 319, 672	3, 622, 240	7.8
Rhode Island ²	3, 542, 530	203, 830	5.8
South Carolina ²	23, 231, 978	956, 656	4.1
South Dakota ²	3, 774, 741	240, 493	6.4
Tennessee ²	18, 909, 834	1, 555, 428	8.2

FUNDS EXPENDED FOR ADMINISTRATION IN FISCAL YEAR 1975 FEDERAL-STATE BASIC SUPPORT PROGRAM, UNDER
SEC. 110 OF THE REHABILITATION ACT OF 1973—Continued

State or territory	Total expenditures (a)	Administration expenditures (b)	Percentage (b) is of (a)
Texas ¹	\$59,931,277	\$4,146,178	6.9
Utah.....	6,314,908	636,491	10.1
Vermont.....	2,521,522	323,171	12.8
Virginia ²	22,688,768	1,173,426	5.2
Washington ²	12,802,339	835,142	6.5
West Virginia.....	12,548,538	923,062	7.4
Wisconsin.....	19,780,291	1,179,504	6.0
Wyoming.....	2,435,448	195,211	8.0
Americas.....	0	0	0.0
Guam.....	678,909	142,477	21.0
Puerto Rico.....	21,606,157	2,144,622	9.9
Trust Territory.....	518,547	36,767	7.1
Virgin Islands.....	535,810	102,799	19.2

¹ Checking with State on accuracy of data furnished ASA.

² Has 2 agencies, general and blind.

IMPACT OF MAINTENANCE OF EFFORT PROVISIONS UNDER THE REHABILITATION ACT OF 1973 (PUBLIC LAW
93-112) FOR FISCAL YEAR 1975

States	Final allotment	State funds required	State matching percentage
Total.....	\$680,000,000		
Alabama.....	17,868,790	\$5,571,000	23.8
Alaska.....	1,996,959	616,963	23.6
Arkansas.....	10,378,818	3,110,398	23.1
District of Columbia.....	5,252,418	2,003,007	27.6
Hawaii.....	2,066,323	546,497	20.9
Minnesota.....	12,887,124	3,300,996	20.4
Nevada.....	2,041,605	573,133	21.9
North Dakota.....	2,820,071	750,318	21
South Carolina.....	13,460,345	3,770,131	26.9
West Virginia.....	8,555,704	3,086,843	21.5
Guam.....	508,212	133,482	20.8

LIST OF STATES WHICH OVERMATCH

The States are not required to report funds expended for the program that are not necessary to earn federal funds, however, RSA is aware of some States that either by federal law or due to the emphasis being placed by the States, do overmatch.

The States in their most recent reports have indicated that they have adequate State funds to earn \$912,147,370, in fiscal year 1976. This information was obtained from States in October (See attached Table I).

Under Section 111(a)—Maintenance of Effort Provisions—of the Rehabilitation Act of 1973 (P.L. 93-112), eleven (11) States in 1975 had to put-up more than 20 percent in State dollars to earn their allotments. Enclosed is Table II reflecting the State funds expended by the States with matching percentages.

Due to the reallocation provisions in the Act, we do not know, at this time, how many States will be affected by the maintenance of effort provisions in fiscal year 1976.

FUNDS EXPENDED FOR ADMINISTRATION IN FISCAL YEAR 1975 FEDERAL-STATE BASIC SUPPORT PROGRAM,
UNDER SEC. 110 OF THE REHABILITATION ACT OF 1973

State or territory	Total expenditures (a)	Administration expenditures (b)	Percentage (b) is of (a)
Total.....	868,848,754	63,758,636	7.3
Alabama.....	23,439,790	107,543	0.5
Alaska.....	2,629,647	328,561	12.5
Arizona.....	9,217,342	641,417	7.0
Arkansas.....	14,924,761	1,129,524	7.6

FUNDS EXPENDED FOR ADMINISTRATION IN FISCAL YEAR 1975 FEDERAL-STATE BASIC SUPPORT PROGRAM,
UNDER SEC. 110 OF THE REHABILITATION ACT OF 1973—Continued

State or territory	Total expenditures (a)	Administration expenditures (b)	Percentage (b) is of (a)
California.....	60,548,113	4,182,623	6.9
Colorado.....	9,930,380	966,771	9.7
Connecticut ¹	7,255,941	538,298	7.4
Delaware ¹	2,449,092	370,940	15.1
District of Columbia.....	7,253,689	1,036,630	14.3
Florida.....	30,512,506	2,205,497	7.2
Georgia.....	25,183,479	1,983,564	7.9
Hawaii.....	2,693,579	317,549	11.8
Idaho ¹	4,338,384	570,221	13.1
Illinois.....	29,615,704	1,765,841	6.0
Indiana.....	14,087,407	551,650	3.9
Iowa ¹	12,382,464	442,425	3.6
Kansas ¹	8,277,723	216,316	3.2
Kentucky.....	18,666,268	1,542,181	8.3
Louisiana ¹	21,924,798	3,452,192	15.7
Maine.....	5,625,597	917,065	16.3
Maryland.....	13,322,820	534,227	4.0
Massachusetts ¹	17,819,583	2,770,892	15.5
Michigan ¹	29,963,943	3,500,932	11.7
Minnesota ¹	16,147,479	902,249	5.6
Mississippi ¹	16,826,862	834,268	5.0
Missouri ¹	19,372,228	481,856	2.5
Montana ¹	3,656,215	437,992	12.0
Nebraska ¹	6,093,234	707,273	11.6
Nevada.....	2,834,818	190,600	6.7
New Hampshire.....	3,628,986	380,191	10.5
New Jersey ¹	19,541,534	1,036,073	5.3
New Mexico.....	6,310,615	531,554	8.4
New York ¹	45,386,475	2,781,733	6.1
North Carolina ¹	32,034,866	1,993,879	6.2
North Dakota.....	3,667,991	411,218	11.2
Ohio.....	37,428,754	3,184,314	8.5
Oklahoma.....	14,820,730	398,911	2.7
Oregon ¹	10,893,688	951,179	8.7
Pennsylvania ¹	46,319,672	3,622,240	7.8
Rhode Island ¹	3,542,530	203,830	5.8
South Carolina ¹	23,231,978	956,656	4.1
South Dakota ¹	3,774,471	240,943	6.4
Tennessee ¹	18,909,834	1,555,428	8.2
Texas ¹	59,931,277	4,146,178	6.9
Utah.....	6,314,908	636,491	10.1
Vermont.....	2,521,522	323,171	12.8
Virginia ¹	22,688,768	1,173,426	5.2
Washington ¹	12,802,339	835,142	6.5
West Virginia.....	12,548,538	923,062	7.4
Wisconsin.....	19,780,291	1,179,504	6.0
Wyoming.....	2,435,448	195,211	8.0
Americas.....	0	0	0
Guam.....	678,909	142,477	21.0
Puerto Rico.....	21,606,157	2,144,622	9.9
Trust Territory.....	518,547	36,767	7.1
Virgin Islands.....	535,810	102,799	19.2

¹ Has 2 agencies, general and blind.

DEPARTMENT OF TRANSPORTATION,
FEDERAL AVIATION ADMINISTRATION,
Washington, D.C., October 4, 1974.

DR. ANDREW S. ADAMS,
Commissioner, Rehabilitation Services Administration, Department of Health,
Education, and Welfare, Washington, D.C.

DEAR DR. ADAMS: This is in reply to your September 17 letter enclosing a Rehabilitation Services Administration Task Force Report concerning our Notice of Proposed Rule Making (NPRM) on the air transportation of handicapped persons. I can assure you there is no intention on our part to discriminate against the handicapped. To the contrary, our notice specifically proposes that an air carrier may not refuse to carry a person on the basis that he or she is handicapped and, thus, should rectify the present practice of determinations by the air carriers on an individual and nonuniform basis.

Many of the regulations issued by the Federal Aviation Administration (FAA) impose limitations and restrictions on some segment of the aviation industry as well as on the fare-paying passenger and, as such, might be considered discriminatory. The NPRM is an effort to change the current situation and, at the same time,

establish regulations that would allow the carriage of handicapped persons while maintaining an acceptable level of safety.

Prior to issuing the NPRM, our safety experts spent several thousand man-hours conducting research and participating in meetings with associations and groups representing the handicapped. On May 30, 1973, we issued an Advance Notice of Proposed Rule Making (ANPRM) to solicit comments and ideas from the public on the formulation of an acceptable set of rules for the carriage of the handicapped. Subsequently, we conducted six public hearings at strategic locations throughout the country. We received a large number of comments in response to the ANPRM, and many statements were presented at the six hearings by handicapped persons and associations representing them. We very carefully considered these comments and recommendations which form the basis of the proposals contained in our notice. You may be interested in knowing that in our many contacts with handicapped persons and in reading their comments, we became convinced that the blind and deaf are not handicapped for the purpose of air transportation. Thus, the notice proposes that an air carrier may not refuse transportation to these persons.

Following a survivable accident in Denver in July of 1961, it was determined that many of the passengers perished simply because the airplane was not evacuated soon enough. This led to the establishment of rules requiring the airlines to demonstrate that each particular type aircraft could be evacuated within two minutes (later changed to 90 seconds). We also established emergency training requirements for each flight and cabin crewmember. This is still an on-going program which has been refined throughout the years consistent with technological improvements, such as automatically inflatable evacuation slides. The successful evacuation of an airplane in a survivable accident is directly related to the flow rate through the emergency exits. I believe you will agree that, to assure an acceptable flow rate, we must limit the number of handicapped persons on board so as not to jeopardize their safety or the safety of those who are able to use the exits without assistance from others. This is really the crux of the problem and one which perhaps is not clearly understood by some of the associations representing the handicapped.

In conclusion, the NPRM appeared to us to embody a reasonable approach from a regulatory standpoint. As part of the rulemaking process, we will carefully consider all comments received on the NPRM. Your letter has been placed in the rules docket and will, of course, receive full consideration before final action is taken on the NPRM.

I very much appreciate receiving your comments. I can assure you that we will continue to study the problem even after completing action on the NPRM. To the extent that future aircraft design improvements permit, they will be considered to determine whether any regulation adopted can be improved, consistent with safety, to minimize or eliminate the restrictions the handicapped have faced in traveling by commercial air carrier.

Sincerely,

ALEXANDER P. BUTTERFIELD,
Administrator.

SEPTEMBER 17, 1974.

Mr. ALEXANDER P. BUTTERFIELD,
Administrator, Federal Aviation Administration, Washington, D.C.

DEAR Mr. BUTTERFIELD: In response to the issuance of the proposed regulations on the flying of handicapped people in commercial aircraft, and your invitation to submit comments, I am forwarding to you a Rehabilitation Services Administration Task Force Report on the proposed regulations for your consideration.

The report reflects a number of points on the discriminatory effects of the proposed regulations on handicapped citizens. These include: The loose definition of "handicapped" people the "visible" vs "non-visible" types of handicaps, the medical certificate based on "expeditiously" getting to an exit, the requirement for physically handicapped having to sit in a window seat instead of an aisle seat, and other important aspects of the proposed regulations.

I am very concerned about the overall effects of the proposed regulations on the flying of the handicapped in commercial aircrafts. In so many cases, they certainly will prove to be even more discriminating than the current practices. I am certain that the proposed regulations will end up, many times, with a lesser number of handicapped people being allowed in an aircraft; and in many cases, with it being much more difficult for a person with a handicap to move in

and out of an airplane. It is important to realize that the classification of handicapped people by the nature of their handicap is very difficult and individualized. As you well know, there are many people possessing severe physical handicaps who are quite capable of mobility during an emergency, who could never get a physician, with implication for a legal suit, to sign a medical statement that the handicapped person could "expeditiously" get to an exit. Why, the physician would probably not be willing to sign such a statement for many "able-bodied" persons. In addition, while handicapped people with a "visible" handicap will be restricted under the proposed regulations, there will be many passengers with more serious, but "invisible" handicaps who will enter an airplane unnoticed; and consequently be unrestricted. This, of course, will be highly discriminatory.

I would like to stress another aspect of the proposed regulations that seems to me to be very unreasonable. I speak to this point in part from my personal experience of being confined to a wheelchair since 1951. I have ridden in commercial aircrafts for more than one-half million miles and I have never sat in a window seat. A window seat is highly inaccessible for people in a wheelchair or using other mobility appliances. Yet, especially with the new jet ways, they are now able to board an airplane and sit in an aisle seat without any assistance whatsoever. After being seated, unaided by an attendant, an attendant only has to store their wheelchair. Therefore, they have brought their disability down to a functional near zero level when it comes to using commercial aircraft. Your proposed regulations will increase their disability functionally as far as being able to get on and off an airplane by themselves. The proposed regulations will now force them to require assistance and make it very difficult to get into a seat on the aircraft. I just hate to see us moving "backward" on making commercial aircraft accessible for handicapped Americans.

On my next point, I certainly realize that I do not possess the expertise on the priority of establishing proposed regulations for handicapped people based almost entirely on evacuation procedures during a crash. It seems to me that the percentage chance of a crash is so slim that it should not be used to so severely control the mobility of handicapped people. If we use this rationale on travel we probably would never drive an automobile. I do not mean to insinuate that I believe handicapped people should endanger the safety of "able bodied" people but it seems to me, that the chance of an airplane crash is quite slim and if it does occur, there could likely be a change in who ends up "handicapped" and who ends up "non-handicapped" after the crash for evacuation purposes.

In conclusion, I certainly understand the difficulties and many variables that bear on the adoption of regulations for flying handicapped people in airplanes, and I know the great deal of concern you have to ensure that regulations are not discriminatory. I also know you are dedicated to providing maximum opportunity for handicapped people to use airplanes, and you must consider the welfare of all our citizens, handicapped or not. However, after carefully reviewing the proposed regulations, and from the report of the RSA Task Force, our conclusion is that the proposed regulations, as they are, are significantly and unreasonably discriminatory toward handicapped citizens. I strongly urge you to reconsider the proposed regulations, and I will be most pleased to provide any assistance on revisions.

Thank you kindly for giving us the opportunity to react to the proposed regulations and submit our suggestions.

Sincerely yours,

DR. ANDREW S. ADAMS,
Commissioner.

RSA TASK FORCE REPORT ON PROPOSED FAA TRANSPORTATION REGULATIONS

1. The proposed FAA transportation regulations are based on an implied assumption that a body of knowledge has accrued which necessitates more stringent controls on handicapped air passengers. Data on flight safety over the last few years, taking into account all factors, especially the dramatically increased passenger miles including handicapped passenger miles, would contraindicate such retrogressive action. Furthermore, the regulations run counter to the basic philosophy and purposes of the Rehabilitation Act of 1973. This Act strongly promotes the rights and privileges of handicapped individuals to engage in economic and all other activities granted to each member of our society without denial or discrimination. More specifically, such regulatory limitations would greatly impede the vocational rehabilitation of handicapped individuals where they would not be readily permitted to travel in work related activities. The Act mandates a program committed to the removal of barriers to handicapped indi-

viduals (Section 502—Architectural and Transportation Barriers Compliance Board; Section 503—Employment under Federal Contracts; and Section 504—Nondiscrimination under Federal Contracts). The proposed regulations obviously impose additional barriers. Success of the vocational rehabilitation program and other public and private rehabilitation efforts depends on the full cooperation and forward steps of all policymaking bodies.

2. The definition of a "handicapped person" is much too loose. It could include conditions imposed by advanced age, infancy or pregnancy. It would exclude apparently those with all types of "hidden" disabilities such as pulmonary, heart, epilepsy and mental disorders which, in the event of a survivable aircraft accident, could result in a condition just as immobilizing, if not more so, than for a person having a "visible" handicap. Such individuals would not be as prepared to cope with emergencies as those with "visible" handicaps who have learned to function effectively with their remaining physical capacities. As a result of these factors it would be impossible to determine the number of individuals at time of boarding who would require assistance by another person in moving to an exit in the event of an emergency evacuation.

3. The proposed regulations appear to be based upon an estimate of 13,390,000 handicapped persons (DOT statistics). This estimate would appear to be far too low if the definition of a handicapped person is interpreted to include the conditions listed in (2) above. The regulations as written would make it extremely difficult for the handicapped person among this large population to find seating space.

4. The seating requirement that provides for the handicapped person to sit by the window rather than by the aisle is unreasonable and would impose undue difficulties for many of the handicapped in moving over seat arms from aisle to window. It is an almost universal practice today for the physically handicapped, particularly those with lower extremity paralysis, to sit in aisle seats. There has been no incident to our knowledge where this seating arrangement has caused problems during an emergency evacuation.

5. The requirement for limiting the number of handicapped persons carried to the number of exits is arbitrary and contrary to the rights of any individual, whether or not he meets the definition of handicapped person, to have access to public air transportation. There is serious concern that this requirement, along with the loose definition of handicapped person, would greatly limit the number of handicapped persons permitted to board a plane.

6. The requirement that the handicapped person must have a written statement signed by a licensed physician certifying that he does not need the assistance of another person to expeditiously move to an exit in the event of an emergency evacuation is highly questionable. The legal implications do not appear to have been considered and few physicians, if any, would sign such a statement if there were the possibility of their being legally sued. This requirement is also highly prejudicial for those individuals with "visible" handicaps as contrasted with those having just as serious "hidden" disabilities, as well as with the so-called able-bodied generally.

7. The proposed regulations are written in such a manner that they are impractical, discriminatory, contrary to free enterprise principles, and not directly relevant to passenger safety. Handicapped persons represent a large segment of the public and should not be denied equal rights and privileges to travel by air. As indicated above, the loose definition of handicapped persons, the limited number of handicapped persons that can be carried on a plane, the highly restrictive seating arrangements, and the impractical medical certifications are all restrictive requirements which are proposed from the standpoint of passenger safety, while there has been no evidence presented or actual experience given that such requirements are needed for passenger safety. Rather than take this negative approach which is completely unwarranted, it would appear to be much more sensible for FAA regulations to take a positive approach which would emphasize the safety and comfort of *all* persons by requiring special training of flight and in-cabin crews in handling all categories of passengers in the event of a survivable accident, and by requiring affirmative action with respect to the design and redesign of equipment and the improvement of techniques and methods for handling *all* passengers, including handicapped persons.

RECOMMENDATIONS

Our recommendations are for more positive and far-reaching approaches which are compatible with Federal and State legislation and the general thrusts in all

segments of our society regarding equal opportunities for all citizens, including those who are handicapped. We firmly believe that more desirable and effective results will be achieved through programs to improve training of key airlines personnel (flight attendants, agents, and the support personnel), and to promote a greater sense of responsibility, including innovation in equipment techniques, methods, and procedures.

Specifically, we recommend the following changes to the proposed regulations:

- § 121.311 (amended) no change
- § 121.417 (amended) no change
- § 121.571 Briefing passenger before take-off
 - (a) * * *
 - (3) Strike all after "take-off," and before "concerning." Insert: all passengers shall be briefed.
- § 121.584 Change title to Carriage of handicapped persons
 - (a) Strike all after "need". Insert: assistance in boarding, deplaning, or evacuating in the event of an emergency
 - (b) Strike all. Insert: A certificate holder shall not refuse to carry a person solely on the basis of the existence of a handicapping condition, including persons with handicapping conditions such as deaf-blind and those requiring a litter during flight who, in the latter instances, are accompanied by a personal attendant.
 - (c) Strike all and retain only 5. Insert: A certificate holder will develop and implement an affirmative action plan for the purpose of equalizing access of air travel for all citizens, including those who are handicapped. Such affirmative action plans shall include personnel training, design and redesign of equipment, and planned reviews leading to necessary modifications and improvements in techniques, methods, and procedures.
- § 121.589 Carry-on baggage
 - (d) No change
 - (6) No change
- § 135.27 Manual requirements
 - (b) * * *
 - (15) No change
 - (7) No change
- § 135.81 Briefing of passengers before flight
 - (b) Strike all after "person", and before "has".
 - (8) No change
- § 135.139 Initial and recurrent flight attendant and crew member testing requirements
 - (c) Strike all after first use of term "evacuation" in line (3) of (c) Insert period (.) after evacuation
 - (i) Strike all

SUBMITTED BY: RSA TASK FORCE ON FAA REGULATIONS

William Eshelman, Chairman; Kay Arneson; Less Blankenship; George Conn (SRS); James Jeffers (SRS); Kay Lloyd; Douglas MacFarland; Roger Veum; Boyce Williams.

THE UNDER SECRETARY OF HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., August 1, 1973.

Mr. ALEXANDER P. BUTTERFIELD,
Administrator,
Federal Aviation Administration,
Washington, D.C.

DEAR MR. BUTTERFIELD: I would like to offer the following comments pursuant to the Federal Aviation Administration's proposed rulemaking (Document Number 122881; Notice Number 74-75) which concerns the air carriage of handicapped persons.

During the public hearing phase of the development of the aforementioned regulations, the Secretary of Health, Education, and Welfare submitted written testimony on October 18, 1973, in Washington, D.C. That testimony categorizes our response to questions posed by FAA and our policy regarding the transportation needs of handicapped persons. I am attaching a copy of this testimony for your reconsideration.

In reviewing the notice of proposed rulemaking published July 15, 1974, we feel that substantial restrictions have been placed on handicapped persons:

specifically, limitations on the number of handicapped persons permitted on a craft based upon the number of exits is unduly restrictive. This provision would substantially limit the number of handicapped persons permitted on a particular flight.

Additionally, the potential handicapped traveler under the proposed regulations would be required to obtain every six months a physician's statement that he can move expeditiously to an emergency exit in the event of an emergency evacuation. This requirement places an unnecessary burden on the handicapped traveler to obtain a physician's statement, which will oftentimes necessitate an additional cost to the potential passenger. Also, a physician is not necessarily qualified or capable of determining the functional ability of a handicapped person to expeditiously move to an emergency exit. Most individuals who are physically handicapped do not require extraordinary assistance in their travel. Persons with severe physical disabilities are most generally quite cognizant of their disabilities and needs, and personally take the necessary actions to assure that they are capable of air travel in a relatively independent manner.

The provision regarding seating arrangements for handicapped persons can be interpreted to require that these individuals only be seated immediately adjacent to a window. This provision, therefore, prohibits the use of aisle seats for handicapped persons and substantially restricts the independent access of those individuals.

Based upon my foregoing comments and our mutual concerns as they relate to the rights and privileges of handicapped individuals, I would like to request a meeting with you in order to discuss some of the recommendations we have concerning these regulations. I am sure that Mrs. Jayne Spain, Vice-Chairman of the President's Committee on Employment of the Handicapped, Mr. James S. Dwight, Jr., Administrator of the Social and Rehabilitation Service, and Dr. Andrew Adams, Commissioner of the Rehabilitation Services Administration, would be happy to join us in this discussion. In this regard, Mr. Dwight has requested his staff to undertake a complete review and analysis of the regulations in order to respond with specific suggestions for the revisions.

I trust that these comments will be given consideration and look forward to our discussion of the regulations.

Sincerely yours,

FRANK CARLUCCI,
Under Secretary.

Enclosure.

THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., October 18, 1973.

FEDERAL AVIATION ADMINISTRATION,
Office of the General Counsel,
Attention: Rules Docket, AGC-24,
Washington, D.C.

GENTLEMEN: The following comments are respectfully submitted pursuant to Federal Aviation Administration's advance Notice of Proposed Rule Making (ANOPRM) No. 73-16 (38 FR 14757), which concerns the air carriage of handicapped persons.

The Department of Health, Education, and Welfare, Social and Rehabilitation Service, is deeply concerned with the well being and complete integration of handicapped individuals into all aspects of society. It is the objective of SRS that handicapped citizens be afforded all of the rights and privileges granted to each member of our society. Those entitlements include the opportunity to engage in economic, political, social, religious and all other activities of human involvement without denial or discrimination.

It is essential that handicapped individuals be permitted equal use of and access to all facilities of public accommodation and facilities designed primarily for public use. This would include sources of public conveyance by means of land, water and air transport vehicles. In order that the physically handicapped and mobility limited be permitted to engage in economic, social and recreation activities in an essentially mobile society, complete and unlimited use of all transport vehicles is paramount.

We are pleased to have the opportunity to offer our comments in regard to the proposed rule making which concerns the air carriage of handicapped persons. In this regard, we have addressed our response to the queries posed by the FAA pursuant to (38 FR 14757).

Query: "What types of physical/functional disabilities or limitations should be allowed consistent with present evaluation criteria?"

Response: Present standards for emergency evacuation of passenger-carrying airplanes require that each Part 121 certificate holder and each applicant for a Part 25 airplane-type certificate show by actual demonstration that emergency evaluation of full-seating capacity, including crewmembers, can be accomplished within 90 seconds for each type airplane involved which has a seating capacity of more than 44 passengers.

Requirements state that persons used in an emergency evaluation demonstration of a "representative" passenger load of persons in normal health and a mix in accordance with the following:

- (1) At least 30% must be female;
- (2) Approximately 5% must be 60 years of age, with an appropriate number of females; and,
- (3) At least 5, but not more than 10%, must be children under 12 years of age, prorated through that age group.

It would seem that the foregoing criteria are deficient, in that, by conjecture it is assumed that handicapped individuals would cause the maximum 90-second evacuation period to be exceeded. This assumption is purely speculative in that, handicapped passengers are not employed in the "representative" sample for purposes of an emergency evacuation demonstration. In addition, the criteria state that "the emergency evacuation demonstration be a representative passenger load of persons in normal health . . ." This passage implies that physically handicapped individuals, for the purpose of definition "in normal health", are not to be included. If this implication is valid, therefore, physically handicapped persons are not to be considered in applying the 90-second evacuation period. It would seem suitable to include a "representative" number of handicapped persons in a demonstrative evacuation prior to determining that these persons would cause the 90-second period to be exceeded. It is further suggested that rather than limiting by selective categorization those persons with physical/functional disabilities from air travel, that other means be employed in assuring adequate evacuation procedures. Such measures as more functional evacuation design in aircraft and more efficient and intensive training of flight personnel should be initiated prior to consideration of denial of air travel based upon a person's physical and/or functional limitations.

Query: "What types of handicapped persons with physical/functional disabilities should be allowed if a special attendant or assistance is provided to accomplish an emergency evacuation from an aircraft?"

Response: As stated in the response to the previous question there should be no limitation on handicapped persons or persons with physical/functional disabilities in air travel. In addition, the point should be made that various air carriers have a certain obligation to provide assistance to persons contracting for air travel. This assistance, will of necessity, vary in kind and degree, with regard to various passengers. It may be that handicapped individuals will require varying assistance in manner and degree; however, this would be the case for all potential air travelers. Whereas the handicapped traveler who is a paraplegic might need assistance in boarding the plane, it is conceivable that an expectant mother might require special assistance which would differ from that required by an individual in a dissimilar physical/functional condition.

Query: "Should a regulation be adopted which would permit (or limit) the carriage and number and type of handicapped persons without the accommodation of the number and type in the criteria established for emergency evacuation?"

Response: No. A limitation or permission should be placed on the number and type of handicapped persons only to the extent that a limitation or permission is promulgated pursuant to other individuals included in the "representative" sample for emergency evacuations. If a limitation is to be placed on selective categorization of the evacuation sample, only 5% of any passenger load may be over 60 years of age. Currently, 5% of the evacuation sample must be over 60 years of age. To further complicate this for purposes of selection it should be noted that these categories are not mutually exclusive. For example, the possibility exists that you would have a physically handicapped female over 60 years of age. This individual would be counted in three established categories further limiting the percentage and number of other transport passengers in each.

Query: "How many unassisted handicapped persons may be accepted as passengers on an aircraft without requiring the use of a special attendant

or able-bodied helper? Should this limit be a fixed number or should it be a number which is a percentage of the full passenger seating capacity?"

Response: Consistent with our general policy, we do not feel that a limitation should be placed on the number and type of handicapped individuals permitted to travel by means of air transport. Most individuals who are physically handicapped do not require extraordinary assistance in air travel. Persons with severe physical disabilities are most generally quite cognizant of their condition and needs and personally take the necessary actions to insure that they are capable of air travel in a relatively independent manner. The question implies that handicapped individuals need assistance in every aspect of daily life. This implication is totally erroneous as witnessed by the many independent handicapped individuals in our society today.

Query: "For large groups of handicapped passengers what means of emergency evacuation might be employed to provide acceptable travel or safety?"

Response: There does not seem to be a direct correlation or casual relationship training of flight personnel would provide a better understanding of the abilities as well as the limitations of handicapped individuals. In addition, more adequately designed mechanisms in aircraft for evacuation would not only assist handicapped travelers but would also provide for increased evacuation efficiencies for all air travelers.

Query: "Should the length of the plane flight be a consideration in determining the number and/or types of handicapped persons who would be accepted as passengers?"

Response: There does not seem to be a direct correlation or casual relationship between the length of air travel and the ability to evacuate if the need arises.

Query: "Would an identification card which certifies the ability of handicapped persons to perform certain physical tasks be useful in eliminating uncertainties regarding his acceptance as an unaccompanied passenger? If so, who should issue the card?"

Response: The issuance of an identification card connotes special consideration and discrimination. As stated, it is our position that handicapped individuals should not be denied air travel by reason of their physical conditions/or functional limitations.

In conclusion, we appreciate the opportunity to offer our comments concerning the air carriage of handicapped individuals. It is hoped that regulations promulgated pursuant to this notice will insure that handicapped persons will be given complete and unlimited access to air travel without denial or discrimination.

Sincerely,

CASPAR W. WEINBERGER, *Secretary.*

DEPARTMENT OF TRANSPORTATION,
FEDERAL AVIATION ADMINISTRATION,
Washington, D.C., February 21, 1975.

HON. CASPAR W. WEINBERGER,
Secretary of Health, Education, and Welfare,
Washington, D.C.

DEAR MR. SECRETARY: This is in reply to Mr. Carlucci's letter of December 31, 1974, in which he submitted comments on our Notice of Proposed Rule Making No. 74-25, Air Transportation of Handicapped Persons. They have been entered into the docket and will be considered in the final rulemaking decision.

Our Civil Aeromedical Institute is conducting a study to determine how persons with various disabilities would affect exit flow rates during an emergency evacuation and option seating locations for them.

When we have had an opportunity to review this report, my staff will contact yours for further discussions prior to our final rulemaking decision.

Sincerely,

(Signed) JAMES E. DOW,
Deputy Administrator.

THE UNDER SECRETARY OF HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., December 31, 1974.

HON. ALEXANDER P. BUTTERFIELD,
Administrator, Federal Aviation Administration, Department of Transportation,
Washington, D.C.

DEAR MR. BUTTERFIELD: The Department of Health, Education and Welfare is pleased to respond to your invitation for written comments concerning the

Federal Aviation Administration's proposed regulations governing the carriage of the physically handicapped. As you know, an important function of this Department is to foster and support a social environment which accommodates all elements of our population, including the disabled.

In air travel a significant problem of uncertainty confronts the handicapped traveler. This problem, caused by the varied and inconsistent policies and actions of the airlines, would be averted by the issuance of common criteria for the carriage of the physically disabled. I commend FAA in its efforts to develop regulations which would ease this problem. However, any regulations which limit the accessibility of air transportation to physically disabled people strictly on the basis of their physical handicap may be inconsistent with Sections 504 and 502 of the Rehabilitation Act of 1973. Section 504 prohibits discrimination against handicapped persons under any program or activity receiving Federal financial assistance; Section 502 enunciates a broad governmental policy to expand handicapped persons' access to public transportation.

We believe that regulations which address issues of passenger flight safety should be developed and applied in a manner that would be conducive to maximum flight safety without discriminating against any person on the basis of physical handicap. Our recommendation is to amend the proposed regulations to provide for an interpretation covering only those persons whom we believe the evidence would show to be in need of special assistance to expeditiously evacuate an aircraft during an emergency.

Our recommended approach is (1) to amend the title of the regulation, (2) to limit the definition of persons who will require assistance during emergency evacuation to (a) litter patients and (b) persons who are total quadriplegics or total amputees, (3) as to persons who will require such assistance but who are accompanied by an attendant, to eliminate all numerical and seating restrictions, (4) as to persons who will require such assistance but who are not accompanied by an attendant, to retain the limitation contained in the proposed FAA regulation of one such person per floor level exit per flight and to retain certain seating restrictions, and (5) to require carriers to assure priority placement on the next available flight to the same destination to any person requiring such assistance who is refused carriage.

Our specific recommendation is as follows:

(1) The title of section 121.584 should be amended to read:

"Air transportation of persons who will require assistance during an emergency evacuation."

(2) Section 121.584 should be amended to read:

"(a) For the purpose of this section, a person who will require assistance during emergency evacuation is a person who is confined to a litter or who is a total quadriplegic or a total amputee.

"(b) A certificate holder may not refuse to carry a person on a particular flight on the basis that the person will require assistance during emergency evacuation if—(1) such person is accompanied by an attendant; or (2) such person is not accompanied by an attendant, provided—

i. the number of such persons who are not accompanied by attendants does not exceed the number of floor level exits on the equipment to be used on the flight;

ii. a seat can be made available for such person who is unaccompanied which is not one of the two seats nearest an exit; and

iii. each such person who is unaccompanied is seated so that the emergency exit most convenient to his seat is not the same as the emergency exit most convenient to the seat of another such person who is unaccompanied.

"(c) In the event that a person who will require assistance during emergency evacuation is refused carriage then the certificate holder must assure priority placement for such person on the next available flight to the same destination."

We are of the opinion that these modifications to the proposed regulation would further its ultimate objective of insuring the safe carriage of passengers, while making the provisions more consistent with Sections 502 and 504 of the Rehabilitation Act of 1973. However, we would also recommend that FAA actively promote the development of an affirmative plan for increased training of

air carrier personnel and promote changes in aircraft design which will improve evacuation procedures for all passengers and provide increased mobility and comfort for handicapped persons within the aircraft.

It is my understanding that the FAA is currently redrafting the proposed rulemaking. If there is any assistance that we can provide as you develop the regulations, please do not hesitate to call upon us.

Sincerely,

FRANK CARLUCCI,
Under Secretary.

PREPARED STATEMENT OF MARY AKERLEY, MEMBER, PUBLIC AFFAIRS COMMITTEE,
THE NATIONAL ASSOCIATION FOR MENTAL HEALTH, INC.

Mr. Chairman and Members of the Committee: My name is Mary Akerley and I reside in Silver Spring, Maryland. I submit this statement on behalf of the National Association for Mental Health, Inc. (NAMH). I am a member of the Association's Public Affairs Committee.

I have been active as a citizen volunteer in the field of mental health for a number of years. I am immediate past president of the National Society for Autistic Children and am past chairperson of the Society's National Affairs Committee. I currently serve as First Vice-President of the Human Services Institute for Children and Families, Inc. I recently became a staff member of the Centers for the Handicapped in Rockville, Maryland, where I serve as an advocate for handicapped persons.

I am the mother of a developmentally disabled child.

The National Association for Mental Health is the voluntary national consumers' advocate organization, working toward the improved care and treatment of the mentally ill; for improved methods and services in research, prevention, detection, diagnosis and treatment of mental illness; and for the promotion of mental health.

THE REHABILITATION NEEDS OF THE CHRONICALLY MENTALLY ILL

What services are available for the mentally ill?

About 25,000 people are being released from State mental hospitals every year. The admissions to State hospitals are beginning to decrease. Hospitals are striving to become active treatment centers for the mentally ill, not the huge human dumping grounds they were a few years ago. Giant steps are being taken in the care of the mentally ill; community-based services are leading the way. The mentally ill comprised the largest single disability group utilizing vocational rehabilitation services in 1970.

Despite all these advances, one group is still painfully left out, not only of the mainstream of society, but also from the mainstream of mental health and social services—the chronically mentally ill. Although neglected, the chronically mentally ill are more visible now than ever in society. They are the people being released from State hospitals, with no place to go. Because they are not responsive to clinical treatment in the institutions and there is much emphasis on the value of community care, they are being released. Unfortunately, the community is not equipped to accept these people, who still may need treatment, protection and support. Many former patients find themselves in boarding homes in a state of dependency, relating to the operator as a child to a parent. Passivity, isolation and inactivity prevail. Boarding homes may be structured so that they are indistinguishable from the State hospital systems from which patients were discharged. Many people across the country have been bruised, hurt and lost by the system which was designed to help them; the community wasn't ready for the challenge.

Existing mental health services often have not been responsive to the needs of the chronically mentally ill. Too many services, interested in displaying successes, have selected those applicants who appeared most promising and would show improvement after a brief period—an unrealistic goal for chronically mentally ill people. And, too often, therapy and rehabilitation have taken place in a vacuum, failing to provide for supportive social services which may be needed to sustain successful treatment.

For example, according to the Urban Institute's Comprehensive Needs Study: "1. The mentally ill have a high probability of being accepted into VR (Vocational Rehabilitation) if they get to applicant status. They are also one of the groups which, on acceptance, has a high probability of ending up not successfully rehabilitated.

"2. While the number of rehabilitated persons who are mentally ill have increased in absolute numbers, such rehabilitants have declined from 6.6% of all clients rehabilitated in 1969 to 5.5% in 1972.

"3. Independent living for the mentally disabled currently is in the domain of the mental health system. If future programs for ILR (Independent Living Rehabilitation) include the mentally ill, separate responsibilities of the different programs and agencies must be identified. We were unable to clarify such differentiations."¹

Admittedly, serving chronically mentally ill persons makes havoc of the "case closure" system by which most state rehabilitation agencies are evaluated. Perhaps a scaled or weighted closure system should be developed (with more "points" given for closure of more difficult cases). An even better assessment system would include the process as well as the apparent results, i.e., services provided would be measured against services needed for individual clients.

Not all of the chronically mentally ill have been in hospitals. Many have been in their homes, under the protection of relatives, or have had the protection of small towns and neighborhoods. Only as they became unmanageable, or lost in that protection, did they need outside assistance or were admitted to a state hospital. State hospitals are screening more carefully than ever the people they admit. These people are left in the community and may be left very vulnerable. The mental hospital and its relative amenities may be a welcome alternative.

How many people are we talking about?

We don't know. The services are disconnected, and control is dispersed; there is no uniform reporting system. Furthermore, their impact on society is far in excess of their numbers. Witness the recent state-wide scandals in New York and California. Many receive attention only from the police, courts and correctional systems. The 1957 Commission on Chronic Illness reported 109 in every 1,000 people have a mental disorder. 49% of the people entering state mental hospitals have been there at least once before. The more often patients have been admitted to a mental hospital, the more likely they are to return in the future. The National Center for Health Statistics reports that 10% of the people with chronic conditions are unable to carry out major activities, due to mental problems.

The National Institute of Mental Health Biometry Branch is currently conducting a study on chronically mentally ill people. Their findings should provide a good estimate of the number of people needing long-term psychological and social services. We hope this study will be available in time to incorporate it into the final Comprehensive Needs Study (C.N.S.).

What do these people need?

The chronically mentally ill need assistance in the basic skills of community living, such as finding housing, using public transportation, managing money, shopping for food, finding companionship, having activities to occupy their days, and protection from those who would hurt them. The ex-patient needs a supporting, accepting reference group, which views him as a valuable, functioning group member. He must have economic and social stability. If these things cannot be found alone, assistance must be given. It is important to remember that their inability to cope with the daily stress of living in our complex society is a significant characteristic of the illness, and treatment involves consideration of this limitation.

Finding housing is difficult for many people on low limited incomes, and almost impossible for those who don't have the stamina to struggle for survival. Frequently the communities where these people can afford housing are not the ones which provide protection. Some people are not able to live alone, and need help finding halfway houses, homes, foster homes, board and care homes. Many housing facilities for former patients are licensed and defined by state or local governments, or if there are no licensing procedures, the conditions will depend on the operator of the housing facilities.

¹ Urban Institute. The: "Executive Summary of the Comprehensive Needs Study of Individuals With the Most Severe Handicaps"; p. 18, 1975.

Many people who are chronically mentally ill are not able to prepare food for themselves. Even if they have the skills to do so, there may be emotional obstacles to obtain and preparing food—they may be immobilized by fears, apathy and withdrawal. Group living situations, or a "Meals on Wheels" program may be an answer to provide food. Adequate programs must be developed and made available to the mentally ill.

Assistance in learning about and applying for financial aid often is needed. Agencies do not purposely present difficulties in obtaining assistance, but bureaucratic procedures, inadequate staffing, complicated regulations, etc., can put unbearable pressure on a mentally ill person. An advocate is needed to lead the way, open the right doors, and help fill out forms.

The chronically ill—the subject of the C.N.S.—are those who are unable to work in regular work settings. Therefore, they need some meaningful activity to keep them as alert and involved in life as possible. Without activities, the disabling conditions will worsen instead of improving, and daily living may become as disabling and immobilizing as life in an institution. Those who are not able to participate actively in vocational training are especially vulnerable to the forces of deterioration.

The lack of motivation is one of the major disabling factors for the chronically mentally ill. Many have had years of dependence on other people in hospitals or their homes—making the decisions about what and when to eat, when to sleep, when to go out—every moment scheduled and controlled. They are immobilized. A person who suddenly finds himself alone, out in the world, needs both mental health and social services to supply the drive and direction needed to achieve independence. Difficulties in personal relations and unacceptable social behavior may exaggerate all the aforementioned needs. The mentally ill are also met with fear, stigma, and discrimination in the community, further complicating their lives and destroying their own limited self-confidence.

What kinds of rehabilitation programs are there for the mentally ill?

Programs to resocialize former patients must enhance personal interaction, restore responsibility, and encourage independence. They involve primarily behavior change, not psychiatric therapy. There are several examples of programs that have worked to move the chronically mentally ill from the hospital to independent living status in the community. Some people have progressed far enough to hold jobs, even though that was not the intent of the program.

Frequently, as people move through the rehabilitation process, they must progress step by step—from hospital, to halfway house or day or night hospitalization, or to an intensive out-patient service or foster care. The distance between a totally dependent environment and the community is very great, for it keeps many of the mentally ill in the hospital. In halfway houses several mentally ill people live together in a homelike atmosphere. Patients learn how to get along in the community, how to do household and daily living tasks. A supervisor may or may not live in the house. A mental health professional may visit to help work out problems and to give support to the people in the house. There are usually 10 to 20 people living together in a house. The facilities may be transitional for the patient, as the name would indicate—halfway between hospital and community. Many halfway houses are either privately funded or self-supporting; that is, the residents are employed and able to cover living costs. Since halfway house residents in many instances must be employed, this avenue of rehabilitation is closed to most of the chronically mentally ill.

Partial hospitalization allows people the protection of the hospital during the day or the night, while they are easing themselves back into the community. People may come to the hospital during the day to participate in rehabilitation programs while remaining in the community at night. Or, someone may need to return to the hospital at night after being in the community all day. Partial hospitalization is a required service of all Community Mental Health Centers.

Most important, any rehabilitation program must offer a non-threatening environment. In ex-patient groups, the common denominator of prior psychiatric hospitalization can produce a high degree of solidarity. Expectations are not so high, but tolerance of deviant behavior is higher.

Some examples

The Fairweather Program in Minnesota enables a small group of mentally ill people to live and work together in relative stability. The cooperative provides members with a "family" and identification as a citizen, not a patient. The

"family" does its own shopping, menu planning, deals with the telephone company, utility companies, and banks. Life is less stressful and lonely than independent living, and more normal than life in a hospital or boarding home.

Two in-hospital groups feed into the community group by organizing the group, having regularly scheduled meetings, planning for discharge and making recommendations for their own rehabilitation. The program is funded by the state mental health authority, the county mental health-mental retardation board, the state Department of Vocational Rehabilitation, earnings of the group and \$25.00 monthly for people on social security or S.S.I. People chosen for the program have little or no work experience, have been hospitalized for a long period of time or have been in and out of the hospital over a long period of time, and have no family able or willing to take them back into the home.

The Organized Unit Responsibility (O.U.R.) Homes in Nebraska do not operate in such close contact with the hospitals. Their slogan is "Greater Independence Through Cooperative Living." People usually find their way to one of the 14 homes through community agencies which are responsible for them after they leave the hospital. In an O.U.R. home the chronic patients find support from each other, and from a staff coordinator. Former patients may be hired to cook, do laundry, or clean house for the rest of the residents, while others may find jobs in sheltered workshops. Some may not be able to work. The staff helps residents adjust to the community and use the services available to them. The residents have helped the community to adjust to them! Residents may move out to apartments, but if they find the going too stressful they may move back, or retain the support system by frequent visits.

The Mental Health Association in Nashville, Tennessee, has set up as a demonstration project the House of Friendship, which takes referrals from the local community mental health center which has the major responsibility for people as they return from the state hospital. Returning patients are offered some meaningful activity as well as help in readjusting to community life in programs similar to those described above.

A program in a Veterans Hospital in Topeka, Kansas, moves chronic patients from the ward to a hospital-based annex which simulates independent living arrangements. After three months, the group moves to a house in the surrounding community. There they are responsible for house maintenance, food shopping and preparation. Eventually, many patients move to completely independent status. After 5 years, 111 people—or 60% of the participants—were functioning in independent groups without hospital supervision; only 10% had returned to the hospital.

Another hospital, Eastern State in Williamsburg, Virginia, conducted an intensive rehabilitation program on the ward without hiring additional staff. The program involved the patients in their own treatment plans, and created a competitive atmosphere to gain "release status". The patients had to gain basic living skills, had to remain oriented as to time and place, show appropriate personal hygiene, and an awareness of surroundings. Upon release, patients were referred to the local outpatient clinic which followed up with assistance in housing and continued rehabilitation.

Still another hospital program at Mendota State Hospital in Madison, Wisconsin, kept patients in the community, and dealt with dependence and anxieties as they arose. A social worker on the hospital staff kept in very close touch with the patients who had been placed in board and care homes, halfway houses or foster homes. Social services were first alerted to the special needs of the patients and the need to foster independence. Social rehabilitation plans were developed for each patient, forcing the patient to adjust to the community. A liaison is developed between the hospital staff and people in the community who could have an impact on the patients' adjustment—police, restaurant managers, other store managers, board and care home operators, etc.

The Fort Logan Mental Health Center in Denver has developed a boarding home council made up of center staff and operators. The council holds workshops for operators to help them solve the problems of adequate nutrition, stimulating activity and independence in residents. The center also operates a large day hospital program for chronic patients living in the community. Special residential units are being set up for patients who need more than a boarding home, but less supervision than a nursing home. This program, like all those just described, is designed to provide maximum potential functioning and minimize the recurrence of illness.

Some proposals for delivery of services

The programs just described show that the chronically mentally ill can and do respond to rehabilitation programs serving their special resocialization and therapy needs. Several of the programs used existing delivery systems. Since many people needing these rehabilitation services are dispersed between hospital and community, there needs to be a coordinating agency between the hospital and the community. The potential for such a relationship exists between hospitals, community mental health centers, and Vocational Rehabilitation agencies.

The emerging delivery system places responsibility on community mental health centers to provide mental health services to all the mentally ill people, including chronic cases within a geographically defined catchment area. Making the community mental health center system the focal point for all services and accountable for the delivery of services, calls for a working relationship with the rehabilitation services. In state hospitals, Vocational Rehabilitation agency staff have for many years been an internal part of the patient care team. Their role in determining if a patient is suitable for vocational rehabilitation has long been recognized. There seems to be a basis for the same kind of relationship between the vocational rehabilitation agency and the community mental health center.

The Vocational Rehabilitation agency now provides support and services for a patient while the evaluation to determine the suitability for vocational rehabilitation is taking place. The evaluation may require several weeks, or may last up to 18 months under an "extended evaluation". (Because of a lack of funds, the extended evaluation is not frequently used.) The Vocational Rehabilitation agency and the community mental health center can work together to determine the patient's psychological and social needs, making referrals to proper social agencies which can provide necessary social services, while the center provides mental health services. Furthermore, the patient frequently needs services from several different social agencies. There needs to be a focal point, a coordinator, for the patient to help find the needed services, with the minimum amount of stress placed on him.

The community mental health center has the obligation to provide these rehabilitation services. The new Community Mental Health Centers Amendments of 1975 require community mental health centers to provide aftercare services in addition to the other five. This new service will provide additional opportunity for Vocational Rehabilitation agencies and community mental health centers to work together to provide adequate services to the chronically ill. The rehabilitation services should be a part of the aftercare services delivered through the community mental health system, rather than a separate system. As the focal point of the system, the community mental health center should also be the planning agent for the chronically mentally ill patient as well as the conduit for aftercare and rehabilitation funds for the necessary services.

The role of the Mental Health Association

The role of the MHA (Mental Health Association) is to stimulate activity on the behalf of the mentally ill. It is to obtain, not provide, services. The MHA is an advocate for the mentally ill, speaking for those who cannot speak for themselves.

Across the country, MHA volunteers are working with Federal, State and local governments to obtain aftercare services. It was the recommendation of the MHA to include aftercare as a required service in Federal community mental health center legislation. In California, the MHA was able to halt the discharge of patients from hospitals until more adequate referral and followthrough could be arranged with local services.

Educating the community to the special needs of the chronically mentally ill person is another role for mental health associations. Dispelling myths and stigmas surrounding mental illness will help make the community at large more accepting, tolerant, and therefore supportive of the mentally ill person.

Mental health associations cannot take the place of rehabilitation agencies or mental health centers or social agencies. We can, however, be a friend to the chronically mentally ill person and encourage him along his way to independent living.

While we have stressed the problems encountered by clients, particularly those with mental illnesses, in rehabilitation, we are well aware of the program potential. That this potential has not been realized is not entirely the fault of

the system; some of the blame must also fall on evaluation methods and inadequate funding. We believe the Congress should make its intent clear in the renewal legislation by amendments which clearly state that there is more to effective rehabilitation than case closure, and economic self-sufficiency for all clients.

Therefore, should the constraints of time make a simple extension of the present act the most expedient course, we urge the Committee to limit the extension to one year, or two at the very most, so that needed changes may be affected as soon as possible.

Thank you.

PREPARED STATEMENTS OF CHARLES W. REEDER AND DONALD C. LINKOWSKI, REPRESENTING THE COUNCIL OF REHABILITATION COUNSELOR EDUCATORS (CRCE) AND THE AMERICAN REHABILITATION COUNSELING ASSOCIATION (ARCA)

This testimony is prepared by Drs. Donald C. Linkowski and Charles W. Reeder representing the Council of Rehabilitation Counselor Educators, an affiliate of the National Rehabilitation Association and the American Rehabilitation Counseling Association, a division of the American Personnel and Guidance Association. These two national organizations represent more than 75,000 individuals concerned with citizens who have disabilities.

We are in agreement that the Rehabilitation Act of 1973 as amended in 1974 should be extended with only minor modifications. We request that there be in-depth hearings on the Rehabilitation Act. An issue that is important to us is the operation of the training program and the question of advanced funding.

Extension of this program with its newly introduced emphasis on rehabilitating the most severely disabled has just begun to have its effects. More time is necessary to provide opportunity for evaluation. Continued emphasis on vocational rehabilitation in addition to having a humanistic impact also has been demonstrated to be cost effective. Disabled people are enabled to become contributors as taxpayers rather than become tax burdens.

Levels of authorized appropriations should be raised to correspond to increased costs due to inflation. We recommend that for training this amount be 35 million dollars with such other sums as may be necessary.

Serious consideration should be given to provide *advanced funding* for rehabilitation training programs. Under the present method of funding, in which appropriations are provided after the beginning of the university academic year, there are many problems in planning. These problems range from uncertainties regarding faculty commitments, curriculum planning and development, and relations of rehabilitation programs with university administrators. The most serious problem concerns student recruitment and selection. The lateness of funding decisions has mitigated against students being able to plan and make commitments to entering rehabilitation programs. Qualified disadvantaged persons who are most in need of financial support provided by the Federal traineeships are turned away from rehabilitation programs because of the uncertainty of funding.

Training provisions provided by other legislation allows for advanced funding. These programs do not experience the problems cited here. Advance funding would require doubling the authorization for appropriations just during the first year it is instituted.

PREPARED STATEMENT OF THE EPILEPSY FOUNDATION OF AMERICA

The Epilepsy Foundation of America, the major national spokesman and advocate for the estimated four million Americans with epilepsy, is pleased to support the continuation of the Rehabilitation Act of 1973 and its major significant programs.

Beginning with the Smith-Fess Act of 1920 and continuing into the seventies, Vocational Rehabilitation has gained considerable impetus for the millions of persons in their fight to function at a maximum level of personal satisfaction as well as social and economic independence.

It becomes quite clear that this important State-Federal program should be considered for a 2-year extension.

In addition, this organization also recommends to the Subcommittee that oversight hearings into current operations of rehabilitation programming be

conducted at the earliest possible time. This is important, of course, not only for our constituency but for clients representing a wide range of disabilities including those with multiple problems.

The Need for a Greater Emphasis on Severe Disabilities

In 1974 Sands¹ reported: "That a deep concern exists about the significant decline in the numbers of persons with epilepsy rehabilitated by the Federal-State rehabilitation programs. In FY 1972, 4,600 persons, or 1.5% of those rehabilitated by government program, had epilepsy as a primary disability. This percentage represents a decline from 1.7% in 1970 and 2.2% in 1966. The fact that almost 29% of applicants with epilepsy are not successfully rehabilitated, despite advances in the (medical) management and rehabilitation sciences was termed "alarming."

Jess M. Irwin, Jr.,² head of the Texas Rehabilitation Commission, stated: "Three years ago we recognized that a major disability group not being effectively served was the epileptic. Moreover, although all with epilepsy are not severely handicapped, the vast majority served by State VR agencies are. This is because of the archaic yet very real social stigma still associated with the disorder. Due to this stigma and non-acceptance by society, the overwhelming majority of epileptics keep their disorder hidden as much as possible. Consequently, those referred to VR agencies are generally those with prior seizure control so they cannot keep their disorder hidden. Our experience has shown that they are multi-handicapped."

Texas has been exemplary in making inroads in epilepsy rehabilitation, but keeping up this impetus and getting other states to initiate novel programs for those with epilepsy as well as other severe conditions, needs further stimulation.

Another area of concern requiring Congressional oversight is in the procedures and the implementation of Sections 503 and 504 of the Rehabilitation Act of 1973. Numerous complaints of job related discrimination are reported to the Foundation and its local chapters, but techniques to expeditiously handle the complaints are still not being accomplished in any systematic fashion.

The area of adequacy of counselor training and continuing education also poses some critical questions in the implementation of the Rehabilitation Act. Specifically; what kinds of counselor training programs are available in the rehabilitation of the severely handicapped? Are universities able to prepare sufficient numbers of counselors to meet the additional demands needed in working with the multihandicapped?

Conclusions

The Epilepsy Foundation of America heartily supports a 2-year extension of the Rehabilitation Act with the view that Congressional oversight be conducted for the purposes of strengthening rehabilitation programs, especially in the areas of services to the severely handicapped, civil rights and affirmative action and counselor training and continuing education.

The Foundation stands ready to assist in any way possible to assure the viability of the State-Federal Vocational Rehabilitation programs.

AMERICAN SPEECH AND HEARING ASSOCIATION,
Washington, D.C., December 17, 1975.

HON. JOHN BRADEMAs,
Chairman, Subcommittee on Select Education, House Education and Labor Committee, Rayburn House Office Building, Washington, D.C.

DEAR MR. BRADEMAs: The American Speech and Hearing Association (ASHA) was among the organizations which appeared before your Subcommittee and the Senate Subcommittee on the Handicapped December 9 and 10 to call for a simple, immediate extension of the Rehabilitation Act of 1973 as amended. We ask that this letter be joined in the record of proceedings on the Act's extension with the informal remarks we presented December 9.

¹ Sands, Harry. Ph. D., *Current Concepts of Epilepsy for VR, DDSA and EFA staffs*, Final Report, SRS Grant #44-P-15189/3-01, Epilepsy Foundation of America, 1974.

² National Spokesman, Vol. VII, No. 8, September 1974.

Permit this reiteration of our hopes that prompt congressional action will move the Act's extension to the President's desk well in advance of receipt by the Congress of the Administration's fiscal 1977 budget recommendations, and that enactment of the extension will be followed by an in-depth "oversight" consideration of the continuing relevance of the Act's various elements, and of the appropriateness of the Act's administration by the Rehabilitation Services Administration (RSA).

With respect to the former of these hopes, we should like to go on record as favoring an extension of no less than two years, with at least \$740 million and \$760 million authorized for Basic State Grants in fiscal years 1977 and 1978, respectively. Further, we should like to join the Council of State Administrators of Vocational Rehabilitation in calling for \$35 million and \$37.5 million authorizations in fiscal years 1977 and 1978 for training-program support, and in recommending authorization of identical amounts for research support.

With respect to our hope that oversight hearings will follow close upon the Act's extension, ASHA joins the many other consumer and professional organizations from whom you have heard in urging a thoroughgoing analysis of such issues as the Administration's apparent unwillingness to implement section 504 of the Act and RSA's failure to develop meaningful, coordinated rehabilitation training and research initiatives.

ASHA has yet another concern it will endeavor to detail for the Subcommittee during oversight proceedings—regarding RSA's maladroit effort to prescribe for state vocational rehabilitation agencies the manner in which hearing aids should be delivered to hearing-disabled beneficiaries of the Act. The manner chosen by RSA, despite the best efforts of more than several of the consumer and professional organizations which appeared before you earlier this month, has the effect of directing the state agencies to significantly reduce the quality of hearing-aid-related services and substantially increase their costs. Three aural rehabilitation-related ASHA Committees are currently analyzing the hearing-aid sections of the recently published final RSA-written regulations. We shall bring their findings and recommendations to your and your Subcommittee's attention on the occasion of oversight proceedings.

Thank you for your consideration of our views.

Sincerely,

RICHARD J. DOWLING, ESQ.,
Director, Governmental Affairs Department.

DECEMBER 8, 1975.

HON. JOHN BRADEMAS,
*Chairman, Subcommittee on Select Education, U.S. House of Representatives,
Washington, D.C.*

DEAR MR. CHAIRMAN: The undersigned organizations, concerned with the vocational rehabilitation program, recognize the need to extend the Rehabilitation Act promptly, this year if possible. An extension is necessary to assure that there is an authorization in law prior to the budget and appropriations process for FY '77. The uncertainty involved in having no authorization in law for FY '77 and fiscal years thereafter is very damaging to rehabilitation programs.

On the other hand, we all feel very strongly that there are a number of important issues in the rehabilitation program which require Congressional review. Some of these issues do not necessarily involve changes in the Rehabilitation Act, since administrative action may be sufficient to deal with them. Others may require legislative change. All of these issues need a thorough and lengthy review, however. And that review could not, in our opinion, be undertaken as part of the process to extend the Rehabilitation Act, given the need for a prompt extension. Examples of these issues are: (1) state vocational rehabilitation organizational structures which are possibly in violation of Federal law and regulations and/or Congressional intent; (2) the failure of the Federal Government to implement Section 504 of the Rehabilitation Act and its slowness in implementing other civil rights provisions; (3) the misuse of research funds and the failure to develop a well focused and supported research program; (4) the need

for adequate funding for the construction and improvement of rehabilitation facilities to serve the severely disabled; and (5) implementation of provisions giving priority to serving the severely disabled.

Therefore, we support a prompt and simple extension of the Rehabilitation Act for at least two years or more in December, 1975, and lengthy Congressional hearings to adequately review issues, such as those described above, early next year.

Sincerely,

NATIONAL REHABILITATION ASSOCIATION

By: Sigmund A. Lange Exec. Dir.
Council of Rehabilitation Counselor
Educators

By: Donald Lindawski
American Physical Therapy Association

By: Robert A. Tubby
American Foundation for the Blind

By: Don F. Brown
National Rehabilitation Counseling
Association

By: Yvonne R. Hall
Administrative and Supervisory
Practices Division

By: Alan Spence President

American Speech and Hearing Association

By: Edward J. Manning Director

American Occupational Therapy Association

By: Francis J. Mallon

National Association for the Deaf

By: Richard G. Reuber Exec. Secy.

American Congress of Rehab. Medicine and
Am. Academy of Physical Medicine & Rehab.

By: Richard E. Veinille Of Counsel
National Easter Seal Society

By: Richard E. Veinille Of Counsel
Epilepsy Foundation of America

By: Edward H. Paulmann
Council of State Administrators of
Vocational Rehabilitation

By: Joseph H. Owen, Jr.
Goodwill Industries of America

By: Alan M. Hill President
Association of Rehabilitation Facilities

By: F. P. Stephens Exec. Secy.

Professional Rehabilitation Workers with
Adult Deaf

By: Charles K. Lee Exec. Secy.

United Cerebral Palsy Association

By: Richard Long Chm., Govt.
Act. Comm.

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