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HEARING

BEFORE THE

SUBCOMMITTEE ON THE HANDICAPPED

OF THE

COMMITTEE ON HUMAN RESOURCES

UNITED STATES SENATE

NINETY-FIFTH CONGRESS

FIRST SESSION

ON

OVERSIGHT INTO THE REORGANIZATION OF THE OFFICE OF
HUMAN DEVELOPMENT

SEPTEMBER 20, 1977

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OFFICE OF HUMAN DEVELOPMENT REORGANIZATION,
1977

TUESDAY, SEPTEMBER 20, 1977

U.S. SENATE,
SUBCOMMITTEE ON THE HANDICAPPED
OF THE COMMITTEE ON HUMAN RESOURCES,
Washington, D.C.

The subcommittee met, pursuant to notice, at 9:35 a.m. in room 1114, Dirksen Senate Office Building, Senator Jennings Randolph (chairman of the subcommittee) presiding.

Present: Senators Randolph and Stafford.

OPENING STATEMENT OF SENATOR RANDOLPH

Senator RANDOLPH. Good morning, ladies and gentlemen. This is the 16th day of hearings which the Subcommittee on the Handicapped has conducted during the 95th Congress. The purpose of the continuance of these oversight hearings is to discuss the administration's plans on the reorganization of the Office of Human Development in the Department of Health, Education, and Welfare.

This subcommittee has legislative and oversight jurisdiction for several programs whose responsibility for implementation lies in the Office for Human Development. These programs include the Rehabilitation Services Administration, the Office for Developmental Disabilities, the Architectural and Transportation Barriers Compliance Board, and the Office for Handicapped Individuals.

The plan for reorganization of the Office of Human Development was announced the day following our last hearing. It is my understanding that a hearing on the reorganization plan was held last Monday by the Select Subcommittee on Education in the House. I wish at this time to associate this subcommittee with all of the issues, concerns, and questions which were raised by our House colleagues regarding the plan for reorganization.

It has been brought to the attention of this subcommittee by a majority of the constituent agencies, some of which you will be hearing from this morning, and others, most of whom will be presenting statements for the record, that the reorganization and, in particular, the consolidation of programs affecting handicapped individuals, offers very limited potential for improvement of services to handicapped people. It is most important that the constituent groups and individuals and the Members of Congress be fully informed of the rationale and purpose of the objectives and goals that will be brought up by

such a reorganization. With this in mind we are pleased to welcome Assistant Secretary for Human Development, Ms. Martinez.

We are happy to have you. Would you proceed, please? Identify your associate at the witness table.

Ms. MARTINEZ. Yes.

My associate is Nancy Amadei, the deputy assistant secretary for legislation in HEW.

Senator RANDOLPH. And she used to work here on the Hill.

Ms. MARTINEZ. Yes, she used to work here.

Senator RANDOLPH. Many of us know her and know of her work on the nutrition committee. Thank you.

Ms. MARTINEZ. Thank you.

STATEMENT OF HON. ARABELLA MARTINEZ, ASSISTANT SECRETARY FOR OFFICE OF HUMAN DEVELOPMENT SERVICES, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE; ACCOMPANIED BY NANCY AMADEI, HEW

Ms. MARTINEZ. Mr. Chairman and Senator Stafford—

Senator RANDOLPH. Just a moment, please.

I wanted to see, Bob, if you have a statement, too.

Senator STAFFORD. Mr. Chairman, I really don't this morning. I concur in what you said. I knew you would speak well for both of us, and I am prepared to hear the witnesses.

Senator RANDOLPH. Well, thank you, Bob. We will proceed.

Ms. MARTINEZ. Thank you, Mr. Chairman.

We really appreciate the opportunity to clarify the issues on the reorganization and to hear your views and your concerns about this reorganization.

We have submitted testimony and supporting materials over time for the record, and I will only refer to that testimony.

We would request your indulgence in the late submittal of the testimony. We worked late, until 11 o'clock last night, trying to answer the real concerns and the misunderstandings which have arisen because of the manner in which HEW proceeded with the reorganization.

By the time I left HEW last night, sir, I was still not satisfied with the testimony because I did not feel it answered the concerns. So this morning I arose at 3 o'clock to redo the testimony to try to answer the legitimate concerns of yourselves as well as those of constituent organizations.

We do recognize that our reorganization process clouded the facts and the merits of the reorganization to the extent that one organization could charge there was a hidden agenda to limit and curtail services to the handicapped. I would like to speak to the unfounded fears and to the understandable misunderstandings.

First of all, let me speak to the unfounded fears, to wit: If you carefully peruse the various statements about the reorganization, there is no action by the Department, by the Secretary, by myself, other than the reorganization process as cited which can serve as the basis for the fears.

On the other hand, we can cite numerous actions which indicate our deep commitment to programs for the handicapped. No. 1 on this list

is the issuance of the section 504 regulations within 4 months of the Secretary's confirmation.

As you know, these regulations had languished in the Department for 2½ years and never were issued by the previous administration. These regulations have been hailed almost universally—including by yourself, Mr. Chairman—for the strong stand taken on civil rights for the handicapped, and their clarity and brevity.

Those who were most actively involved, both inside HEW and outside HEW, know the advocate role I played, along with many others in the Department, most notably my colleague Peter Libassi, to insure that the final regulations would be very strong.

A second example: The issuance of the regulations on the Randolph-Shepherd amendments. That was done within 1½ months of our entering office. These regulations also had languished for several years in HEW.

My role was to present the case for the regulations and the urgency for their issuance to the Secretary and the Under Secretary, who, after prompt review, issued the regulations.

A third example: The issuance of the intermediate care facility regulations within 6 months of our entering office. These regulations, like the 504 and the Randolph-Shepherd regulations, were controversial and there were many voices opposing many of the provisions which ultimately were approved by the Secretary.

Not every provision supported by the various elements of the handicapped community were approved. But I would say that all of the regulations, as issued, have greatly advanced the cause of citizens with disabilities.

I would like to cite a few other examples to allay further any fears as to the purpose of the reorganization.

In our search for a commissioner, we looked for the most knowledgeable and the strongest possible person for that position. We consulted far and wide on the identification of candidates and in the final selection. I made a commitment to consumer organizations that we would select a person with a consumer orientation, and that commitment was kept, as evidenced by the selection of Bob Humphreys.

And in our selection of Bob Johnson as the executive director of the Architectural and Transportation Barriers Compliance Board, we took cognizance of the recommendation by the ATBCB National Advisory Committee and those of other consumers.

Another important part of the administration's commitment to the handicapped community is that this administration has supported the extension of the Rehabilitation Act for 3 years rather than the annual 1 year extension. That's a new direction by the administration. This extension was without any major changes in the operation of the vocational rehabilitation program.

In my testimony before this committee, I supported the concept of independent living rehabilitation and expressed a hope that we could expand our objectives to include independent living among them.

With respect to personnel ceilings, I have fought to reduce the number of positions lost in the freeze, and I am pleased to say that I recovered all of the ATBCB positions and the Randolph-Shepherd positions which were originally lost. Plus I have allocated other positions to the handicapped programs.

The fact of the matter is that more positions were allocated after the freeze to the programs for the handicapped than to any other single program within the Office of Human Development Services.

Last but not least, during these last few months, I have fought for an adequate share of the proposed 1979 HEW budget for all the programs in the Office of Human Development Services, including those for the handicapped. And I believe we have proven our case to the HEW administration and we intend to do the same with respect to the Office of Management and Budget.

Now this issue of what is our motivation with respect to reorganization needs to be set in the context of what it is that we have done with respect to the handicapped.

I hope that these examples allay some of the fears with respect to the motivation.

I do believe—and I should say this very clearly—that many of the fears are the results of lack of communication about what HEW and I, in particular, have been doing and are doing with respect to programs for handicapped individuals.

In addition, I believe that some of the fear has to do with the fact that I am an unknown person in Washington, D.C., and in the rehabilitation field. But it is a very strange position for me to be on the side—and I put this in quotes—“On the side of the bad guys”, especially in view of my 18-year history of advocacy for programs for the disadvantaged.

However, I do not ask to be judged on my past record, but I do request that I be evaluated on the positive organizational and programmatic support I have given to programs for which I am responsible and accountable, and for the actual results of those efforts.

I am deeply committed to working for policies and processes which will benefit the people we serve. I may not always win in these bureaucratic fights, but no one can say that I did not fight for the people that we serve—including the handicapped.

Now let me speak to the understandable misunderstandings of the reorganization.

First, we have tried to convey in everything we have written and every time we have spoken about the reorganization, that the reorganization announced on July 26 was only a first step, and that the most critical and major decisions are still to be made.

The final organizational plan will not be completed until January 1, 1978, and maybe not even then.

Second, a reorganization structure and process has been designed which provides for substantial participation by all units affected by the reorganization, by employees and by the Congress, and by constituent organizations, and that plan has been sent to Members of Congress who have oversight jurisdiction.

Within that plan there are four consultation periods set aside for Members of Congress, their staffs and constituent organizations. In fact, the first readings are scheduled or planned for next week.

One of the important elements of the reorganization effort which is frequently overlooked is that, in addition to the crosscutting steering reorganization task force, each major program organization has

its own task force, chaired by the commissioner of that program unit, the acting commissioner, and/or the commissioner-designate.

In the case of the Administration for Handicapped Individuals, Bob Humphreys and Joe Mottola are responsible for overseeing the work of the task force for the Administrator for Handicapped Individuals and for participating actively on the crosscutting steering task force.

The role of the task forces is to develop organizational options within the framework established by the July 26 reorganization in consultation with employees, Members of Congress, their staffs and constituent groups. Options and recommendations will be submitted to me in middle or late November.

Depending on the options selected, we may propose some legislative amendments to the Congress. We recognize that if we propose legislative amendments, the reorganization will not be completed until after Congress has taken action, and that may well be after January 1, 1978.

In addition to clarifying the preliminary nature of the reorganization announced on July 26 and the facts of the reorganization structure and process, I would like to address a few other misunderstandings.

No. 1, in the reorganization announced on July 26, there was absolutely no transfer of program positions or employees to staff units either within the separate program administrations or the Office of Human Development staff units.

No. 2, and that is a very important point, there was no transfer of program employees to staff units.

No. 3, the creation of two new staff units and the expansion of one other was made possible through the consolidation and transfer of a number of small staff units that reported directly to me and some employees transferred from the disestablishment of the Social Rehabilitation Service.

All staff units are involved in the reorganization process, and, as with the program units, there may be a few or a lot of changes, depending upon options and recommendations submitted to me and my choice among those options and recommendations.

My general view of staff officers are that they are to provide assistance and support not only to the assistant secretary but to the program units. They do not have a life of their own.

Another point which I would like to clarify is that the Executive Director of the Architectural and Transportation Barriers Compliance Board still reports to the Board of Directors and to me as the Chairperson of the Architectural and Transportation Barriers Compliance Board.

The same is true for the Director of the Office of Handicapped Individuals.

With respect to the "double-hatted" Commissioner for the Rehabilitation Service and the Administration for Handicapped Individuals, that is part of a temporary administrative structure. The options and recommendations which will be submitted to me during middle or late November will address this issue also.

There are many more issues than the ones that I have touched upon in this testimony. We have provided written answers to questions submitted to us by members of this subcommittee and we are prepared to answer other questions. However, I would like to make some concluding remarks.

We are deeply appreciative of this subcommittee's concern about the reorganization process. We are cognizant that this committee has worked long and hard to assure that people with disabilities have adequate services and that their civil rights are guaranteed and protected.

Both the Secretary and I are deeply committed to more adequately serving citizens with disabilities and insuring and protecting their civil rights, as evidenced by the initiatives which we have taken.

Although there has been criticism about the limited consultation prior to the reorganization announcement, I think it is fair to say that it was a call of judgment as to the most appropriate time for consultation, since the reorganization announced on July 26 was a first step and the major decisions were to be made during this period between August and December.

Furthermore, we did not take the first steps without the knowledge that many individuals with disabilities and many organizations who advocate on behalf of citizens with disabilities wanted some form of consultation of programs for the handicapped.

Likewise, this was the case with the programs for children and youth.

There may be questions, and indeed I share those questions, as to the best way to structure the Office of Human Development Services in programs for the handicapped. But I do not believe that there's any question that there was a desperate need to reorganize HEW and the Office of Human Development Services.

It is the Secretary's belief, and many people support him—as I do—that unless we prove that HEW is manageable, we will not be able to develop the necessary support for HEW programs which serve the most economically disadvantaged, the socially displaced, the physically ill and the most severely disabled.

Secretary Califano intends to manage HEW and in fact he has demonstrated his capacity to manage it. And although people may dispute his commitment to consultation in the decisionmaking process, I urge you to look at the general record of consultation.

I venture to say that HEW under Secretary Califano has provided more opportunities for consultation in participation in the problem-solving process of HEW in the last 7 months than most administrations have provided during their entire administration.

I do not mean to imply that HEW is perfect in this regard, nor to say that people do not have a right to criticize the process and that their criticisms may indeed be valid. But only to put in perspective the manner of consultation.

In conclusion, let me reaffirm our commitment to programs for the handicapped and to the consultation process which we believe is essential to achieve the broad purpose of the reorganization, and that is to serve more people more adequately.

Thank you, Mr. Chairman, very much. I will take questions.

Senator RANDOLPH. Ms. Martinez, as you began your testimony, we did not have a copy.

Ms. MARTINEZ. That's because I wrote it at 3 o'clock this morning.

I am very sorry for the delay in the testimony.

Senator RANDOLPH. It is difficult, as you know, but understandable.

I have a copy of a release dated July 27th. I don't know how many Members of Congress received it. And the words of it are as follows:

Dear Colleague, based on a careful 5-month study of the Organization of Social Services and Human Service Programs within this Department, the Department of Health, Education, and Welfare, the Secretary announced yesterday a complete reorganization of HEW's Office of Human Development. The changes we are making will consolidate both staff and program operations and will streamline administration of this office.

Because that statement which I have just read goes unanswered, at least in part, in my thinking, will you share with us some of the findings of that 5-month study which led to the reorganization of the Office of Human Development Services?

Ms. MARTINEZ. Mr. Chairman, let me just say that that was not a formal study, that it was an overview as we proceeded with the reorganization from SRS. But it did represent—

Senator RANDOLPH. But the release doesn't say that.

Ms. MARTINEZ. I realize that, Senator, and I am sorry.

Senator RANDOLPH. All right.

Ms. MARTINEZ. And I think that that has contributed to confusion. I want to make that clear, too. And I think there are a lot of items in there that contributed to the confusion.

But we did take a look at the programs and at the way they were operating, and at my span of control. When I came into office, there were approximately 34 to 36 direct reporting lines to the Assistant Secretary.

This was, as you know, an unmanageable situation for anybody and, in fact, meant that there was no time to give attention to program concerns and to the concerns of the Commissioners.

We decided that we could either continue in that pattern or we could reorganize. However, because if we continued as we were, we felt that we would be dealing with the issues superficially and in fact, could not be made accountable for the programs under us, we decided to go the reorganization route.

So one of the major facts of reorganization was the tremendous span of control for the Assistant Secretary and the consequent lack of monitoring, and supervision and ability to cope with all of the issues which were being brought to our attention.

A second thing that we found was that there was a tremendous amount of fragmentation, not only among the programs but within each program in relation to the various target groups.

Now, part of that fragmentation we felt could be corrected by bringing programs that related in one way or another together. And in the case of the handicapped we brought the programs together so that we could begin to focus and eliminate the fragmentation, the gaps in services to people.

So I think that I should say to you that the period from July 26 through January 1, 1978, will be a much more intensive study of the

organizational issues, and we hope that—and as I have said earlier, not only is there one overall steering reorganization task force but there is one for each program unit. We anticipate that many issues will be identified and there will be some critical decisions which we will have to make after options are presented to us.

Senator RANDOLPH. Now you advocate a reduction in the number of persons who would report to you; is that correct?

Ms. MARTINEZ. Yes, the span of control.

Senator RANDOLPH. And how will that improve the quality and the delivery of services to an individual who needs rehabilitation.

Ms. MARTINEZ. One of the things I believe, Senator, in having been on the local level for many, many years—

Senator RANDOLPH. Where was that?

Ms. MARTINEZ. In California.

Senator RANDOLPH. Where in California?

Ms. MARTINEZ. Oakland, Calif., to be specific. That's where I did a lot of my work. But I also did a lot of consulting around the country with all kinds of social programs.

But one of the things I do know is that how the Government organizes itself at the Federal level does in fact impinge on how services are delivered at the local level.

It is my belief—and this is still to be substantiated—that being able to devote the time necessary to the resolution of problems and to the development of policies is essential to improving the services to the clients we serve.

As the agency was organized, there was no way that we could devote that kind of time and energy to each of the tasks.

Senator RANDOLPH. Now I believe that you had 82 less positions as a result of the freeze in OMB; is that correct?

Ms. MARTINEZ. That is correct.

Senator RANDOLPH. Now how many would you gain as a result of this reorganization you have discussed?

Ms. MARTINEZ. On the reorganization of July 26, we gained no positions at all.

Senator RANDOLPH. How many positions in March?

Ms. MARTINEZ. On March 8 we were supposed to gain 431, both in the central and regional offices. We actually ended up getting 421 people. There was a discrepancy of something like 30 positions between what we were supposed to get and what we actually got, because of the vacancies. We lost those vacancies in that transfer. That's in addition to the number we lost in February.

Both in the central and regional offices, the majority of the 421 positions were placed within the Public Service Administration and the WIN Administration. I think something like only 48 of those 421 were placed in staff units in both the central and the regional offices.

Senator RANDOLPH. During your testimony, you used the word "unmanageable"; is that correct?

Ms. MARTINEZ. That is correct.

Senator RANDOLPH. And yet how many new people were taken on? Five hundred?

Ms. MARTINEZ. Four hundred and twenty-one.

Senator RANDOLPH. Four hundred and twenty-one?

Ms. MARTINEZ. Yes.

Senator RANDOLPH. How many were there before?

Ms. MARTINEZ. I don't know what the actual onboard strength was at the time, but I think it was something like 1,373. I am trying to remember. It was about 1,373 onboard strength.

Senator RANDOLPH. I am not a carping critic, and you must understand that.

You said that the 1,373—

Ms. MARTINEZ. Was what we had prior to the March 8 reorganization.

Senator RANDOLPH. All right.

And you said that was unmanageable.

Ms. MARTINEZ. I said that the way the organization was structured it was unmanageable.

Senator RANDOLPH. Not the number of persons?

Ms. MARTINEZ. Not the number of persons.

Senator RANDOLPH. I see.

Because when you take on 421 more people and two more programs, I was wondering how that would be more manageable.

Ms. MARTINEZ. Well, it does complicate the situation; but because we did go through the reorganization and reduce the number of reporting lines in the central office from 24 to 9, it makes it a much more manageable unit for me. Plus in that process I think we provided to the program commissioners more responsibility and more autonomy in how they operate.

Senator RANDOLPH. And in the 5-month study, is that spelled out?

Ms. MARTINEZ. What?

Senator RANDOLPH. Your thinking that you are now expressing?

Ms. MARTINEZ. About the lack of—the span of control?

Senator RANDOLPH. Yes, the in-house studies.

Ms. MARTINEZ. It is not spelled out in a formal organizational statement, no, sir.

Senator RANDOLPH. A final question, then, Bob, I will turn to you.

There is a job freeze, is that correct?

Ms. MARTINEZ. There was. It has now been lifted.

We initially lost, Senator, I think it was 149 positions. As in all bureaucracies, you fight for positions. I fought for positions and managed to reduce the number of vacancies in OHDS from 149 to 82. And then, of course, you're competing with other units in HEW, but I kept fighting.

Senator RANDOLPH. Where do you contemplate securing the staff that would be administering the programs for the handicapped.

Ms. MARTINEZ. The two staff units which are appended to this administration for handicapped individuals, are not operational, of course, and we don't know how they are going to be structured.

First, we have not determined that the preliminary organization chart, which you have in front of you, shows in fact the organization that is going to result from this implementation phase in which people are working on the organizational structure. Two, we do not believe that we will need more staff people than at present. The fact is that by consolidating programs you should have less need for duplicative administrative organizations.

Within most of those program units that were consolidated, there are people who duplicate the work of other people. This was necessary when they were separate. It is not so necessary when you put them together.

But we really do not know what the actual organization is going to look like by the end of January 1, 1978. Those are all decisions which still need to be made.

Senator RANDOLPH. I am thinking now of the person or persons working in the administration of programs for the blind, for example.

I am wondering, are you moving those program people up to administrative jobs?

Ms. MARTINEZ. We have not done that, Senator, and we do not contemplate that we will be putting more people into staff positions than are now in staff positions within each program unit.

Senator RANDOLPH. I am not quite satisfied. Don't think I am quibbling.

Ms. MARTINEZ. Well, let me just—there are staff units within RSA, there are staff units within DDO, there are staff units within PCMR, there are staff units within OHI, there are staff units within ATBCB.

Now OHI and ATBCB are different because they must report directly to me. But it is possible that some of those staff functions that are handled by those programs might be consolidated, but we do not know that that actually would happen. And it would depend upon the options which are recommended to us.

Senator RANDOLPH. You know, maybe I am not defining the problem too well. This is a complex subject—

Ms. MARTINEZ. Yes.

Senator RANDOLPH. You recognize it.

Ms. MARTINEZ. It is a very complex subject.

Senator RANDOLPH. I am very concerned that the people who know how to carry forward a program are not shifted, frankly, to some policy position. I think their expertise, their understanding, and their strength is in handling a service program. And they have been doing that.

Maybe I am wrong now, but this—

Ms. MARTINEZ. We don't contemplate moving people from program operations to staff or policy positions. I think, quite frankly, there are enough policymakers and more people ought to get out in the field.

Senator RANDOLPH. Senator Stafford will return in a moment, and I will use this time.

The chairman of our Human Resources Committee, Senator Williams, who wished to be here but cannot, indicates that many of the problems with the reorganization seem to have resulted from poor communications and because perhaps you are a newcomer—which you have noted—and that is not against you, and people as you have said, do not know you.

Whose responsibility is it to deal with these problems? Is it just yours, is it just the consumer's, or both of you? Is it your view that it is up to the public to figure out what the Government is doing?

Ms. MARTINEZ. No.

Senator RANDOLPH. That is Senator Williams' concern. I am not doing more than giving you his feelings.

Ms. MARTINEZ. Of course it distresses me a great deal to have the good chairman say that. That certainly is not my position.

I think that, as I mentioned in my presentation, that there was a call made that the time for major consultation would take place after the preliminary reorganization was announced. There is considerable time—within this framework, from July 26 through January 1, for additional consultation.

The Secretary has brought numerous people in to discuss welfare reform and the proposed health insurance program; he has brought in people to discuss regulations over and over again; he is going to have public hearings throughout the regions. I just don't believe that's the Secretary's position either.

Now, it's true that we don't necessarily consult sometimes. And sometimes we make bad decisions; that is also true.

But as I said earlier, I think if you really look at the record with respect to HEW under Secretary Califano, there have been tremendous efforts to consult on all kinds of issues and we probably have consulted more over the past 7 months than most departments and most administrations do in 4 years.

Yet I hope that we can improve our consultation.

Senator STAFFORD. Madam Secretary, some persons feel that for the Architectural and Transportation Barriers Compliance Board to be most effective, it needs to be separate from HEW and established as an independent entity answerable to the President. Critics say that the board is stifled as long as it is within HEW and has to judge HEW projects.

Would you care to comment on this?

Ms. MARTINEZ. Well, I think there has always been a concern which has nothing to do with this administration or any other administration, about how the board should be organized.

There certainly is some validity to wanting a board which is independent, not from just HEW but from the other member agencies as well.

The Architectural and Transportation Barriers Compliance Board staff doesn't do work for HEW. It does the work of the board. And the executive director reports to the board. He reports to me as the chairperson of that board.

HEW has been asked to be the model compliance agency and we anticipate that we will do that for the board.

Senator STAFFORD. Thank you.

You have described the plans that you have designed to improve the administration of handicapped programs under your jurisdiction. I applaud your objective. This committee, of course, wants to see its laws administered with the greatest possible effectiveness for the benefit of all our fellow citizens who are handicapped.

I have a question concerning the new Administration for Handicapped Individuals. At present, the commissioner for the Rehabilitation Services Administration is appointed by the President subject to confirmation by the Senate. Is that not correct?

Ms. MARTINEZ. That is correct, sir.

Senator STAFFORD. I note that your reorganization plan subordinates the RSA commissioner to the new Commissioner of the Administration

for Handicapped Individuals, but that the two offices are to be held by one individual; that is, the Commissioner for the Administration for Handicapped Individuals will serve simultaneously as the Commissioner for the Rehabilitation Services Administration.

Isn't it awkward to have one office which was created by statute and filled by Presidential appointment subject to another office which is the product of a departmental plan?

Ms. MARTINEZ. AS I mentioned in my testimony, that was a preliminary administrative structure, much as all the structure is preliminary. And that this is one of the major issues that needs to be resolved during these next few months.

There could be options that would call for some sort of combination of functions—there could be 500 options on that one—and if the one chosen would require legislative changes, we would at that time come up to the Congress and propose the necessary legislative changes.

I should say that there are numerous examples of the type of organizational anomaly which you have discussed, including the commissioner for the Administration for Children, Youth and Families and the head of the Children's Bureau, which was written into law in 1912.

But to return to the Administration for Handicapped Individuals the work of both of those individuals is the same, to serve the handicapped.

Senator STAFFORD. I just want to point out that Congress specifically took the step of setting up the RSA by statute to an amendment to the Rehabilitation Act of 1973. The author of that amendment, incidentally, is this Senator.

And the purpose of that amendment in 1973 was to forestall unilateral reorganization of RSA by the then Secretary of HEW under the previous Republican administration.

I am seriously doubtful that one individual can do well the complicated tasks required of each of the jobs he is to fill under this reorganization plan. Beyond that, I find it somewhat disturbing to face in this new administration almost the same set of circumstances that we overcame through legislation in the last administration; the difference is that this administration is unilaterally altering a statute passed to meet the former contingency.

Next year we will be considering legislation to renew the Rehabilitation Act, and this Senator simply wants to say that we will then be prepared to readdress the question of RSA at that time.

Ms. MARTINEZ. We will be prepared to address that question, Senator.

Senator STAFFORD. Well, I think that at this point I have no further questions.

Madame Secretary, I want to thank you—

Ms. MARTINEZ. Thank you, Senator.

Senator STAFFORD [continuing]. For your appearance and also personally for your coming to my office yesterday to discuss these matters preliminarily to our appearance here.

And we will look forward to working with you in the future.

Ms. MARTINEZ. We appreciate this opportunity and Senator Randolph's kindness to us. Thank you.

[The prepared statement and additional material of Ms. Martinez follow:]

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STATEMENT
OF
ARABELLA MARTINEZ
ASSISTANT SECRETARY FOR HUMAN DEVELOPMENT SERVICES
BEFORE THE
SUBCOMMITTEE ON HANDICAPPED
COMMITTEE ON HUMAN RESOURCES

UNITED STATES SENATE

WASHINGTON, D. C.

September 20, 1977

Mr. Chairman and members of the Subcommittee, I appreciate this opportunity to discuss with you the recent reorganization of the Office of Human Development Services -- especially as it relates to programs for handicapped individuals.

I believe it is important for me to be meeting with you today to clear up any misunderstanding that may have grown out of our July 26 reorganization announcement and to identify issues and concerns raised since the announcement. In particular, I want to set the record straight on three accounts.

First, there has been some confusion over the status and the extent of the reorganization. Second, there has been concern regarding the process of the reorganization. And finally, I believe there has been skepticism over the intent of the reorganization.

Let me speak to those three points directly.

1) On July 26, after informing key members of Congress, their staffs and constituent groups, the Secretary announced the Department's intention to group social services programs according to the special interests they serve. These programs include those for children and youth, the elderly, handicapped people, and Native Americans. We have grouped these programs into four separate program administrations and have placed responsibility for Title XX and WIN programs in an Administration for Public Services.

In making his announcement the Secretary noted that this reorganization was in line with the March 8 reorganization of HEW and the subsequent reorganization of the Office of Education and Regional Offices in early July. He further noted that the OHL reorganization was only a first step in

bringing related programs together, and that there would be a Reorganization Task Force to work out major structural and functional relationships among the programs. Because of the complexity of these relationships, we have established a series of program, staff and regional office task forces to identify the major issues and to consult with Members of Congress and their staffs and constituent organizations to develop a final organization plan. To summarize, the reorganization announced on July 26 was a first step in a very complicated reorganization effort which will be completed hopefully by January 1, 1978.

2) As for the legitimate concern over the process of this reorganization, it is true that, prior to the announcement on July 26, there was only limited consultation with members of Congress and their staffs and with representatives of constituent organizations. We did contact key Committee members and their staffs and select constituent groups shortly before the reorganization was announced to inform them of our plans. I realize this was not enough. However, our reorganization plan calls for on-going consultation between the announcement of the reorganization and January 1, 1978. Indeed, our first regular meetings are planned for next week.

3) With respect to our Intent, as we pointed out in the fact sheet (see attached) provided to members of Congress and their staffs at the time of the announcement, the purpose of the reorganization was to provide, within the context of current legislation, a more rational and efficient foundation for improving the services programs we administer.

From a management standpoint, consolidating 24 separate units into nine has already made it easier for me to deal directly with program managers on a timely basis. Prior to the reorganization, this was simply not possible. With 24 separate program and staff office heads trying to meet with me both routinely and on special issues, I was presented with two major choices: deal superficially with each, in a limited timeframe, or devote more time to some and ignore others. These are not responsible options, and I needed an immediate resolution. The reorganization reduced my span of control to a workable level and lodges increased responsibility for crystalizing and resolving issues by the Program Commissioners and staff directors.

Beyond making the organization as a whole more manageable, the reorganization provides for improving the programs we administer. The new Administration for Handicapped Individuals brings together six separate elements and is aimed at achieving a broader focus for people with disabilities. This is absolutely essential if we are to achieve the broad goals of helping disabled people obtain employment and live more independently, with dignity and choice. Our objective is to reach more eligible handicapped people by promoting close cooperation among related programs. Some of the benefits would include:

- more coherent and rational program planning;
- increased attention to those who are eligible but are not now being served;
- greater emphasis on utilizing research findings to improve the quality of services and make independent living a more widely available choice;

- establishing a strong relationship between the education and vocational rehabilitation communities; and
- streamlining administration by reducing burdensome planning and reporting requirements and by eliminating duplicative structure and functions.

While I feel confident that improvements in management and delivery of services are possible given the new HDS structure, I also recognize the concerns of those most directly affected by the reorganization.

With respect to programs for handicapped persons, concerns have been expressed in letters, meetings and telephone conversations with me and members of my staff. The principal issue appears to be the dual role of the new AHI Commissioner. On the one hand, the vocational rehabilitation community is concerned that the Commissioner will not have enough time to devote to RSA matters. And on the other, constituent organizations representing the interests of handicapped individuals not now served by RSA programs are concerned that the Commissioner's time will be dominated by the more heavily funded vocational rehabilitation efforts. Although I do not want to prejudge the implementation work that remains to be done, it is likely that our final solution to this issue will require legislative change. Again, this will be examined thoroughly as we consult with the public during the implementation stage.

There are other important concerns which have surfaced over the last month. Should there be separate research and training units in the new AHI organization. Should planning and administrative elements be consolidated? Should there be one public information and education function for the new organization? Should advisory committees be consolidated? How can programs be redesigned at the delivery level to

serve people with multiple needs? Where should the responsibility lie for budgeting, regulations development, grant management and other program management functions. All of these issues will be addressed by the various reorganization task forces and in consultation with members of Congress, their staff and constituent organizations.

The task forces began meeting last month. The groundwork for surfacing issues and involving appropriate groups has been laid out. Several weeks ago, we circulated a draft workplan for the reorganization effort to select Congressional staff and other interested parties. As for involving these groups in the task force process, the plan points to four major interactions:

1. separate meetings with key Congressional staff and select constituent group representatives during the last week of September to discuss the proposed process, organization and management issues and other program issues that require examination by the task force;
2. follow-up meetings during the last week of October to discuss major options on issues surfaced during the September meetings, including pros and cons and an indication of legislative changes required for these options;
3. meetings during the week of November to discuss the task force's draft recommendations to implement all facets of the reorganization; and
4. a last meeting to inform those who have participated of the final package to be submitted for action.

As you can see, the reorganization announced on July 26 is by no means final or complete. In fact, today's hearing and the one held by the House Subcommittee on Select Education on September 12 serve to identify issues and concerns that require careful consideration and examination.

Let me just add that the overriding aim of this reorganization has been to do a better job of getting services to those for whom they are intended. This reorganization is not just an exercise in moving organization boxes. These programs represent services to people, and the primary concern of this or any other organizational arrangement must be the quality of those services and their accessibility to those who need them. If I did not believe that the end product of our reorganization efforts would be the more effective delivery of services, then I would not have taken this initiative.

Having worked with these programs at the other end -- as a social worker in several county welfare agencies, carrying caseloads in every category including the disabled and as the Executive Director of a Community Action Agency and later of one of the largest Hispanic Community Development Corporations and as a consultant to many different community programs and organizations -- I know it makes a difference to the people we serve how programs are structured at the Federal level. That is why I have been personally very much involved with this reorganization process, and why I am so concerned that the next four

months results in a product that is acceptable to those concerned. I believe we can and should be doing a better job of serving people, and that our reorganization can help make our programs more effective.

I will be happy to answer any questions you may have with respect to the development of the reorganization process thus far.

FACT SHEET ON OHD REORGANIZATIONSUMMARY: PRINCIPAL REORGANIZATION INITIATIVES

Joseph A. Califano, Jr., Secretary, Department of Health, Education, and Welfare, and Arabella Martinez, Assistant Secretary for Human Development, today announced a series of reorganization initiatives. Effected through administrative action, the reorganization is designed to consolidate OHD programs and administrative functions for more efficient and effective operations and more responsive delivery of services.

The reorganization will consolidate eighteen program offices and six staff offices into five major program units and four staff offices. The Office of Human Development will be redesignated the Office of Human Development Services and will remain as a principal operating component within the Office of the Secretary.

The principal reorganization actions will:

- (1) Establish a new organization to be known as "The Administration for Handicapped Individuals."

Currently, the Office of Human Development administers thirteen programs for handicapped individuals in six program offices. Although each of these programs has a distinct focus, each shares responsibility for responding to the needs of handicapped individuals and acting as an advocate for their concerns. The placement of these six discrete units under one organization with broad responsibilities will reduce fragmentation and result in a more comprehensive focus on the needs of handicapped persons. It will also provide a more effective means of responding to those needs.

- 2 -

Under this reorganization action, the Rehabilitation Services Administration, the Developmental Disabilities Office, the President's Committee on Mental Retardation, the Office for Handicapped Individuals, and the White House Conference on Handicapped Individuals will be consolidated within the new organization. The Commissioner of the Administration for Handicapped Individuals will also serve as Commissioner of the Rehabilitation Services Administration. Also, while the Assistant Secretary will continue to serve as the Chairperson of the Architectural and Transportation Barriers Compliance Board, the AHI Commissioner's Office will provide administrative support and liaison with Board staff and with other member agency representatives.

(2) Establish a new organization to be known as "The Administration for Children, Youth and Families."

The Office of Human Development now administers six programs for children and youth under the Office of Child Development, the Office of Youth Development, and the Public Services Administration. This action will consolidate the Office of Child Development, the Office of Youth Development, and the Child Welfare Services program now administered by PSA.

This consolidation will allow closer and more efficient coordination of services for target groups with very similar concerns and for age groups which often overlap. The new Administration for Children, Youth and Families will thus have responsibility for the development of a broader, more comprehensive focus for children and youth. This consolidation of program functions will also provide increased focus for supporting the family as the primary resource in meeting the needs of children and youth.

- 3 -

(3) Consolidate OHD programs for Native Americans under a new "Administration for Native Americans."

Under this action, the Intra-Departmental Council on Indian Affairs, now a separate entity within OHD, will be merged with the Office of Native American Programs and the Native Hawaiian program (now administered separately within the Office of the Assistant Secretary for Human Development). These programs support a variety of activities directed to the needs of tribal and urban Indians, Alaskan communities, and native Hawaiians. The new organization will be responsible for continuing these activities and for addressing the broad policy and program concerns of Native Americans within the Department of Health, Education, and Welfare.

(4) Consolidate broad social services programs under a new "Administration for Public Services."

This action combines the child care and support services activities of the Work Incentive Program (WIN) with the social services activities authorized by Title XX and administered by the Public Services Administration. HEW's responsibilities for the WIN Program are now administered by a separate unit in the Office of Human Development. These two related social services functions will be combined under the new Administration for Public Services.

(5) The Administration on Aging, which administers nine programs for the elderly, will remain as currently constituted.

(6) Streamline and strengthen the OHD management structure.

The Office of the Assistant Secretary for Human Development now contains six staff offices responsible for a variety of administrative and management functions. There are five separate special concerns units which also report

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directly to the Assistant Secretary. These eleven discrete units will be consolidated into four major staff offices. The consolidation will:

- (a) Establish a new Office of State and Community Affairs. This Office will provide leadership in the areas of intergovernmental operations, regional operations, community affairs, and public affairs for human services programs.
- (b) Create an expanded Office of Planning, Research, and Evaluation. This Office will include the existing functions of the Office of Planning and Evaluation and will have such new responsibilities as: the conduct of cross-cutting RD&E activity, international research, legislative formulation, cross-cutting policy analysis, and program data systems development.
- (c) Establish a new Office of Policy and Management Control. This Office will perform a review and control function across the entire agency. Its principal activities will include management control, policy coordination, executive secretariat functions and special organization and management studies.
- (d) Continue the existing Office of Administration and Management. With the exception of some functions which will be transferred to the new staff offices, this Office will continue its major functions of grants and contracts management, budget, financial management, personnel management, and administrative services.
- (7) Streamline and strengthen the Regional Office structure.

Consistent with the Secretary's actions to reform the HEW Regional Offices, the new OHDS regional structure will be headed by a Regional

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Administrator for Human Development Services who reports directly to the Assistant Secretary. The position of Assistant Regional Director for Human Development will be abolished. The new regional HDS organization will also consolidate program units into four elements that correspond to changes at the Headquarters level (See Exhibit 10). Responsibility for Native American activities in the regions will be lodged in the Regional Administrator's Office. This includes programs for Native Hawaiians.

* * * * *

I. BACKGROUND

The present OHD organization, shown in Exhibit I, consists of six staff offices, five special concerns offices, and 13 program offices administering over 30 programs. In addition, there are 10 Regional Offices for Human Development, each with seven separate program components. This configuration results not only in an organization which is unmanageable (in the Central Office alone 24 staff and program elements now report directly to the Assistant Secretary), but also in a fragmentation of human services programs designed to serve similar ends.

Human services programs have evolved in response to the special problems and needs of particular vulnerable groups. In a general sense, human services are intended to complement income assistance and health insurance programs by supporting the independence and self-sufficiency of individuals and by strengthening families and communities. The value of these services to those served, and to the nation as a whole, is reflected in the continued demand for expansion of existing programs and for new services.

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Nevertheless, as these services proliferate under different auspices and financed from a variety of sources, the difficulties of coordinating the delivery of these services, of identifying gaps and overlaps, and of ensuring access to services by individuals in need have increased substantially. Of the more than 100 human services programs financed by the Federal Government, each has its own set of policies, administrative procedures, and eligibility requirements. For the States, localities and community agencies that receive and administer Federal program funds, there are numerous specifications and requirements for reports, audits, evaluations, and specific organizational requirements. The intended recipients of these services face extensive and complicated application procedures, differing eligibility requirements, and the task of dealing with an unwieldy number of separate offices and organizations.

The reorganization of the Office of Human Development, which builds upon the recent reorganization of HEW, is aimed at rationalizing service delivery and increasing the Federal Government's accountability for these efforts. The recent consolidation within the Office of Human Development of related SRS programs (i.e., Title XX, Title IV-B and WIN support services) provides increased opportunity for the formulation of comprehensive policies for populations in need which go beyond the specific focus of existing categorical programs. Equally important, these organization reform measures are consistent with OHDS' long range objectives to integrate and coordinate services in ways that focus on the whole person, the family and the community, and that act to improve the quality of those services.

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II. ADMINISTRATION FOR HANDICAPPED INDIVIDUALS

The creation of a single organization for handicapped individuals has been discussed in the Congress, among constituent groups and, recently, at the White House Conference on Handicapped Individuals. At that Conference, President Carter pointed to the need for a more comprehensive effort in this area. He noted the multiplicity of agencies administering programs for handicapped individuals and the burden which differing administrative procedures, varying definitions of handicap, multiple locations for services delivery place upon the individuals who seek assistance from these programs. The President also noted that one of the benefits of the Presidential reorganization authority enacted by the Congress is the opportunity it provides to consolidate programs for handicapped individuals and simplify the process of obtaining the benefits intended under the law.

Currently, the Office of Human Development administers thirteen programs for handicapped individuals through six separate offices. These programs are funded at approximately \$1 billion and have a combined staff of over 460 in both Headquarters and regional offices.

The new Administration for Handicapped Individuals will have responsibility for all OHDS activities targeted toward handicapped persons. Current organizations folded into the Administration will include:

- the Rehabilitation Services Administration;
- the Developmental Disabilities Office;
- the Office for Handicapped Individuals;
- the President's Committee on Mental Retardation;
- the Architectural and Transportation Barriers Compliance Board*;

*See Exhibit 7.

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--the White House Conference on Handicapped Individuals*

These organization reform measures are being taken administratively, without legislative change. However, all of these actions are consistent with legislative intent and provisions. For example, the Rehabilitation Services Administration is a statutorily mandated body whose head must report to the Assistant Secretary. There are also restrictions on removing responsibility for management support functions from the RSA Commissioner. To be consistent with these provisions, the Commissioner of the new Administration for Handicapped Individuals will also serve as Commissioner of the Rehabilitation Services Administration. This arrangement will also provide an opportunity to examine the consolidation of administrative, research and other management functions for all program components under the Commissioner of the new organization.

As for the Architectural and Transportation Barriers Compliance Board, the Assistant Secretary will continue to serve as chairperson. This is necessary because the Rehabilitation Act of 1973, as amended (P.L. 93-112) also requires that the chairperson not be lower in rank than an Executive Level IV. The grade of the Assistant Secretary is a Level IV, while that of the Commissioner is a Level V. However, the Commissioner's office will provide administrative support to the Board staff and serve as OHDS liaison with the staff and other member agency representatives.

The legislation for the Office for Handicapped Individuals requires that OHI's functions be performed in a unit that is not directly administered by an official with other program responsibility in this area. While the

*See Exhibit 7.

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Office for Handicapped Individuals will have a direct line to the Assistant Secretary, the unit will coordinate all activities closely with the AHI Commissioner. In effect, the Commissioner will serve as the Assistant Secretary's principal advisor on handicapped matters.

Taken together, these reforms in the area of programs for handicapped persons will not only make it easier for the Federal Government to manage such programs, but they should produce new dividends for those at the State and local level who wish to gain access to the service system.

III. ADMINISTRATION FOR CHILDREN, YOUTH AND FAMILIES

The new Administration for Children, Youth and Families will essentially expand the Office of Child Development by combining it with the Office of Youth Development and with the Title IV-B Child Welfare Services program currently lodged in the Public Services Administration. To ensure that the youth development focus is retained, responsibility for the Runaway Youth Program and other youth activities will be placed in a new Youth Development Bureau. The Child Welfare Services program will be reunited with the Children's Bureau, from which it was removed in 1969.

The OCD Director's position will be retitled: "Commissioner, Administration on Children, Youth and Families." In accordance with the legislation, the Commissioner of the new Administration will also serve as Chief of the Children's Bureau. (See Exhibit 8)

IV. OTHER PROGRAM CONSOLIDATIONS

The new Administration for Native Americans will have responsibility for major OHD programs targeted toward Native Americans. The Office of Native American Programs, which administers grant programs for tribal and

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urban Indians and Alaskan communities, will be consolidated with the Native Hawaiians program, now administered within the Office of the Assistant Secretary for Human Development, and the Intra-Departmental Council on Indian Affairs. The Council was established in April 1975 with representation from all HEW program and staff components for the purpose of coordinating programs and policy related to Indian concerns across the Department.

The Administration for Public Services will combine the WIN child care and support services program with the Public Services Administration, which administers the Title XX social services program. The Title XX program provides funds for a wide variety of supportive services, including day care, homemaker services, foster care, and legal services.

The Administration on Aging administers all programs for the aging within OHD. This organization will remain as currently constituted.

V. RESTRUCTURING THE OFFICE OF THE ASSISTANT SECRETARY

A. Office of State and Community Affairs

The new Office of State and Community Affairs will provide leadership and policy direction in the areas of: intergovernmental relations, community affairs, regional operations and public information. In close cooperation with the Deputy Under Secretary for Intergovernmental Relations, this unit will provide technical assistance to States and local organizations in improving human service delivery systems. The Office will also advocate on behalf of citizen participation, rural development, volunteer development, veteran affairs, and vulnerable populations not otherwise directly represented within the Department.

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The following existing OHD elements are abolished and their staffs transferred to the new Office of State and Community Affairs:

- Office of Manpower
- Office of Rural Development
- Office of Regional Operations
- Office of Veterans Affairs
- Office of Consumer Affairs
- Office of Volunteer Development
- Office of Public Affairs.

B. Office of Planning, Research and Evaluation

The new Office of Planning, Research and Evaluation will be the principal staff unit responsible for program planning, legislation, research, evaluation, program policy analysis and program systems development for the Office of Human Development Services.

C. Office of Policy and Management Control

The Office of Policy and Management Control will provide leadership and direction in the establishment of review and control systems within the Office of Human Development Services, conduct both regular and special analytic studies, and advise the Assistant Secretary on special organization and management problems. The new Office will work closely in these areas with the Secretary's Office of the Inspector General, Office of the Assistant Secretary for Management and Budget and the Executive Secretariat.

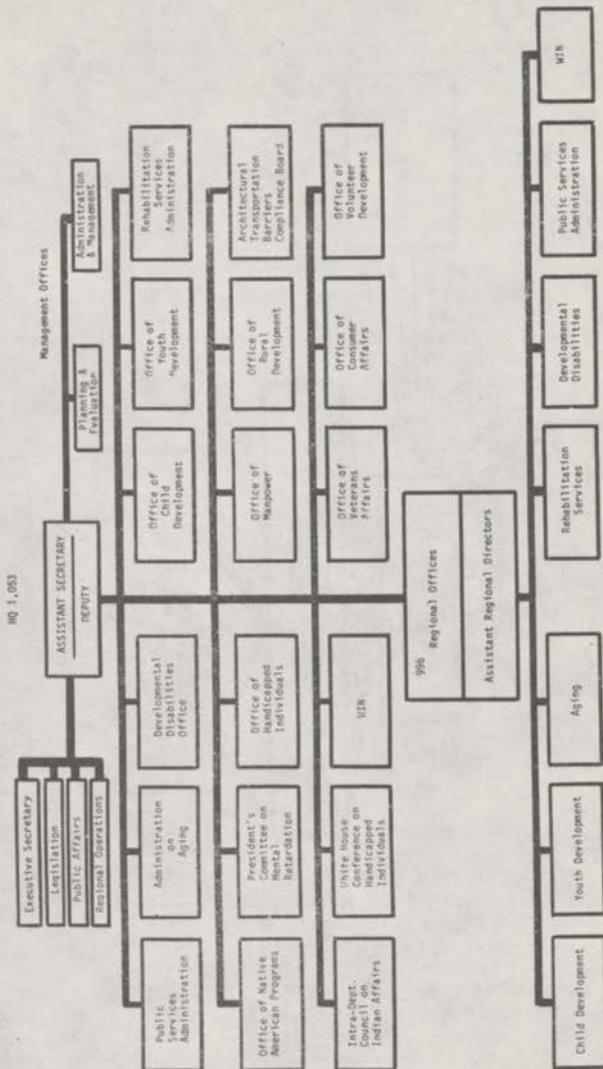
D. Office of Administration and Management

This Office will remain largely unchanged.

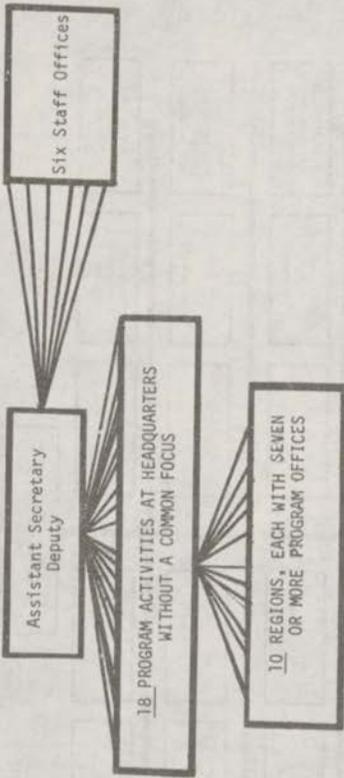
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The Assistant Secretary for the Office of Human Development Services has appointed a task force to plan and implement the transition of the new organization. Its Chairperson will be Mr. Frank Newgent, Deputy Assistant Secretary for Human Development Services. The other members of the task force will be the heads of the OHDS program units and staff offices. The task force will work closely during the next several months with members of Congress and their staffs, constituent organizations and employee unions to ensure broad participation in refining the organization structure of the new Office of Human Development Services. It is anticipated that the new offices will be fully reorganized, with approved functional statements and new position descriptions by January 1, 1978.

THE CURRENT OMO ORGANIZATION



THE PRESENT ORGANIZATION
IS UNMANAGEABLE



1,053 positions
(HQ)

996 Positions
(ROs)

Responsible for \$4.9 Billion in Grants

DIRECTIONS FOR OHD

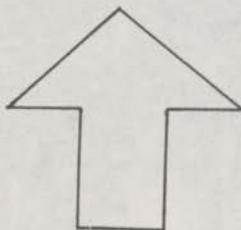
- o To Rationalize Service Delivery by Focusing on
 - o The Whole Person
 - o The Family
 - o The Community
- o To Increase the Effectiveness, Efficiency and Accountability of Service Delivery Programs
- o To Improve the Quality of Services and Address Critical Unmet Needs
- o To Build Supportive Relationships at the Federal, State and Local Level, and with Consumers, to Achieve these Goals

ORGANIZATION REFORM

ACTIONS

CONSOLIDATE ALL PROGRAMS UNDER 5 MAJOR UNITS:

- Administration for Handicapped Individuals
- Administration for Children, Youth and Families
- Administration on Aging
- Administration for Public Services
- Administration for Native Americans

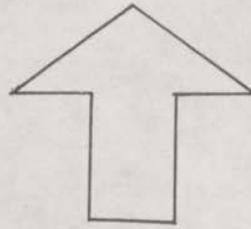


OUTCOMES

- More comprehensive focus for handicapped individuals
- More comprehensive focus for children and youth
- New focus for families
- Increased efficiency resulting from consolidation and closer coordination
- Simplified relationships with provider and consumer groups

CONSOLIDATE STAFF FUNCTIONS, INCLUDING ADVOCACY AND COORDINATION ACTIVITIES UNDER 4 ORGANIZATIONS WITHIN OASHD:

- Office of Planning Research & Evaluation
- Office of State and Community Affairs
- Office of Administration and Management
- Office of Policy and Management Control



- Improved Relationships with States, local government and other community groups
- Simplified funding and comprehensive service delivery programs
- Increased focus on State-of-the-Art Program and Management Improvements
- Increased Accountability at the Federal level

CONSOLIDATION OF DHS PROGRAMS

ADMINISTRATION FOR CHILDREN, YOUTH AND FAMILIES	ADMINISTRATION FOR AGING	ADMINISTRATION FOR HANDICAPPED INDIVIDUALS	ADMINISTRATION FOR PUBLIC SERVICES	ADMINISTRATION FOR NATIVE AMERICANS
• Budget: c. \$500 million	• Budget: c. \$400 million	• Budget: c. \$1 billion	• Budget: c. \$3 billion	• Budget: c. \$33 million
• Personnel: c. 410 (HQ800)	• Personnel: c. 250 (HQ800)	• Personnel: c. 450 (HQ800)	• Personnel: c. 250 (HQ800)	• Personnel: c. 40 (HQ800)
• Head Start	• Community Services	• Rehabilitation Services	• Title XI (Social Services)	• Inter-Departmental Council on Indian Affairs
• Children's Bureau	• Nutrition	• Developmental Disabilities	• WIC	• Tribal Programs
• Child Welfare Services	• Senior Centers	• Mental Retardation	• Research, Demonstration and Evaluation	• Urban Centers
• Child Abuse & Neglect	• Federal Council on Aging	• Research, Demonstration and Training	• State Training Program	• Alaskan Communities
• Youth Development	• National Clearinghouse	• Advocacy		• Native Hawaiian
• Research, Demonstration and Evaluation	• Research, Demonstration and Manpower	• Technical Assistance		• Research, Demonstration and Evaluation
		• Compliance		• Training & Technical Assistance
		• Information		

CONSOLIDATION OF STAFF FUNCTIONS

OFFICE OF PLANNING,
RESEARCH & EVALUATION

- Personnel: c. 55
- Program Planning
- Legislation
- Program Development
- International Research
- Evaluation and Analysis
- Program Systems Development

OFFICE OF STATE
AND COMMUNITY AFFAIRS

- Personnel: c. 40
- Intergovernmental Operations
- Technical Assistance to State & local Governments
- Regional Operations
- Citizen Participation
- Veterans Affairs
- Rural Development
- Volunteer Affairs
- Public Information

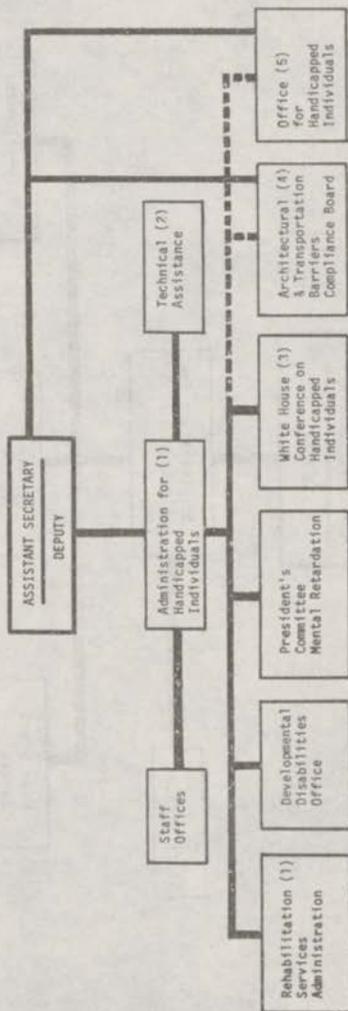
OFFICE OF ADMINISTRATION
& MANAGEMENT

- Personnel: c. 130
- Grants & Contracts Management
- Budget
- Financial Management
- Personnel Management
- Administrative Services

OFFICE OF POLICY &
MANAGEMENT CONTROL

- Personnel: c. 30
- Management Oversight & Tracking
- Affirmative Action/EEO
- Regulations
- Reporting Burden Reduction
- Consultant Contracts Review
- Executive Secretariat
- Reorganization

ADMINISTRATION FOR HANDICAPPED INDIVIDUALS

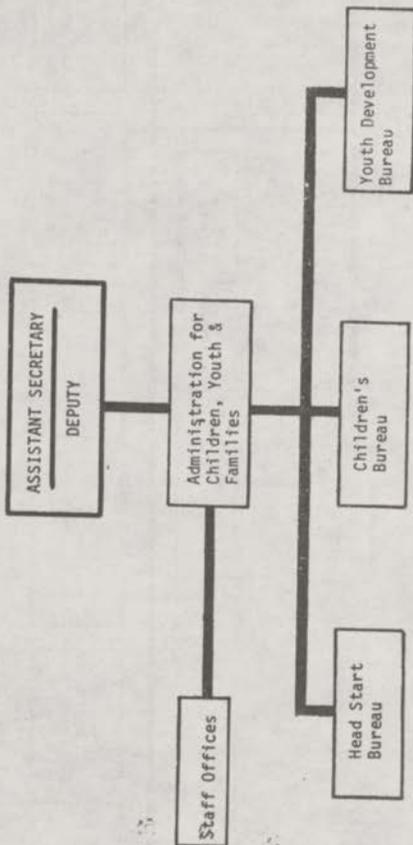


NOTES:

- (1) Commissioner of the Administration for Handicapped Individuals also serves as Commissioner of the Rehabilitation Services Administration.
- (2) In addition to other staff elements within the Office of the Commissioner, a technical assistance unit will be established to provide guidance and expertise to States' local government and other provider and consumer groups.
- (3) The White House Conference on Handicapped Individuals staff (33 are detailees) will be absorbed in other organizations completed at the end of FY 77.
- (4) The Assistant Secretary will continue to serve as the Chairperson of the ATBCB, although the Commissioner's Office will provide liaison with Board staff and with other member agency representatives.
- (5) The Office of Handicapped Individuals will report directly to the ASHD, but will coordinate all activities closely with the AHI Commissioner.

ADMINISTRATION FOR CHILDREN,

YOUTH AND FAMILIES



OFFICE OF HUMAN DEVELOPMENT SERVICES

After Reorganization

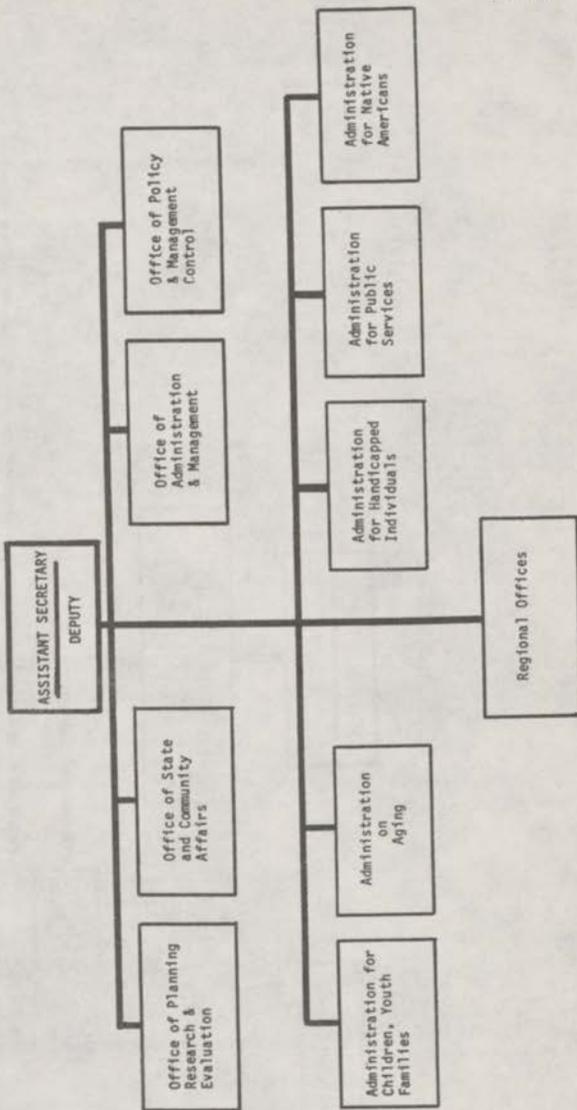
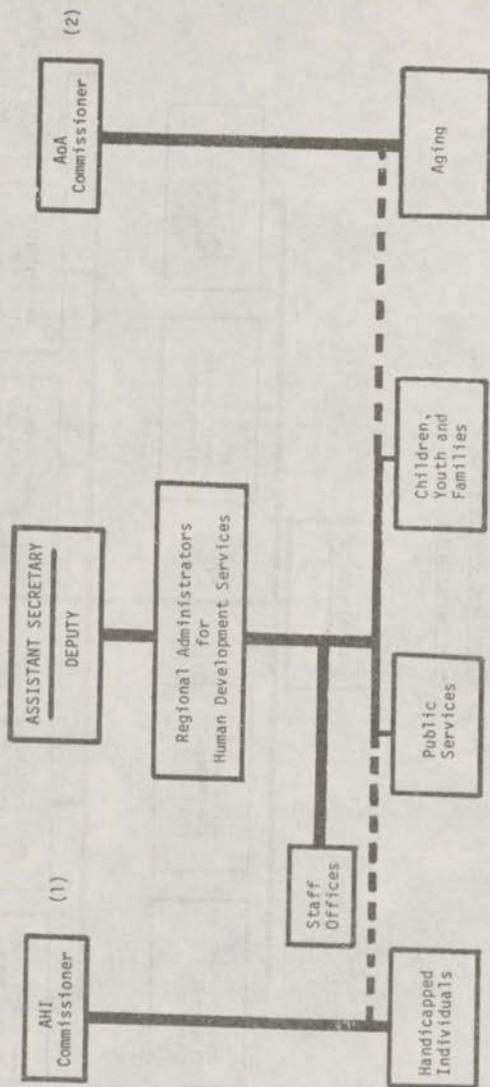


Exhibit 10

REGIONAL OFFICE STRUCTUREAfter Reorganization

(1) In accordance with legislative requirements, the head of the Handicapped Individuals unit will report to the Commissioner of the Administration for Handicapped Individuals.

(2) In accordance with legislative requirements, the head of the Aging unit will report to the Commissioner of the Administration on Aging.

Questions for Arabella Martinez on September 20, 1977

- Q. 1. In order to carry out the activities for the staff offices, it would seem that additional funds would be necessary. Where will this money come from? Other programs for the handicapped?
- A. 1. First, no additional salaries and expense funds will be needed to carry out the activities of the new staff offices. Thus no funds will be taken away from program units. The additional positions in the HDS staff offices have come from the transfer of SRS overhead staff to my agency, the Social Security Administration and the new Health Care Financing Administration. In addition to the overhead staff, we received a commensurate share of the SRS salaries and expense budget to cover these positions.
- Q. 2. How do the staff and budget resources for the Clearinghouse on Handicapped compare with resources available to other clearinghouses both in and out of OHD?
- A. 2. The OHI Clearinghouse has 17 positions but does not have specific funds, other than salaries and expenses, appropriated for it. The National Clearinghouse on Aging has 6 positions and \$2 million. The National Clearinghouse on Child Abuse and Neglect has 4 positions and \$458,000. It was anticipated that OHI would conduct its clearinghouse activities primarily on an "in-house" basis after an initial survey, using its own staff for this purpose. As for clearinghouses of other agencies and departments, I do not have data on them. I understand that the President's Task Force on Reorganization is making a survey of clearinghouses in the Executive Branch and should be able to provide data on all of them in the near future.
- Q. 3. Let us assume that RSA develops a plan for improving the operation of the Research and Training Centers. Tell me the procedure for implementing such a change in policy. Who approves it? Does the Commissioner for RSA sign off on it? What about the Commissioner of AHI? Are you in effect creating another bureaucratic layering which is against the Congressional intent set forth in the Rehabilitation Act?
- A. 3. A change in policy with respect to the operation of Research and Training Centers would normally be initiated through the Office of the Executive Director of Research, RSA and submitted to the Commissioner, RSA, for approval. Since the Commissioner, RSA, is also Commissioner, AHI, there would be no need for any additional sign-off or approval. Although no details of AHI organization have been worked out, I would assume that the AHI office would be notified of the change for information purposes.

Page 2-a (Answer to Question 2)

HEW CLEARINGHOUSES
FY 1977

	<u>Operating Budget</u>	<u>Number of Staff</u>
CHI Clearinghouse on the Handicapped	250,000	5
National Clearinghouse on Aging	Not available	26
National Clearinghouse for Drug Abuse Information	1,000,000	8
National Clearinghouse for Mental Health Information	1,000,000	25-26
National Clearinghouse for Alcohol Information	3,323,551	
National Health Planning Information Center	1,000,000	11
National Clearinghouse for Improving the Management of Human Services	397,000	Not available
National Clearinghouse for Family Planning Information	121,000	4.9 Person years
National Information Center for the Handicapped: Closer Look	320,000	12
National Clearinghouse on Child Abuse	\$424,000	Not available (contracted out)

Page 2

A. 3. (Continued)

The law requires that the IMA Commissioner report to the Secretary, the Under Secretary, or an appropriate Assistant Secretary. There is no intention to subvert the law. The PSA Commissioner will continue to report to the Assistant Secretary for Human Development Services. The composition of the AII office has not yet been established. That will occur, as I have stated, after full consultation with you and other members of the Senate and House of Representatives, staff, constituent groups, and affected unions. On one thing you may rely, however; our objective is to facilitate, not impede, program direction and flow of funds and services.

Q. 4. How does reducing the number of people reporting to you improve the delivery of services to a person needing rehabilitation services?

A. 4. The reduction of persons, from 24 to 9, who report directly to me, means that program heads should have better access to me, and consequently, that I will be able to devote more of my time to program needs.

I don't know that this can be immediately translated into improved service delivery, but it should result in better response-time to program and policy requirements. The more efficient the operation, then, the better we will be able to improve service delivery. This is an important objective in the reorganization. Again, I solicit your aid in effectuating the best possible organization of the Office of Human Development Services, in order to benefit the populations for which we have common concern.

Q. 5. The Department of Health, Education, and Welfare is but one member of the Architectural and Transportation Barriers Compliance Board. How could you, as one member, include the Board in your reorganization?

A. 5. I am aware that the status of the Board has been a matter of continuing concern to you and others since ATCB was placed under HEW's aegis for housekeeping purposes. Please let me alleviate your concern. I am, by delegation of the Secretary, Chairman of the Board. The placement of the Board on the organization chart is not intended to mean that I am somehow attempting to exert jurisdiction over it. It is only to show how we at HEW will interact with the Board. The Administration for Handicapped Individuals, with its special competence in matters relating to accessibility for disabled people, is to provide liaison and assistance on behalf of HEW to the Board. AII will serve as my resource and information arm in matters with which I must deal in my capacity as Chairman of the Board.

Page 3

- Q. 6. Do you think that the present reorganization order, coupled with the recent HEW reorganization placing much of the former SRS under OHD, produces an administrative structure for HSA which is basically similar to the former SRS?
- A. 6. No. The SRS administrative structure was a highly centralized one. Planning, research and evaluation, program data systems, grant management, regulations development, field operations and other functions were lodged in the SRS Administrator's Office. This is not the case in the new Office of Human Development Services. Ours is a much more decentralized and collegial approach. The program units, such as the Administration on Handicapped Individuals, will have authority over all operational aspects of their programs. My office will focus largely on policy development and coordination and general administrative and management support.
- Q. 7. According to your informational charts, there are presently 450 persons in the Administration for Handicapped Individuals. Does the figure of 450 represent positions or actual people employed in jobs?
- A. 7. The budget and personnel numbers in the fact sheet we circulated at the time of the reorganization announcement, which was about 2 months ago, were approximate figures that represented authorized positions--not actual people employed in these activities. As you probably know, we have recently lost many of our vacancies as part of the Administration's overall effort to reduce the size of government.
- Q. 8. How many persons (not positions) were employed by the 13 programs for handicapped persons prior to the reorganization? How many positions were available for staffing? Were there 495 positions or persons prior to the reorganization in those program units?
- A. 8. Prior to the reorganization, there were six separate elements that administered programs for handicapped people. At the time of the reorganization, the combined on-board strength of the units was 241 in HQ, excluding the INHC staff. The authorized ceiling, however, was 281. If you add another 170 authorized positions for the regional offices, the combined ceiling for the programs was 451. The current authorized ceiling for AHI as a whole is 260 in HQ, and on-board strength is now 232. For the regions, the ceiling is now 160. The new ceiling then, for both HQ and ROs is 420.

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Q. 9. I understand that the staff offices have been expanded since your reorganization and that there are presently 255 positions in all staff offices (Planning, Research and Evaluation; State and Community Affairs; Administration and Management; and Policy and Management Control). How many persons are actually employed--in other words are there 255 people employed or are there just 255 positions available?

A. 9. The current authorized ceiling for my staff offices is 245. On-board strength is now 235.

Q. 10. How many people and positions did you have in the staff offices prior to reorganization? What is the reason for this expansion?

A. 10. Prior to the reorganization, the Office of the Assistant Secretary ceiling was 168. The expansion from 168 to 243 is a direct result of absorbing a portion of the SRS overhead. I should point out, however, that most of the combined HQ and Regional Office overhead transferred from SRS to OHD was placed in the Administration for Public Services--not my staff offices. Of the 421 SRS positions in HQ and the field transferred to OHD in June of this year, 324 were put back into program and only 97 were placed in central and regional office staff units.

Q. 11. Why does program operation take less people to accomplish than policy making?

A. 11. It doesn't. Program operations require more people than policy development. My placement decisions on the SRS support positions transferred in June reflect this philosophy. I believe we need to get out from behind our desks and meet with people--monitor programs and provide direct technical assistance. We need to know what's going on out in the field, and this requires skilled, sensitive people. As for policy development, this too needs attention. But our staff should focus more on the broad policy outlines, the general principles we have in mind, and less on the detailed implementation of that policy.

Page 5

- Q. 12. Under the reorganization, there are 450 positions or persons in AHI. How many positions and persons will be in the managerial level of AHI? How many positions and persons will be involved in actual program operation in RSA, JDO, PCNR, OHI, ATBCB and WHCHI? Is not the effect of this actually the reduction of program people to increase the number of staff people with general managerial responsibilities?
- A. 12. No. The same principle that applies to staff support at my level should apply at the Program Commissioner level. This is why it's important to reduce duplication and overlap among support functions, such as planning and information dissemination, and give priority to program management needs. As for determining how many positions will be lodged in the managerial level of AHI, this is one of the issues that will be resolved over the next several months as we consult with Committee staffers, constituent group representatives and employee unions.
- Q. 13. Now you have an administrative layer to plan, evaluate, and manage programs in your staff offices, and you also have an administrative layer in the AHI to coordinate the administration of the programs serving the handicapped. Are not you duplicating activities?
- A. 13. This is precisely what we are examining in the context of our Reorganization Task Force. Just where does one set of staff responsibilities end and another begin? We will have a paper out later this week that shares my preliminary views on how these issues should be decided.
- Q. 14. You have lost about 82 positions as a result of the CMB freeze; however, how many positions did you gain as a result of the March reorganization?
- A. 14. In terms of authorized positions, we received approximately 421 central office and regional office positions in the break-up of SRS. 175 of these were direct program positions that were dedicated to either Public Services or the NHH Program. 246 of the positions were considered part of the SRS overhead structure.

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- Q. 15. Will any present duties and responsibilities of the units comprising the new Administration for Handicapped Individuals be altered?
- A. 15. Again, this must await further examination by the Reorganization Task Force. In all candor, I would be very much surprised if there were no change.
- Q. 16. Who will head of OHI report to? The ATBCB? DDO?
- A. 16. In the current organization structure, the OHI Director reports directly to me, although the AHI Commissioner has a coordination role. Likewise, the Executive Director of the Compliance Board reports directly to me as the Chairperson of the ATBCB. But again, the AHI Commissioner performs a coordination role.* The DDO Director reports to the AHI Commissioner.
- * Current organization reports to ASHD. Proposed organization will report to AHI.
- Q. 17. The plan creates two support offices for the AHI Commissioner-- a staff office and a T/A office. Have you staffed these offices? How many persons do you plan on having in these offices? Are these persons going to be transferred out of program operation?
- A. 17. The box on the organization chart for staff offices and technical assistance are prospective in nature and do not represent actual units at this time. They merely show how further consolidation of staff and support functions could occur at the AHI Commissioner's level. Obviously, we have not staffed these offices, and it would be premature to speculate on what their staffing needs would be.

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- Q. 18. Will you share with us some of the findings of the five month study which led to the reorganization of the Office of Human Development Services?
- A. 18. The five-month study you refer to is the examination of social service and human service programs mentioned in our letter to Members of Congress on July 27. This was not a formal study, but it did represent a careful effort--in concert with the Secretary's reorganization activities--to find better ways of bringing related programs together to streamline and simplify their administration and improve their overall effectiveness. As you can infer from the reorganization statement, we found considerable fragmentation. Fragmentation was not limited to programs that were targeted towards generally discrete populations (e.g., children, the elderly, handicapped people, Indians), but was also prevalent among programs that were designed to serve similar (or even the same) clients. Again, we had 6 separate elements with responsibility for addressing the needs of handicapped people.

In addition to the fragmentation among programs, we found a general lack of capability to address unmet needs. Fragmentation caused or was accompanied by a relatively narrow program perspective--not only on the part of program units, but by staff offices as well. In an effort to provide a more comprehensive perspective, we have consolidated like programs and created additional capability at my level in the areas of cross-cutting policy analysis and state and community affairs.

The period of study prior to the reorganization surfaced major issues and problems. This was helpful in crafting the broad outlines of the new organization. But the months of examination that follow the announcement of the reorganization will generate more detailed findings and recommendations. It is this period of study that I invite you to participate in.



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20201

OCT 26 1977

Honorable Jennings Randolph
United States Senate
Washington, D. C. 20510

Received
Date 10/31/77
Submission on
The Budget

Dear Senator Randolph:

Thank you for the opportunity of testifying on the reorganization of the Office of Human Development Services a few weeks ago. Attached are my responses to the additional questions raised by you and Senator Williams. If I can be of further assistance, please do not hesitate to contact me.

Sincerely,

Arabella Martinez

Arabella Martinez
Assistant Secretary for
Human Development Services

Attachments

Questions from Senator Randolph

1. Please provide for the Subcommittee a chart indicating not only the number of positions in each of the programs in the Office of Human Development Services, but also the number of persons currently employed as well as vacancies to be filled and the number of persons detailed from other programs.

Answer:

The following chart shows authorized permanent full-time positions and related ceilings as of October 18, 1977, and the number of employees on-board (including those whose papers are being processed) as of September 30, 1977, by major organization and for the regions. There are no detailees at present.

<u>Organization</u>	<u>Headquarters</u>		<u>On-Board as of 9/30/77</u>
	<u>Authorized</u>	<u>Ceiling</u>	
Immediate Office Assistant Secretary for Human Development Services	4	6	7
Office of Planning Research and Evaluation	58	54	53
Office of Policy and Management Control	28	28	24
Office of State and Community Affairs	39	39	39
Office of Administration and Management	127	127	124
Administration on Aging	126	110	109
Administration for Children, Youth and Families	222	181	177
Office of Child Development	(187)	(156)	151
Office of Youth Development	(35)	(25)	26
Administration on Handicapped Individuals	281	260	260
Rehabilitation Services Administration	(193)	(183)	184
Developmental Disabilities Office	(33)	(29)	26

<u>Organization</u>	<u>Headquarters</u>		<u>On-Board as of 9/30/77</u>
	<u>Authorized</u>	<u>Ceiling</u>	
Office of Handicapped Individuals	(17)	(14)	15
President's Council on Mental Retardation	(18)	(14)	18
Architectural and Transporta- tion Barrier Compliance Board	(20)	(20)	17
Administration for Native Americans	35	34	33
Office of Native American Programs	(30)	(30)	29
Intra-Departmental Council on Indian Affairs	(5)	(4)	4
Administration for Public Services	147	138	135
Public Services	(132)	(125)	124
Work Incentive Program	<u>(15)</u>	<u>(13)</u>	<u>11</u>
Subtotal, Headquarters	1,067	977	961
<u>Regional *</u> <u>Office</u>			
I	79	79	79
II	90	88	88
III	98	95	97
IV	125	119	120
V	114	109	107
VI	90	86	90
VII	79	79	74

<u>Organization</u>	Headquarters		On-Board
	<u>Authorized</u>	<u>Ceiling</u>	as of <u>9/30/77</u>
<u>Regional *</u> <u>Office</u>			
VIII	75	71	71
IX	90	84	85
X	70	65	63
Subtotal, Regional Office	<u>910</u>	<u>875</u>	<u>874</u>
TOTAL, HDS	<u>1,977</u>	<u>1,852</u>	<u>1,793</u>

* No further breakout available

2. Since almost 90% of Federal programs for the handicapped are not contained within the AHI, how will the AHI impact on these other programs?

Answer:

We recognize that a large percentage of Federal programs for the handicapped do not come under AHI control. We hope that, by coordinating and pooling knowledge and capacity for handicapped programs within HDS, we will be better able to impact on programs outside of HDS which provide services or assistance to handicapped individuals.

3. Would you specifically explain future Congressional consumer input in the next reorganization phases?

Answer:

The program commissioners and I have already begun arranging meetings with key Congressional members and their staffs and with representative constituent groups on the next phases of the reorganization. As I indicated in my testimony before the House Subcommittee on Select Education, the specific points at which we will seek comments and suggestions will be: (1) when tentative agreement is reached within HDS on the organization of certain management functions (these are the meetings being scheduled currently); (2) when options for the organization of the program, staff and regional offices have been drafted; (3) prior to formal presentation of recommendations based on these options to me; and (4) once decisions have been made and an implementation plan has been developed at each of these points, papers for discussion will be available. Although our timetable has slipped somewhat from that indicated in the draft work plan circulated on the Hill in September, the formal points for Congressional and consumer input remain the same. Of course, my staff and I welcome comments and suggestions from Congress or the constituent groups at any time.

4. Could you explain which programs in the Office of Human Development Services outside of the AHI serve handicapped individuals, what the Federal expenditures are and what services are provided and who is served?

Answer:

Although handicapped individuals may be eligible for services under almost any program within HDS (assuming they meet other basic eligibility requirements), there are two programs outside of AHI which provide specific support to the handicapped. These are Title XX and Head Start.

Under Title XX, handicapped individuals may be eligible for a variety of social services if the individual is a member of an AFDC family, the recipient of support under the Supplemental Security Income (SSI) program, or has an income below a certain level (each State determines its own income eligibility level). The types of services which can be provided include information and referral; counseling; employment training/training in motor skills, personal care, home management and communications skills; and arrangement for the provision of aids, supplies, or appliances. The full extent to which handicapped people are served under Title XX is unknown however.

While some States provide a discrete package of services for the handicapped (e.g., special day care for handicapped or mentally retarded children) and list these in their State plan, others merely include them as a component of broader services (e.g., health, transportation, employment services may be provided to the handicapped and the non-handicapped alike). In addition, States are not required to report the characteristics of individuals receiving services. Consequently, we have no idea, for example, how many AFDC recipients are handicapped or how many handicapped individuals are utilizing a certain service, such as transportation services. Only under SSI, where eligibility can be determined by blindness or disability is any information available.

The Title XX program began in October 1975. Data through June 1976 are available on services provided to SSI recipients under Title XX auspices. These are summarized in the chart below:

<u>Quarter</u>	<u>SSI Category</u>	<u>#Served</u>	<u>As % of All SSI Recipients Served</u>	<u>\$</u>
10/75-12/75	Blind	21,365	5%	Not Available
	Disabled	204,302	45%	N.A.
1/76-3/76	Blind	16,952	3%	N.A.
	Disabled	240,087	48%	N.A.
4/76-6/76	Blind	18,517	3%	\$ 176,170
	Disabled	251,178	47%	\$1,979,781

5. It has been assumed for many years that the Commissioner of Rehabilitation Services was a full time job. Is this incorrect? What percentage of time will the Commissioner give to each job?

Answer:

Much of the work of the Commissioner of the Rehabilitation Services Administration deals with supporting programs for the handicapped generally and coordinating RSA's efforts with those of other agencies serving the handicapped. These functions will, in my opinion, be strengthened by having the Commissioner serve also as the head of the Administration for Handicapped Individuals. In addition, a deputy for RSA will be appointed. This is a position which has not existed in recent years, and creating it will provide RSA with an individual who can devote full attention to the daily administration of the program, something the Commissioner could not do. Thus RSA's program administration will also be strengthened. At this point, of course, it is impossible to state what percentage of the AHI commissioner's time will be devoted exclusively to RSA concerns, but I can assure you that RSA will be well administered.

6. In the organizational chart there is a dotted line from ATBCE and OHI to the Assistant Secretary. Do these offices have direct access to the Assistant Secretary (for example, do they attend the Assistant Secretary's staff meetings, etc.)? How do they relate to the Administrator of AHI on policy issues, staff and budget resources, etc.?

Answer:

The dotted lines on the organizational chart run between ATBCE and OHI and the AHI Commissioner. The solid lines from ATECE and AHI to the Assistant Secretary show their continued special access to me. However, the Commissioner of AHI is expected to coordinate the activities of these programs with other activities affecting the handicapped and to provide administrative support services to these program units. Policy and resource decisions continue to be made by me, although I may provide direction through the AHI Commissioner. A detailed implementation of this overall concept has not yet been developed.

7. Where will the staff come from to operate the program units within the new Administration for Handicapped Individuals?

Answer:

Existing staff resources will have to be used. No staff have been transferred out of the current program units in the reorganization.

8. In the development of the legislation calling for the White House Conference on Handicapped Individuals, the Senate asked that HEW retain the handicapped persons hired to plan and administer the Conference. What efforts have been made to assure that the handicapped staff members will be placed in HEW? Are all such staff assured of positions with your agency so that they might work on the implementation of the Conference recommendations?

Answer:

Only one handicapped individual was hired specifically for the White House Conference. All the other staff are detailed from existing government jobs. We tried to place the one person hired from outside, but he has chosen to accept a job elsewhere.

Questions from Senator Harrison Williams

1. When the Architectural and Transportation Barriers Compliance Board was mandated under the 1973 Rehabilitation Act, it was intended to be a quasi-independent agency. The Secretary or appropriate Assistant Secretary from HEW was to be chairman, but that did not make the Board an agency of HEW. Under the current reorganization plan, although the Board staff still theoretically reports to you, it will be "coordinated" by the Administration on Handicapped Individuals. What steps will be taken to assure this Board's independence? How will this arrangement enable the Board to function better?

Answer:

Assuring the continued independence of the ATECB is a major concern in implementing the reorganization of HDS. The task forces within ARI and my immediate office will both be looking for ways to assure the Board's independence. Comments and suggestions on how to achieve this will be most welcome. I continue to feel, however, that the reorganization will strengthen the Board's ability to impact on those programs within HDS which deal most directly with the problems of the handicapped, as well as programs outside HDS.

2. How will this new reorganization affect the personnel of the various offices involved? For example, how many staff will be provided to the Administration on Handicapped Individuals and how many to the RSA Commissioner compared to the former organizational arrangement. Please supply for the Committee exact numbers and how this reorganization will affect each agency as you project your plans now.

Answer:

Implementation plans have not yet been developed. During the next few months program units, staff offices, and the Regional Offices will be recommending organizational structures and staffing patterns for their organizations. Once staffing needs have been identified, we will be happy to discuss them with you.

3. The primary purpose of the Development Disabilities Act is to serve the most severely handicapped who are unable to advocate for themselves. Some constituent groups have expressed concerns that the current reorganization plan has DDO reporting to the Administrator who is also Commissioner of the RSA. How will this reorganization help the DD program?

Answer:

In general, the placement of the various programs serving the handicapped within the AHI will reduce fragmentation of our efforts to help handicapped individuals, result in a more comprehensive focus on the problems of the handicapped and provide a more effective means for responding to their needs. The Developmental Disabilities program will continue to serve a strong advocacy function within AHI. The Administration, like the Department as a whole, will have dual responsibilities of advocacy and program operation.

4. Many persons have expressed concern that the Commissioner of the RSA will also be the Administrator of AHI. Although I believe that the Commissioner-designate is a very able and capable man, I do not understand how RSA will be able to function optimally with someone who, at best, can only give part-time attention to it. How can a part-time Commissioner possibly oversee all these other programs, wearing two hats, without RSA suffering?

Answer:

As indicated in my response to Senator Randolph on this issue, I view the reorganization as a way of strengthening RSA's ability to serve its constituents, providing the organization with a Commissioner who is in a better position to coordinate RSA's efforts with those of other programs serving the handicapped and a deputy who can devote full attention to the daily administration of RSA. Under no circumstances will RSA's programs be allowed to suffer.

5. Specifically, how do you envision this reorganization enabling better services to handicapped persons at the grass roots level? In connection with this, have regional offices been consulted and what is their reaction to the reorganization?

Answer:

By providing better coordination at the Federal level of programs serving the handicapped, I hope to encourage improved coordination at the service delivery level. The reorganization offers an opportunity for better policy coordination and simplification of issue resolution in programs involving the handicapped. Regional staff are, of course, aware of the reorganization, and they are actively involved in implementing it. Task forces for implementation are being established in each Regional Office and at headquarters staff and program offices as well. Regional personnel will be involved at both levels.

6. I understand that you intend to undertake a technical assistance program to assist in carrying out compliance with section 504 of the Rehabilitation Act. The Office of Civil Rights is already undertaking a major technical assistance program as has grown to be traditional under their other civil rights activities. What relationship will your activities have with their already set up programs?

Answer:

The Office of Civil Rights has overall technical assistance responsibility in regard to Section 504 of the Rehabilitation Act of 1973. Within that context, HDS may have to provide program-specific technical assistance to the recipients of its program funds. The need for such assistance has not been fully defined at this time. Therefore, both the need for technical assistance and the appropriate structure for providing it will be considered by the reorganization task forces currently at work.

Senator STAFFORD. Thank you.

The Chair will now invite the panel, Dr. Elizabeth Boggs, National Association for Retarded Citizens; Dr. Edward Newman, Chairman, Government Liaison Committee, Epilepsy Foundation of America; and Mr. James Murphy, Coordinator of Consumer Activities Committee, United Cerebral Palsy of Washington—we invite you to come forward.

On behalf of the Subcommittee on the Handicapped, the Chair welcomes you here, appreciates your willingness to give up some time to help us, and invites you to proceed in whatever manner you wish.

STATEMENT OF DR. ELIZABETH BOGGS, NATIONAL ASSOCIATION OF RETARDED CITIZENS; DR. EDWARD NEWMAN, EPILEPSY FOUNDATION OF AMERICA; AND JAMES MURPHY, UNITED CEREBRAL PALSY, A PANEL

Dr. Boggs. Thank you very much, Mr. Chairman,

You have already identified my colleagues. I think you have a prepared statement which has been jointly agreed upon by the three organizations, and I would like to request that this might be inserted in the record.

Senator STAFFORD. Without objection—and outside of this Senator there is nobody here to object—so it will be part of the record at the conclusion of your testimony.

Dr. Boggs. Thank you very much, Senator.

The three of us will address somewhat different points in the statement and will attempt to save you some time.

First of all, I think that I can say on behalf of all of us that we do recognize the real and good intentions of the Secretary and of Assistant Secretary Martinez, even though we may disagree with the actual proposals that are being made. I think we could give them "E" for effort but perhaps we are withholding our "U" for understanding at this moment.

Span of control is one thing but recognition of line and staff functions is another issue.

We first of all wish to go on record as being among the many—including the members of the committee, apparently—who very seriously question the double-decker commissioner concept. Ms. Martinez has said that this is temporary, and we can only hope that "temporary" means of short duration and that that issue will be addressed rapidly.

We also share the notion that the position of the Architectural and Transportation Barriers Compliance Board is somewhat anomalous in this setting.

I would like to proceed to the issue of congressional intent with respect to RSA and the Developmental Disabilities office, and also with respect to the intermediate care facility regulations, since these were mentioned by Ms. Martinez.

Needless to say it is not up to us to tell you the intent of this committee, but we do believe that it is important to get into the record that this committee not only wanted to protect the RSA and the status of the Commissioner of RSA but also took steps—in 1974—to assure

the independence of the Developmental Disabilities office and its status in the then-OHD. You actually were explicit in the legislation which you introduced and sponsored, and that statutory proposal was withdrawn only after specific actions by the then-Secretary to establish your intent in fact. We have attached to our statement some of the record which shows what you did, the support that you had in your position from the consumer organizations and a statement from Secretary Weinberger reaffirming the findings and intent of HEW.

I would like to emphasize that the action to give DDO independent status in OHD was, again, a nonpartisan one in respect to your intents and I think it was an administrative matter and not a partisan matter in HEW as well.

I do want to say a word or two about the standards for intermediate care facilities for the mentally retarded and other developmentally disabled persons. Ms. Martinez indicated that action on that matter was an action of understanding and affirmation on the part of the administration.

I regret to say that we do not view this administration's action in that arena as constructive. And I must say further that I think this committee should be considerably concerned about it, because, as you know, at one point you proposed to legislate on exactly that issue and again in 1975 you refrained as a result of statements by the administration that they intended to comply without a statutory mandate.

You took the precaution, however, of putting into the Developmental Disabilities Act a requirement citing the then-existing intermediate care regulations that had been projected for two stages of implementation by the preceding administration and saying that you wanted standards not less than those standards. What we have are standards which are less than those standards.

I thought it was important to make that point.

Third, I would like to address what we see as a real transformation that has taken place within this administration in what used to be the Office of Human Development and is now been quite significantly retitled "Office of Human Development Services."

Originally, 4 years ago, that office was an aggregate of advocacy offices for persons with special needs which crosscut many larger programs in HEW. However, this year, with the addition of the title XX of OHDS, the dollar volume managed by OHDS has nearly tripled and what we find ourselves with is a new Social and Rehabilitation Service minus medicaid and welfare. OHDS is clearly becoming the operating social services agency within HEW.

The argument has been made that what the administration has brought together under the proposed AHI are all the services for the handicapped in OHDS. I wish to point out that there are now more than 2 million SSI recipients or 3.5 million severely identified disabled people if you count those who receive disability benefits under social security but are not under SSI, and that these people have priority on title XX services.

The Administration on Public Services in the past has never given much visibility or clout to the few staff members it has had with competence on the special needs of disabled children and adults.

Nevertheless, despite this fact, the States have—appropriately, in our view—spent significant amounts of title XX funds on specific services, supportive services for the handicapped.

The APS says they cannot tell you how much, but OMB a year or two ago assured the Congress that over \$300 million in title XX funds were going for specific services for the mentally retarded alone.

Thus, from our point of view, the APS is equally important with RSA. RSA is obviously a major program for the handicapped, but so is title XX.

Now, it does seem to us that it has not been made clear how the Administration for Handicapped Individuals will provide adequate direction to the legitimate mandated roles of the APS, and, I might add, the Office for Child Development, in respect to the disabled constituencies which are beneficiaries of those programs.

We also wish to point out, particularly today, that it is important to emphasize the role of the family as a supporter of the handicapped. In short nothing really has been said about the role of AHI vis-a-vis those programs for the handicapped in the Office of Human Development Services which are not encompassed within AHI administratively. We feel that's a rather important organizational issue.

I would like now to have Dr. Newman pick up on some of the other points.

Dr. NEWMAN. Thank you, Dr. Boggs.

It is good being here, Senator Stafford, again.

Dr. BOGGS. Is your microphone working?

Dr. NEWMAN. OK. Yes.

I am going to make some brief remarks to support our coalition of organizations. And I really want to say just a few things.

First, the importance of strengthening the programs for the handicapped as reflected in the mandate of the statutes for those programs. And the question the committee should be addressing and that I am addressing myself as I look at the reorganization is whether the administration of programs for handicapped people are going to be strengthened according to the intent of Congress for these programs.

And I am going to be saying something about the requirement and the need for technical assistance, especially in an area where programs for the handicapped have proliferated. And the question is where the real needs are.

Another way of saying this is: Do we satisfy the needs of handicapped people and those that are serving them by adding increasing units of Government, more bureaucratic units, or do we try to find other ways?

And, finally, I was heartened to find out that this reorganization, which was spoken of, is a temporary transitional reorganization. I gathered that from the testimony. And I hope that HEW moves expeditiously to this final reorganization.

The example I give with respect to technical assistance concerns the intention of the Office of Human Development Services to have within it an Office of State and Community Affairs as an entity which OHDS people will be involved with citizen participation and other types of activities, such as the utilization of volunteers and special attention to vulnerable population.

Assistant Secretary Martinez, in an August 22 letter to UCPA, stated that:

This new unit will not create a barrier between constituent organizations and program managers. And the technical interactions referred to in your letter will take place as they have in the past.

We continue to have our doubts and we encourage the subcommittee to pursue this further with the administration.

Basically, we question the set aside of 40 people for this office, and recognize that the office has additional responsibilities for such activities as intergovernmental operations, technical assistance to State and local governments and the regional office.

But OHDS as a division now appears to be somewhat topheavy. We counted about 215 people who would fall into this category that the Assistant Secretary said were going to be assistant and support to her office as well as to the units.

And when you compare this, for example, to the Developmental Disabilities Office, with 22 persons—and I think just two are clerical, if I am correct, out of those 22—you will see this kind of topheavy comparison.

To put it another way, two essential questions might be addressed. First, how can congressional intent best be served for the programs for handicapped people under the purview of OHDS? And second, how can HEW and OHDS best organize to administer the legal intent of these programs?

Now, in the illustrative area of the developmental disabilities program, we could take a look at an act which requires the Secretary to administer a State formula grants program, a special projects program, a program of university-affiliated facilities, a State protection and advocacy program. Second, to develop a comprehensive system for the evaluation of services for ultimate utilization at the State level, conduct special studies on the definition and evaluation of standards and quality assurance mechanisms for residential and community programs, and administer the national advisory council.

The States, in turn, must develop their comprehensive plan to administer the formula funds accordingly and establish a separate protection and advocacy system.

Now, who in HEW is concerned with the leadership and the professional direction, the technical assistance, and the evaluation required under this act?

At the Federal level there are 20 nonclerical staff in the DD office. In the HEW regions altogether, I am told there are 19 who administer this program.

Now, I am not here saying that I know the answer to exactly how many staff should be in any office. I am looking at the development of a large, generalized staff office compared to a program office which is being squeezed and to a recommendation by the administration, by HEW, to build a new office of 40 people who are going to be involved in something called State and community affairs.

Now, developmental disabilities is the kind of program which the OHDS Administrator or Assistant Secretary has spoken of as providing State and local citizen leadership and shaping these local service requirements. But with a very special difference.

The DD responsibility is severely-disabled persons who are physically and mentally dependent to the point that they may be in institutions or throughout their lives in danger of institutionalization.

In sheer economic terms, the population we are talking of may cost as much, in just dollar terms, as much as \$25,000 per person per year once committed to institutional care.

Now, our question to the committee is, "What Federal unit is best equipped to provide the technical interactions between the Federal Government and those attempting to help these people lead better lives?" Is it a general office of State and community affairs, or is it a specific office which is sufficiently staffed and adequately supported to see that these functions are properly addressed.

Clearly, the answer is the agency designated to administer the act responsible for this population.

Now, merely beefing up the DD office or any Federal office will not get to the heart of the problem of how to provide expertise to State and local providers in a nonrestrictive yet a professional helpful way.

Now, here is the little innovation which I thought would be of value to the committee.

There is a little-known program in the rehabilitation facilities section of RSA which may very well be used as a model for giving, in Secretary Martinez' terms, unencumbered technical assistance to local providers, without building a large, nonstatutory office to make this happen.

Now, this program is a technical assistance program for rehabilitation facilities, and it is authorized under section 304(e)(1) of the Rehabilitation Act of 1973.

A list of experts have been developed, screened, and made available to RSA people in Washington and in the regions. And these people are experts in every aspect of vocational rehabilitation in rehabilitation facilities.

When a provider has a need for a certain kind of expertise, he requests help from the Federal Rehabilitation Office.

Now, RSA then assists in finding the right expert and assists the provider in paying for the appropriate professional help. The help is provided directly. The Federal Government does not interpose another layer. The problems to be solved are defined by the local people. No new Federal unit is created. Experts are used from every walk in life.

And most important, people giving the help know what they are talking about.

So, I just would like to summarize by saying when you have specialized problems, exhibited by special populations, requiring specialized approaches, we can't expect to be responsive by organizing a general agency to help general populations to solve generalized problems.

Thank you very much.

Senator STAFFORD. Thank you very much.

We have one more speaker?

Dr. Boggs. Yes, Mr. Murphy.

Mr. MURPHY. The three organizations here today are very concerned over the lack of consumer and outside agency involvement in the formulation of the OHDS reorganization plan.

During the past Presidential campaign, candidate Jimmy Carter stated in a campaign position paper relative to disabilities that in his administration, the bureaucrats serving the disabled would be meeting them around conference tables rather than across picket lines.

We don't feel there has been sufficient followthrough in the reorganization of this Office.

And we would like to give two examples of this lack of follow-through.

On July 22, Assistant Secretary Martinez called a meeting with representatives of the disabled community to explain the program reorganization as it was formulated. While the people at that meeting did represent segments of the disabled community, other vitally important segments were not represented. As an example, none of the three organizations here had representatives at that meeting.

Also, when the reorganization plan was announced publicly, each of our organizations wrote to the Secretary to express our deep concern. The UCPA and NARC letters were not answered for nearly a month. The Epilepsy Foundation's letter, which did not go out until early in August, has not been answered yet.

In the answers that NARC and UCPA had received, reference was made to a meeting of the HEW task force on reorganization which was being held on September 17.

The date that those two wrote, August 19 and August 26, were answered on September 19 and September 22, respectively. We have had no further communication with this HEW reorganization task force.

In Assistant Secretary Martinez' testimony, she states that the draft with the proposals for this task force was circulated to the congressional staff and other interested parties. We have not received any copies of these documents.

Finally, I would like to say that as a person involved on an on-going basis with the program, one of whose aims is to stimulate the participation of persons with cerebral palsy as citizens, I find this whole thing very discouraging.

Senator STAFFORD. Thank you, Mr. Murphy.

Let me address this question to all three of you on the panel. Were any of your organizations present at a meeting on July 22?

Dr. Boggs. I cannot be perfectly sure of which meeting that refers to, but there was a meeting around that time to which a representative, a staff member of the Washington office of NARC was invited, but the other organizations were not invited. I think I am referring to the right meeting.

It was on very short notice, I might add.

Mr. MURPHY. Could I clarify something?

Senator STAFFORD. Yes.

Mr. MURPHY. In my testimony I referred to it as the July 22 meeting. There was a NARC representative there. EFA and UCPA were not. I misspoke myself.

Dr. Boggs. I wouldn't have regarded the meeting as a consultation meeting in any case. The meeting was to announce their intentions, not to receive any suggestions for changes in the following 3 days.

Senator STAFFORD. Would any one of you be willing to expand your statement that your recommendations concerning reorganization were not either considered or rejected by the Department?

Dr. Boggs. Well, we have attached to our statement a position in which we and the ACCD join. Our organizations were included in the sponsoring of that recommendation, and I think you will hear later from that organization itself. I think that, if you would examine the HEW proposals and the considerations in our document, you will see that it doesn't look as though much attention has been paid to the thoughts and theses in our document. I don't want to expatiate on that.

I think that one of the main issues has to do with what appears to be the downgrading of the focus on the handicapped, whereas we think that, if anything, it should be upgraded.

I would further like to add that there has been an absence of distinction between the necessary broad overview in research, evaluation, planning, coordination, on the one hand and program operation on the other—the ability to address all programs in HEW with respect to their impact on the handicapped without pulling out the interests of the handicapped from each of the agencies, whether they are the Bureau for the Education of the Handicapped, or the Public Health Service, or whatever. The overview function needs to be accentuated and supported.

To confuse that function with the aggregation of operating agencies, in the opinion of some of us, is part of the misunderstanding that we have here.

Dr. NEWMAN. May I add just a word?

Senator STAFFORD. Sure.

Dr. NEWMAN. Just to supplement what Dr. Boggs has just said, what is terribly important in Federal Government in the executive branch and in HEW in particular, is that when functions have to be coordinated they be coordinated at the highest possible level.

If there's a seriousness of purpose on the part of the administration for really coordinating and taking leadership with respect to those functions, I mean.

So, we should not be criticized for feeling that the handicapped are really downgraded if this were to be looked upon as the final reorganization for the handicapped, especially since the majority of funds and programs related to the handicapped are not subsumed under the Office of Human Development Services.

Senator STAFFORD. Did you wish to make a further statement, Dr. Boggs?

Dr. Boggs. Not until you finish questioning.

Senator STAFFORD. Well, the Chair was about to thank all three of you for taking the time and the trouble to come here and counsel with us on the proposed reorganization for the subcommittee and the committee, and we appreciate it very much.

Dr. Boggs. Could I just add one thing, Senator?

Senator STAFFORD. You may.

Dr. Boggs. Early on Ms. Martinez referred to the 504 regulations. And I think some of us feel in retrospect, although we were concerned at the time about the delay in issuance, that the time was in fact used very constructively both within HEW and outside to bring higher visibility and a better understanding of those regulations.

And I would feel it unfortunate if these hearings were to be recorded without it being noted that Ms. Judy Heumann is in the room, since she took a very active part in the external visibility heightening of those regulations.

Senator STAFFORD. Thank you very much. I thank all of you once again.

Dr. Boggs. Thank you, Senator.

Senator STAFFORD. We have a statement issued by the American Council of the Blind. Their witness will not be present to give it formally, but he asks that it be included in the record.

So, without objection, it will be put in the record.

[The joint prepared statement of Dr. Boggs, Dr. Newman, and Mr. Murphy and prepared statement of the American Council of the Blind follow:]

STATEMENT

RESPECTFULLY SUBMITTED TO THE
SUBCOMMITTEE ON THE HANDICAPPED
OF THE SENATE COMMITTEE ON HUMAN RESOURCES

ON

DHEW OFFICE OF HUMAN DEVELOPMENT
SERVICES REORGANIZATION INITIATIVES

ON BEHALF OF

EPILEPSY FOUNDATION OF AMERICA
NATIONAL ASSOCIATION FOR RETARDED CITIZENS
UNITED CEREBRAL PALSY ASSOCIATIONS, INC.

SEPTEMBER 20, 1977

Witnesses:

Elizabeth M. Boggs, Ph.D.
Member, Governmental Affairs Committee
National Association for Retarded Citizens

James H. Murphy
Coordinator, Consumer Activities Committee
United Cerebral Palsy Associations, Inc.

Edward Newman, Ph.D.
Chairman, Government Liaison Committee
Epilepsy Foundation of America and
Professor of Social Administration and
Director of Human Services Planning and
Developmental Disabilities Center
Temple University

The recently announced reorganization of the DHEW Office of Human Development presents, in our opinion, serious problems in the improvement of services to handicapped individuals.

Dual Administrative Responsibilities

Our greatest concern is the dual role to be played by a single person in assuming the responsibilities of Commissioner of the Rehabilitation Services Administration (RSA) and Commissioner of the Administration for Handicapped Individuals. We are sure this Committee is well aware that the day-to-day operation of RSA requires a well-qualified, full-time person. RSA administers a multi-faceted, nearly \$1 billion program which serves as the Federal Government's central focus to rehabilitate employable handicapped adults. Clearly, this major effort, affecting the lives of thousands of handicapped people annually, warrants the full attention of a commissioner.

Of equal importance to us, however, is the position of the Commissioner of the Administration for Handicapped Individuals. Apparently, the Administration for Handicapped Individuals will be responsible for administering the RSA, the Developmental Disabilities Office (DDO), the Office for Handicapped Individuals (OHI), the Architectural and Transportation Barriers Compliance Board (ATBCB), the President's Committee on Mental Retardation (PCMR), and the final stages of the White House Conference on Handicapped Individuals (WHCHI). If this is the case, not very much has been accomplished at all.

Since our organizations have not been consulted, and since the OHD's press release on the reorganization contains the barest of information, it is most difficult to understand how programs will be improved.

(2)

The only explanation thus far is that it will be easier for the Federal Government to manage the programs, and it should produce dividends to people who are in need of services. How this worthy goal is to be accomplished is left to the fantasy of the public. Many national organizations representing handicapped persons, including our own, endorse the concept of a Federal agency which is responsible for intra- and inter-departmental planning, policy coordination, research and legislation related to issues on handicapped people. The recent reorganization not only falls far short of this goal but potentially impedes it.

It is extremely important to realize that, to the best of our knowledge, those programs included under the reorganization in the Administration for Handicapped Individuals make up far less than 25% of the Federal effort on behalf of handicapped Americans. If DHEW is serious about planning and coordinating all Federal programs for handicapped people, and we hope they are, surely they must realize that this recent reorganization just won't do the job. A part-time Administrator simply could not do justice to this very important effort.

We have attached to our statement a copy of recommendations for HEW reorganization developed by NARC, UCP and EPA which were subsequently adopted by the ACCD and made available to the White House and HEW by the ACCD. A comparison of the OHD reorganization plan and our recommendations clearly shows our ideas were either not considered or rejected.

We could spend hours discussing with you the many Federal programs that currently work at cross purposes to one another, those that require close coordination and others that are simply not effective. For DHEW

(3)

to come to grips with these problems within DHEW alone, requires not only a full-time Administrator but a strong policy and planning staff. Additionally, the reorganization promises, "a serious review of other governmental programs, ranging from housing to commerce, transportation to civil defense, employment to retirement, and civil rights to consumer affairs." To provide less than a full-time staff and full-time leadership would be a sham to our handicapped citizenry.

In addition to the effectiveness of the Administration for Handicapped Individuals and the RSA, other OHDS programs for the handicapped may be adversely affected. For example, in 1975 the Congress, DHEW and organizations interested in the field of developmental disabilities all agreed the Developmental Disabilities program, after 4 years of experience and study, should be transferred from the supervision of RSA and made an independent agency. The Congress was prepared to effect this change legislatively, but the Administration made the shift voluntarily, thus negating the need for legislation. Everyone involved in the Developmental Disabilities program, such as the National Association for Retarded Citizens, United Cerebral Palsy Associations, Epilepsy Foundation of America, National Society for Autistic Children, and the National Association of Coordinators of State Programs for the Mentally Retarded, heartily endorsed this move. Now the new Administration, without seeking advice from the voluntary organizations, has completely reversed our previous efforts.

We have attached to our statement some pertinent legislative history which the Administration certainly disregarded in their reorganization. In our opinion, this is indicative of the total disregard on the part of the Administration of Congressional intent and consumer position.

(4)

The administrative performance of the Developmental Disabilities Office has been questioned by several entities both inside and outside of the Administration. The DDO's performance level is unlikely to improve and the office is unlikely ever to reach its potential under the OHDS reorganization plan - how can it when the office will receive even less top management attention?

We certainly question DHEW's motivation for this change. They have obviously chosen to disregard past experience. One can understand a new Administration's desire to reorganize, but it is most difficult to accept reorganization that flies in the face of all previous planning.

Office of State and Community Affairs

We have concern with the new Office of State and Community Affairs as an entity which potentially diverts OHDS personnel and citizen participation from actual program administering agencies. This office is to be an advocate for citizen participation, for utilization of volunteers, and for vulnerable populations. During the past decade we have experienced a variety of frustrations and non-productive relationships with offices of "community affairs," "consumer affairs," "volunteer affairs," "public information," and "citizen participation." Whatever their titles, they are primarily nontechnical public relations operations with no meaningful relationship to or understanding of policy development or program implementation. These offices have served few needs other than operating as substantial obstacles to real citizen participants in government. Assistant Secretary Martinez, in an August 22, 1977 letter to UCPA, stated that, "this new unit will not create a barrier between constituent organizations and program managers. The technical interactions you refer to

(5)

in your letter will take place as they have in the past." We continue to have our doubts and we encourage this Subcommittee to pursue this further with the Administration.

We also question the set aside of 40 personnel for this new office. We recognize that this office has additional responsibilities for such activities as intergovernmental operations, technical assistance to state and local governments, and regional offices. But OHDS seems somewhat top heavy in management with 55 persons in the Office of Planning, Research and Evaluation, 130 persons in the Office of Administration and Management, and 30 persons in the Office of Policy and Management Control. Compare this, for example, to the Developmental Disabilities Office (DDO) with an understaffed office of 22 persons. The DDO has line item responsibility for administering a state formula grant program, a protective and advocacy system, and a national significance discretionary grant program. We recommend that the Subcommittee examine this staffing allocation.

Two essential questions should be addressed: First, how can Congressional intent best be served for the programs for the handicapped under the purview of OHDS? Second, how can HEW and OHDS best organize to administer the legal intents of these programs?

As an illustrative area, let us consider the Developmental Disabilities Program. The Act mandates the Secretary to (1) administer a state formula grant program, a special projects program, a program of university affiliated facilities, and state protection and advocacy systems; (2) develop a comprehensive system for the evaluation of services for ultimate utilization at the state level; conduct special studies on (a) the Developmental Disabilities Definition and evaluation of standards and quality

assurance mechanisms for residential and community facilities; and, (4) administer the National Advisory Council on Developmental Disabilities. The states, in turn, must develop comprehensive state plans, administer the formula funds accordingly, and establish a separate protection and advocacy system. Who in HEW is concerned with the leadership and professional direction, technical assistance and evaluation required under the Act? At the Federal level there are 20 non-clerical staff in the Developmental Disabilities Office. In the HEW Regions there are 19 people who administer the Developmental Disabilities Program at that level.

Developmental Disabilities is the kind of program which the OHDS Administrator has spoken of as providing state and local citizen leadership in shaping local service requirements, but with a very special difference. Its emphasis is on substantially and severely disabled persons who are physically and mentally dependent to the point that they may be in institutions or are in danger throughout their lives of institutionalization. In sheer economic terms, the population we are talking of costs about \$25,000 per person per year once committed to institutional care.

Our question to this Committee is, what Federal unit is best equipped to provide the technical interactions between the Federal Government and those attempting to help these people lead better lives, a general Office of State and Community Affairs or a specific Office of Developmental Disabilities, sufficiently staffed or with the responsibility to see that these functions are properly addressed? Clearly, the answer is the agency designated to administer the Act responsible for this population.

Merely beefing up the Developmental Disabilities Office or any Federal office will not get to the heart of the question of how to provide expertise to state and local providers in a non-restrictive yet professionally helpful way.

There is a little known program in the Rehabilitation Facilities Section of RSA which may very well be used as a model for giving "uncumbered" technical assistance to local providers without building a large, non-statutory office to make this happen. This program is the Technical Assistance Program for Rehabilitation Facilities and is authorized under Section 304(e)(1) of the Rehabilitation Act of 1973. Lists of experts are developed, screened and made available to RSA people in Washington and in the HEW Regions. These people are experts in every aspect of vocational rehabilitation in rehabilitation facilities. When a provider has a need for a certain kind of expertise he requests help from the Federal Rehabilitation Office.

RSA then assists in finding the right expert and assists the provider in paying for the appropriate professional help. The help is provided directly. The Federal Government does not interpose another layer. The problems to be solved are defined by the local people. No new Federal unit is created. Experts are used from every walk in life. And most important - people giving the help know what they are talking about.

When we have specialized problems exhibited by special populations requiring specialized approaches, they won't disappear by organizing a general agency to help general populations to solve generalized problems.

Sheltered Workshop Advisory Committee

In a related matter, we wish to bring to the attention of this Subcommittee the recent action by the Department of Labor, in compliance with President Carter's directive to reduce the number of advisory committees, to terminate the Advisory Committee on Sheltered Workshops. This committee served as the major vehicle for consumer input to the Department of Labor on matters relating to wages and other important matters dealing with sheltered employment. The Advisory Committee on Sheltered Workshops also recently had been involved in Department of Labor activities relating to wages and employment relationships of residents of institutions and group homes.

Our organizations view these past efforts as important and worthy of continuation; as such, we urge this Subcommittee to support the re-establishment of this valuable advisory committee.

Consumer and Outside Agency Involvement

Our three organizations were highly pleased when Presidential Candidate Carter, in his position paper "Americans With Disabilities," pledged that in the future DHEW officials would meet handicapped persons, and organizations representing them, around the conference table if he were elected President. We were particularly pleased because in the previous Administration the needs of the handicapped in DHEW administered programs had often been overlooked or improperly addressed.

However, we have increasing concern over lack of consumer participation in designing and administering DHEW programs for the handicapped.

In the interest of brevity, we will cite only a few examples of lack of consumer involvement in OHDS programs. On July 22, 1977 the Assistant Secretary of OHDS called a meeting of representatives of the handicapped with one day notice. The meeting was limited to individuals who, while vitally concerned and interested, did not necessarily represent the thinking or positions of major national organizations concerned with the handicapped. The purpose of this meeting was to inform the handicapped "community" of the reorganization of OHDS.

As soon as the reorganization of OHDS was made public, EPA, NARC, and UCPA wrote to Arabella Martinez, Assistant Secretary for Human Development, expressing major concerns with the reorganization plan - concerns we are expressing to you today. The United Cerebral Palsy Associations letter was sent July 27 and acknowledged August 22. The National Association for Retarded Citizens letter was dated July 28 and acknowledged on August 19. The Epilepsy Foundation of America letter was sent August 5 and, to date, no reply has been received. The acknowledgement to both NARC and UCPA's letters stated:

"The OHDS Reorganization Task Force, which is chaired by Frank Newgent, Deputy Assistant Secretary for Human Development Services, will have its first meeting on August 17. As you know, this effort will provide for the involvement of members of Congress and their staffs, constituent organizations (such as yours) and employee unions. I anticipate a lively debate of the issues, as your letter and feedback from other concerned parties indicates."

We found it of interest that letters dated August 22 and August 23 mentioned an upcoming meeting to be held on August 17! We would also suggest that this Subcommittee inquire to determine which Members of Congress and which constituent organizations were actually involved in this meeting.

Conclusion

NARC, UCPA, and EPA believe that key deficiencies exist in programs serving handicapped people within the jurisdiction of the Office of Human Development Services. Yet, regrettably, we seem to find fewer opportunities to provide meaningful input in this Administration than in the previous one. This fact is not only disappointing, but indeed it is surprising, in that it is not consistent with public statements made by President Carter and Secretary Califano.

We encourage the Senate Subcommittee on the Handicapped to express its concern to the Administration for meaningful citizen participation in reorganization efforts and to closely monitor DHEW initiatives in this area.

AMERICAN COALITION OF CITIZENS WITH DISABILITIES
JULY 20, 1977 RECOMMENDATIONS ON

REORGANIZATION OF SELECTED HEW PROGRAMS
SERVING DISABLED PEOPLE

Introduction

In his address to the White House Conference on Handicapped Individuals 23 May 1977, President Carter expressed his commitment to reorganization of Federal programs affecting America's 36 million citizens who have physical, sensory, mental, and emotional disabilities:

We have more than 100 different programs in the Federal government already for the handicapped. They are administered by many different agencies. There are a lot of different kinds of definitions for the handicap of the same person, and that means that many of you who have sought for a long time to take advantage of these programs which the Congress and my predecessors in the White House have passed have often had to go to four or five or six different agencies to get the simple treatment or opportunities which you deserve under the law.

It is time for us to change that, and one of the very good benefits of the reorganization authority that Congress has now given me is to bring all of those programs for the handicapped into one agency so you can understand them and take advantage of them.

The President's comments implicitly recognized the fact that disabled people have needs spanning virtually all of government, from housing to commerce, transportation to civil defense, education to recreation, employment to retirement, civil rights to consumer affairs. Between 103 and 200 separate programs directly affect disabled people, with the number dependent upon interpretations of the terms "services" and "disabled" or "handicapped." Yet coordination of service delivery is virtually nonexistent; the one hundred-plus programs are all located in subcabinet-level agencies, making cross-departmental coordination impossible absent extraordinary effort. As a result, people qualifying for one service often cannot get another, requirements for participation in one program erect disincentives to participation in others, and significant gaps in service delivery remain despite persistent attempts to close them by the Congress, the administration, and disabled people themselves.

The President's stress upon increasing access to programs for disabled people constitutes a call for better coordination of generic service delivery programs. This document, the second in a projected series dealing with Federal reorganization, proposes a plan for enhancing government-wide coordination of service programs while improving the effectiveness of programs targeted specifically toward disabled individuals which are currently situated within the Office of Human Development of the Department of Health, Education, and Welfare.

The proposed plan establishes a mechanism for cross-departmental coordination within the context of a "Cabinet government" by creating, within the office of the secretary of a major department, a unit focussing exclusively upon disability-related issues. The location facilitates interface with other departments and agencies while enhancing coordination of health, education, and welfare programs. No such intra- and inter-departmental capacity now exists. The proposed unit will, we believe, effect greater cohesion in service delivery programs while maintaining existing departmental administrative responsibilities for generic programs.

The plan may be effected within the authority of P. L. 95-17, the Reorganization Act of 1977. No new legislation is necessary. The proposed structure establishes linkages with existing programs without addressing reorganization, or legislative issues that may be raised with respect to these latter programs; subsequent plans will consider possible restructuring of programs in departments and agencies other than HEW.

The Recommendations

An Office of the Assistant Secretary for Handicapped Individuals is proposed for establishment in the Office of the Secretary of Health, Education, and Welfare. Within the new office would be a unit responsible for intra- and inter-departmental planning, policy, coordination, research, and legislation related to disability issues. The unit would forge linkages with the offices of other assistant secretaries, and through the Secretary with other departments, for implementation of these activities. Reporting to the Assistant Secretary

would be the heads of the Rehabilitation Services Administration, the Office of Handicapped Individuals, the Developmental Disabilities Office, and the independent Architectural and Transportation Barriers Compliance Board. Placement of the President's Committee on Mental Retardation, the continuation of which is strongly urged, will be considered in a subsequent document dealing with commissions and advisory bodies. The Assistant Secretary for Handicapped Individuals thus would be responsible for disability-related planning and coordination and for administration of selected disability-targeted programs.

Full implementation of the recommendations would require additional resources through the appropriations process and administrative designation of individuals in other assistant secretaries' offices as liaison on disability issues. The enclosed chart depicts the proposed reorganization.

Related Issues

The recommended plan offers highly important advantages over competing proposals that have been made. First, no new legislation is required; most other plans reviewed assume amended legislation. Second, the intra- and inter-agency coordination functions cannot be accomplished absent a highly placed unit having direct access to the Secretary of HEW. A simplistic plan bringing the several disability-targeted units together without elevating the level of responsibility accomplishes little that is positive. Particularly dangerous would be a reorganization in which one existing agency assumes precedence over others; the recommended plan makes each equal with respect to the new Assistant Secretary.

RECOMMENDED REORGANIZATION OF SELECTED HEW PROGRAMS

Assistant Secretary for Handicapped Individuals
Unit on Planning, Policy, Coordination,
Research and Legislation

Rehabilitation Services
Administration

Administers the VR
Program and P. L.
93-112, except for
Title V (civil rights)

Developmental
Disabilities Office

Administers the DD
and Protection and
Advocacy programs

Office of
Public Liaison

Includes OHI/
Information
Clearinghouse and
maintains liaison
with organizations
and private individuals

Architectural
and Transportation
Barriers Board

Statutorily
authorized to
implement barrier
removal requirements.

93d CONGRESS
2d SESSION

S. 3378

IN THE SENATE OF THE UNITED STATES

APRIL 24, 1974

Mr. RANDOLPH (for himself, Mr. JAVITS, Mr. KENNEDY, Mr. STAFFORD, Mr. WILLIAMS, Mr. CRANSTON, Mr. MONDALE, Mr. PELL, Mr. SCHWEIKER, and Mr. TAPF) introduced the following bill; which was read twice and referred to the Committee on Labor and Public Welfare

A BILL

To provide assistance for the developmentally disabled, establish a bill of rights for the developmentally disabled, and for other purposes.

3 OFFICE OF DEVELOPMENTAL DISABILITIES

4 SEC. 4. There is established in the Office of the Assist-
5 ant Secretary for Human Development in the Department
6 of Health, Education, and Welfare, an Office of Develop-
7 mental Disabilities headed by a Director to administer this
8 Act.

NARC TESTIMONY

Finally, the National Association for Retarded Citizens supports the transfer of the Developmental Disabilities Program from the Rehabilitation Services Administration to the Office of Human Development. This shift should assist in focusing the program on the full system of care required throughout the lifetime of a developmentally disabled person, rather than the narrow focus of the Rehabilitation Services Administration.

UCPA TESTIMONY

Transfer of DDD to OHD

UCPA believes the proposed transfer of the Division on Developmental Disabilities to the Office for Human Development will provide increased visibility, focus, and leadership on behalf of the developmentally disabled. Recognition within HEW of the Division's responsibilities will be increased by such a transfer.

HOUSE REPORT

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AGENCY REPORTS

Agency reports were requested on H.R. 2955, a similar predecessor to H.R. 4004, when it was introduced, but have not yet been received. The Department of Health, Education, and Welfare has, however, transmitted a legislative proposal for extension of the Developmental Disabilities Act which is similar in many respects to H.R. 4004. The Department's letter of transmittal for that proposal is reproduced below for the information of the Members.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., February 19, 1975.

HON. CARL ALBERT,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Enclosed for the consideration of the Congress is a draft bill "To revise and extend the program authorized by the Developmental Disabilities Services and Construction Act."

The most important purpose of this draft bill is to extend for three years the Developmental Disabilities program which, since its inception, has made a significant contribution in meeting the needs of the developmentally disabled.

One of the primary products of the Developmental Disabilities program has been to increase the planning capacity of State and local governments to utilize effectively all available resources to meet the needs of this population. The enclosed draft bill would continue that strategy and would increase the emphasis on developing effective means to reduce the dependency of the developmentally disabled. Under the program as it is currently operated and as we hope it would be continued under this legislation, Federal funds will serve as a catalyst to stimulate the growth of programs serving the developmentally disabled.

As you know, the Department submitted legislation during the last Congress—introduced as S. 3011 and H.R. 12892—to extend this program. Other bills were also introduced in both Houses and were finally passed, in differing form, by both the House and the Senate as H.R. 14215. However, that bill was never enacted, and the program is still operating under a continuing resolution. Both the House and Senate bills have been reintroduced as H.R. 2955 and S. 462, respectively.

The draft bill that we are proposing follows the format of title I of S. 462. However, as indicated in a letter which we sent to the conferees on December 11, 1974, on H.R. 14215 (a copy of which is enclosed), there are a number of features of the Senate bill which cause us serious concern. The following list indicates the major changes we are proposing for the program, as well as the major differences between our draft bill and the House and Senate bills:

1. Our bill would not include a requirement that an office of developmental disabilities be established in the Office of the Secretary. We agree with the Senate that the Developmental Disabilities program is more appropriately placed in the Office of the Assistant Secretary for Human Development, and, indeed, we have already placed it there and intend in the near future to establish a separate Office for Developmental Disabilities, with its Director reporting directly to the Assistant Secretary.

Sincerely,

CASPAR W. WEINBERGER, Secretary.

STATEMENT OF THE AMERICAN COUNCIL OF THE BLIND
1211 CONNECTICUT AVE., N.W., SUITE 506
WASHINGTON, DC 20036
(202) 833-1251

BEFORE THE SUBCOMMITTEE ON THE HANDICAPPED
SENATE COMMITTEE ON HUMAN RESOURCES

PREPARED BY REESE H. ROBRAHN, ATTORNEY-AT-LAW
DIRECTOR OF RESEARCH AND GOVERNMENTAL AFFAIRS

REORGANIZATION OF THE OFFICE OF HUMAN DEVELOPMENT
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

ON MAY 23, 1977, PRESIDENT JIMMY CARTER ADDRESSED THE WHITE HOUSE CONFERENCE ON HANDICAPPED INDIVIDUALS, SHERATON PARK HOTEL, WASHINGTON, DC, AND IN PART MADE THE FOLLOWING STATEMENTS:

"THE CIVIL RIGHTS OF HANDICAPPED PERSONS IS NOT THE ONLY ELEMENT OF THE LAWS THAT HAVE BEEN PUT INTO EFFECT. WE HAVE MORE THAN ONE HUNDRED DIFFERENT PROGRAMS IN THE FEDERAL GOVERNMENT ALREADY FOR THE HANDICAPPED. THEY ARE ADMINISTERED BY MANY DIFFERENT AGENCIES. THERE ARE A LOT OF DIFFERENT KINDS OF DEFINITIONS OF THE HANDICAPPED OF THE SAME PERSON, AND THAT MEANS THAT MANY OF YOU WHO HAVE SOUGHT FOR A LONG TIME TO TAKE ADVANTAGE OF THESE PROGRAMS WHICH THE CONGRESS AND MY PREDECESSORS IN THE WHITE HOUSE HAVE PASSED HAVE OFTEN HAD TO GO TO FOUR OR FIVE OR SIX DIFFERENT AGENCIES TO GET THE SIMPLE TREATMENT OR OPPORTUNITIES WHICH YOU DESERVE UNDER THE LAW.

"IT IS TIME FOR US TO CHANGE THAT, AND ONE OF THE VERY GOOD BENEFITS OF THE REORGANIZATION AUTHORITY THAT CONGRESS HAS NOW GIVEN ME IS TO BRING ALL OF THOSE PROGRAMS FOR THE HANDICAPPED TOGETHER INTO ONE AGENCY SO YOU CAN UNDERSTAND THEM AND TAKE ADVANTAGE OF THEM.

"AS I LOOK OUT ACROSS THIS TREMENDOUS AUDITORIUM, WITH MANY DIFFERENT KINDS OF HANDICAPS REPRESENTED THERE, I KNOW THAT MANY OF THEM COULD HAVE BEEN PREVENTED IN YOUR EARLY LIFE. AND WE ARE NOT JUST CONCERNED ABOUT THE CORRECTION OF AN EXISTING HANDICAP OR AN OPPORTUNITY FOR THOSE WHO ARE HANDICAPPED; WE WANT TO PREVENT THE HANDICAPS THAT MIGHT OCCUR IN THE FUTURE... WE WANT TO BE SURE THAT WE DON'T FORGET THE HANDICAPPED AMONG US WHO CANNOT HOLD A JOB, WHO CANNOT RESPOND TO A FULL EDUCATION, BUT WE WANT TO MAKE SURE THAT

PAGE 2

EVEN WHEN THEY ARE DEPENDENT FOR CONSTANT HELP THAT THEY HAVE EVERY CHANCE TO GROW AND TO LEARN AND TO TAKE ADVANTAGE OF WHATEVER GREAT OR SMALL TALENT OR ABILITY GOD HAY HAVE GIVEN THEM. WE CAN NOT FORGET THEM."

ON THE SAME OCCASION JOSEPH A. CALIFANO, JR., SECRETARY OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, APPEARED, AND IN HIS ADDRESS ECHOED THE STATEMENTS OF THE PRESIDENT BY SAYING:

"BUT ENDING DISCRIMINATION IS ONLY THE FIRST STEP IN ASSURING THAT HANDICAPPED CITIZENS CAN ASSUME THEIR RIGHTFUL ROLE AS PARTICIPANTS TO THE FULLEST EXTENT POSSIBLE, IN AMERICAN SOCIETY.

"AS THE NEXT THREE DAYS WILL DEMONSTRATE, THE TASK OF GUARANTYING THAT HANDICAPPED INDIVIDUALS HAVE EQUAL OPPORTUNITIES IN FACT AND NOT JUST UNDER THE LAW, WILL REQUIRE INITIATIVES IN MANY FACETS OF OUR SOCIAL AND ECONOMIC LIFE.

"...ON THURSDAY, I HOPE TO RETURN TO YOU AND DISCUSS THE WORK OF THE CONFERENCE AND WHERE WE GO FROM HERE." (EMPHASIS SUPPLIED)

IT IS OBVIOUS FROM THE ABOVE QUOTED STATEMENTS OF THE PRESIDENT AND OF THE SECRETARY OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE THAT THE LEADERSHIP OF THE PRESENT ADMINISTRATION RECOGNIZES THE GREAT NEED AND DESIRABILITY OF AFFECTING CHANGES WHICH WILL RESULT IN THE COORDINATION OF THE MANY PROGRAMS ADMINISTERED BY THE MANY DEPARTMENTS AND AGENCIES OF THE FEDERAL GOVERNMENT WHICH DIRECTLY OR INDIRECTLY PROVIDE SERVICES, BENEFITS, OR CASH ASSISTANCE TO MEN, WOMEN, AND CHILDREN OF THIS NATION WHO HAVE HANDICAPS. SINCE ONLY ABOUT ONE HALF OF SUCH PROGRAMS ARE ADMINISTERED WITHIN THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, ANY ATTEMPT TO SOLVE THE PROBLEM OF TOTAL COORDINATION OF SUCH PROGRAMS BY THE CREATION OF A MINOR LEVEL OFFICE WITHIN THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE IS AN EXERCISE IN FUTILITY AND IS DOOMED TO FAILURE.

ON JULY 26, 1977, WITHOUT WAITING FOR THE REPORT AND RECOMMENDATIONS OF THE WHITE HOUSE CONFERENCE ON HANDICAPPED INDIVIDUALS, THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE ANNOUNCED ITS REORGANIZATION OF PROGRAMS FOR THE HANDICAPPED. THE MAIN COG AND CENTER OF THE REORGANIZATION PLAN IS THE ESTABLISHMENT OF AN ADMINISTRATION FOR HANDICAPPED INDIVIDUALS. THE ADMINISTRATIVE LEVEL OF THE ADMINISTRATION FOR HANDICAPPED INDIVIDUALS IS SUCH THAT ITS CHIEF ADMINISTRATOR IS TO BE ONE AND THE SAME, COMMISSIONER OF THE REHABILITATION SERVICES ADMINISTRATION. IN THE FIRST PLACE, DUAL ADMINISTRATIVE ROLES FLY IN THE FACE OF ALL

GOOD AND RECOGNIZED ADMINISTRATION AND MANAGEMENT PRACTICE. IN THE SECOND PLACE, THE ADMINISTRATIVE LEVEL IS SUCH THAT ITS MINOR STATUS, WITHIN THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE SERIOUSLY HAMPERS ITS EFFECTIVENESS IN THE COORDINATION AND ADMINISTRATION OF ALL PROGRAMS WITHIN THE DEPARTMENT ITSELF; AND IN ANY EVENT, ITS MINOR STATUS⁹ RENDERS IT TOTALLY INEFFECTIVE IN COORDINATING PROGRAMS FOR THE HANDICAPPED ACROSS DEPARTMENTAL AND AGENCY JURISDICTIONS. AND THIRD, THE REORGANIZATION REMOVES SEVERAL IMPORTANT PROGRAMS FROM THE IMMEDIATE ADMINISTRATIVE SUPERVISION OF THE ASSISTANT SECRETARY OF THE OFFICE OF HUMAN DEVELOPMENT SERVICES AND SITUATES THE ADMINISTRATION OF THE SAME AT LOWER LEVELS IN THE DEPARTMENT'S ORGANIZATIONAL STRUCTURE; AND IN SOME INSTANCES CREATES THE SITUATION WHEREIN AN ADMINISTRATOR IS CHARGED WITH THE FUNCTIONS OF OVERSIGHT AND MONITORING OF THE DELIVERY OF SERVICE PROGRAMS WHICH HE HIMSELF ADMINISTERS.

I CITE AS AN EXAMPLE OF THE INEFFECTIVE COORDINATION OF PROGRAMS, THE OFFICE FOR HANDICAPPED INDIVIDUALS AUTHORIZED BY THE REHABILITATION ACT OF 1973. THAT OFFICE IS SITUATED WITHIN THE OFFICE OF HUMAN DEVELOPMENT, DEPARTMENT OF HEW. ONE OF ITS STATUTORY FUNCTIONS IS TO COORDINATE PROGRAMS FOR THE HANDICAPPED. IT IS IMPOSSIBLE, GIVEN THE CIRCUMSTANCES FOR THAT OFFICE TO PERFORM SUCH FUNCTION, EVEN AMONG THE LINE AGENCIES OF THE DEPARTMENT ITSELF.

ANY REORGANIZATION OF PROGRAMS FOR THE HANDICAPPED, IF THE SAME IS TO BE SUCCESSFUL, MUST SOMEHOW ENCOMPASS ALL MAJOR PROGRAMS WHICH PROVIDE SERVICES, BENEFITS, OR CASH ASSISTANCE TO MEN, WOMEN, AND CHILDREN WITH HANDICAPS IN ALL AREAS OF SOCIETAL LIFE ACTIVITIES. FOR EXAMPLE: IF ONE OR MORE AGENCIES PROVIDE SERVICES TO A HANDICAPPED INDIVIDUAL WHICH TAKE THE HANDICAPPED INDIVIDUAL THROUGH THE REQUISITE EDUCATIONAL, JOB TRAINING OR JOB PLACEMENT PROCESSES, BUT THE HANDICAPPED INDIVIDUAL SO EDUCATED OR SO TRAINED IS PREVENTED FROM ACCEPTING EMPLOYMENT, BECAUSE HE OR SHE IS TOO POOR TO PROVIDE PRIVATE TRANSPORTATION; THE IMMEDIATE OBJECTIVE OF OPPORTUNITY FOR GAINFUL EMPLOYMENT IS LOST AND THE ULTIMATE GOAL OF FULL PARTICIPATION OF THE HANDICAPPED INDIVIDUAL IN THE MAINSTREAM OF SOCIETY IS THWARTED. THUS, IT IS NOT ENOUGH, ON THE ONE HAND TO PROVIDE MEDICAL OR SUPPORTIVE SERVICES, OR EDUCATION AND TRAINING SERVICES, AND ON THE OTHER HAND FAIL TO PROVIDE PROGRAMS AND SERVICES WHICH WILL ASSURE THAT THOSE WHO RECEIVE SUCH SERVICES HAVE THE OPPORTUNITY AND PHYSICAL CAPABILITY TO TAKE ADVANTAGE OF THEM TO MAXIMUM POTENTIAL IN DAY TO DAY LIFE ACTIVITIES. REHABILITATION AND JOB PLACEMENT WITHOUT THE PHYSICAL CAPABILITY OF FINDING APPROPRIATE HOUSING AND NECESSARY TRANSPORTATION IS NOT ENOUGH; AND ON THE OTHER HAND, ACCESSIBLE AND AVAILABLE HOUSING AND TRANSPORTATION WITHOUT EDUCATION OR TRAINING IS NOT SUFFICIENT.

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FURTHER TO DEMONSTRATE MY POINT: THERE EXISTS NO STANDARDIZATION OF ELIGIBILITY REQUIREMENTS FOR THE MANY SERVICES ADMINISTERED BY THE MANY DEPARTMENTS AND AGENCIES; THUS INDIVIDUALS WHO ARE HANDICAPPED ARE FREQUENTLY PREVENTED FROM ACCEPTING A NEEDED SERVICE, BECAUSE THE ACCEPTANCE OF THE SAME RESULTS IN THE INDIVIDUAL'S BECOMING INELIGIBLE FOR ANOTHER NEEDED SERVICE WHICH IS ALREADY BEING PROVIDED. FOR EXAMPLE, ACCEPTANCE OF EMPLOYMENT RENDERS THE INDIVIDUAL WHO IS HANDICAPPED INELIGIBLE FOR CERTAIN SUPPORTIVE SERVICES WHICH ARE NECESSARY TO ENABLE THE HANDICAPPED INDIVIDUAL TO ENGAGE IN EMPLOYMENT ACTIVITY.

THE AMERICAN COUNCIL OF THE BLIND, THEREFORE, MUST VOICE ITS OPPOSITION TO THE REORGANIZATION OF THE DEPARTMENT AS TOTALLY INADEQUATE AND UNTENABLE AS A SOLUTION FOR THE PROBLEM OF REORGANIZING PROGRAMS FOR THE HANDICAPPED TO ELIMINATE DUPLICATION AND OVERLAP, DISINCENTIVES, CONFLICTING ELIGIBILITY FOR SERVICES CRITERIA, GAPS IN SERVICES, CONFUSION, AND WASTE OF PUBLIC FUNDS. INSTEAD, WE URGE THAT THE REORGANIZATION MUST BE A SWEEPING AND TOTAL OVERHAUL OF THE EXISTING CONGLOMERATE OF PROGRAMS, IN MANY INSTANCES NECESSARILY ADMINISTERED BY DIFFERENT DEPARTMENTS AND AGENCIES.

THE AMERICAN COUNCIL OF THE BLIND, THEREFORE, FAVORS AS NECESSARY AND INTEGRAL COMPONENTS OF REORGANIZATION THE FOLLOWING:

1. IN ORDER TO FOSTER AND FACILITATE PUBLIC AWARENESS AND UNDERSTANDING OF THE SPECIAL NEEDS AND SERVICES FOR THE 36 MILLION MEN, WOMEN, AND CHILDREN OF THIS NATION WITH HANDICAPS, IT IS RECOMMENDED THAT THIS ADMINISTRATION DEMONSTRATE ITS COMMITMENT TO A TOTAL EFFORT FOR THE PROVISION OF SPECIAL SERVICES FOR THE SPECIAL NEEDS OF HANDICAPPED INDIVIDUALS BY ESTABLISHING A WHITE HOUSE STAFF ADVISOR ON PROGRAMS FOR THE HANDICAPPED WITHIN THE OFFICE OF DOMESTIC COUNCIL AND ASSISTANTS WITH EXPERIENCE AND BACKGROUND IN THE MAJOR CATEGORIES OF HANDICAPPING CONDITIONS OR DISABILITIES. THE FUNCTION OF THE PROPOSED WHITE HOUSE STAFF ADVISOR IS CONCEIVED AS BEING ADVISORY TO THE PRESIDENT WITH EQUAL RESPONSIBILITY FOR THE COORDINATION OF ALL PROGRAMS AND SERVICES, DIRECT AND INDIRECT, FOR HANDICAPPED INDIVIDUALS ADMINISTERED BY ALL DEPARTMENTS AND AGENCIES AND INSTRUMENTALITIES OF THE FEDERAL GOVERNMENT.
2. DESIGNATION OF AN OFFICER IN EACH OF THE FEDERAL DEPARTMENTS, AGENCIES, AND INSTRUMENTALITIES, SITUATED WITHIN THE OFFICE OF AND REPORTING DIRECTLY TO THE HEAD OF EACH DEPARTMENT, AGENCY, AND INSTRUMENTALITY, WHOSE FUNCTION IS CONCEIVED AS ADVISORY TO THE HEAD OF THE DEPARTMENT, AGENCY, OR INSTRUMENTALITY WITH EQUAL RESPONSIBILITY FOR THE COORDINATION OF ALL PROGRAMS AND SERVICES FOR HANDICAPPED INDIVIDUALS WITHIN THE DEPARTMENT, AGENCY, OR INSTRUMENTALITY. (IN THE FOREGOING, THE TERM "OFFICER" IS USED ADVISEDLY, BECAUSE IN SOME DEPARTMENTS OR AGENCIES THE PROPOSED POSITION WOULD BE A PART-TIME FUNCTION; WHEREAS, THE POSITION IN SOME DEPARTMENTS AND AGENCIES, SUCH AS THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, WOULD BE A FULL-TIME RESPONSIBILITY.)

3. CREATION OF A PROGRAM PLANNING COUNCIL FOR THE HANDICAPPED, THE MEMBERSHIP OF WHICH SHALL BE COMPRISED OF THE DESIGNATED OFFICE OF EACH DEPARTMENT, AGENCY, OR INSTRUMENTALITY REFERRED TO IN PARAGRAPH 2 ABOVE, TOGETHER WITH REPRESENTATIVES OF NATIONAL ORGANIZATIONS OF HANDICAPPED INDIVIDUALS, APPOINTED BY THE PRESIDENT, IN SUFFICIENT NUMBER TO CONSTITUTE AT LEAST 51% OF THE TOTAL MEMBERSHIP. THE FUNCTION OF THIS COUNCIL IS CONCEIVED AS BEING A POLICY AND PLANNING BODY ON PROGRAMS FOR THE HANDICAPPED IN CONSULTATION WITH THE PROPOSED WHITE HOUSE STAFF ADVISOR WITH EQUAL RESPONSIBILITY FOR EVALUATION, MONITORING, AND REVIEW OF ALL PROGRAMS AND SERVICES FOR THE HANDICAPPED, AND REPORTING DIRECTLY TO THE CONGRESS OF THE UNITED STATES.

4. CREATION OF A NATIONAL CENTER FOR THE HANDICAPPED UNDER THE JURISDICTION OF THE PROPOSED PROGRAM PLANNING COUNCIL FOR THE HANDICAPPED, REFERRED TO IN PARAGRAPH 3 ABOVE, THE FUNCTIONS OF WHICH ARE CONCEIVED TO BE: OPERATE MODEL EDUCATIONAL CENTERS AND REHABILITATIONAL CENTERS AND REHABILITATION WORKSHOPS FOR THE HANDICAPPED; DEVELOP BARRIER-FREE MODEL AND DEMONSTRATION CENTERS; PROVIDE TRAINING AND CONTINUING EDUCATION FOR THE MODEL EDUCATIONAL CENTER AND REHABILITATION WORKSHOP PERSONNEL; DEVELOP TRAINING PROGRAMS FOR HANDICAPPED PERSONS TO TEACH SKILLS WHICH WILL LEAD TO EMPLOYMENT; DEVELOP AND IMPLEMENT APPROACHES AND TECHNIQUES FOR THE TRAINING AND PLACEMENT OF SEVERELY HANDICAPPED PERSONS; CONDUCT RESEARCH TO EVALUATE THE NEW TECHNIQUES IN EDUCATION, TRAINING AND PLACEMENT; CONDUCT ECONOMIC ANALYSES AND FORECASTS, IDENTIFY LABOR MARKET DEMANDS FOR EMPLOYMENT OF HANDICAPPED INDIVIDUALS; STUDY AND ANALYZE METHODS BY WHICH TO INCREASE UTILIZATION OF EXISTING COMMUNITY RESOURCES; AND DO WHATEVER ELSE THE PROGRAM PLANNING COUNCIL FOR THE HANDICAPPED MAY DEEM NECESSARY. (THIS PROPOSAL IS INTENDED TO BE SIMILAR TO THE NATIONAL CENTER PROPOSED IN SENATE BILL 1596, INTRODUCED BY THE HONORABLE JENNINGS RANDOLPH, CHAIRPERSON OF THIS SUBCOMMITTEE.)

5. ABOLITION OF CERTAIN OFFICES OR AUTHORITIES, THE FUNCTIONS OF WHICH ARE ALREADY DUPLICITOUS OR WOULD BECOME DUPLICITOUS UNDER THE PROPOSED REORGANIZATION PLAN.

6. ESTABLISHMENT OF AN OFFICE FOR EACH OF THE MAJOR HANDICAPPING CONDITIONS OR DISABILITIES WITHIN THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE WITHIN THE OFFICE OF AN ASSISTANT SECRETARY SO THAT THE VERY NECESSARY SEPARATE DELIVERY OF SERVICES SYSTEMS FOR EACH WOULD BE THEREBY ASSURED AND MAINTAINED. (THE AMERICAN COUNCIL OF THE BLIND IS OF THE FIRM CONVICTION THAT THE SPECIAL NEEDS OF SOME CATEGORIES OF HANDICAPPING CONDITIONS OR DISABILITIES REQUIRE THE PROVISION OF SPECIAL SERVICES SO DIFFERENT, ONE

FROM THE OTHER, AS TO REQUIRE A SEPARATE OR SPECIAL SERVICE DELIVERY SYSTEM; AND THAT THEREFORE CATEGORICAL DELIVERY SYSTEMS MUST BE ESTABLISHED AND MAINTAINED.)

7. THE RELOCATION OF CERTAIN AGENCIES OR AUTHORITIES IN ORDER TO BRING ABOUT THEIR EFFECTIVE FUNCTIONING, SUCH AS THE PLACEMENT OF THE ARCHITECTURAL AND TRANSPORTATION COMPLIANCE BOARD UNDER THE SUPERVISION OF THE PROPOSED WHITE HOUSE STAFF ADVISOR. (THE FUNCTIONS OF THE ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD ARE CROSS-CUTTING OF DEPARTMENTAL AND AGENCY LINES; AND IN ORDER FOR THE BOARD TO ADEQUATELY EXERCISE THE AUTHORITY OF ITS FUNCTION IT MUST NOT BE LOCATED WITHIN A DEPARTMENT OR AGENCY, BUT INSTEAD MUST BE FREE-STANDING AND INDEPENDENT OF A DEPARTMENT OR AGENCY ADMINISTRATIVE JURISDICTION.)

WE RESPECTFULLY SUGGEST THAT A MAJOR REASON FOR THE INADEQUACIES OF THE REORGANIZATION OF THE DEPARTMENT IS THAT THERE WAS NO MEANINGFUL EFFORT TO OBTAIN AND ASSURE PARTICIPATION OF CONSUMERS WHO ARE HANDICAPPED IN THE DEVELOPMENT OF SUCH REORGANIZATION. THOSE WHO ARE PLACED IN HIGH POSITIONS WITH AUTHORITY AND DUTY TO ESTABLISH POLICIES AND MAKE DECISIONS CONCERNING PROGRAMS FOR HANDICAPPED INDIVIDUALS DO NOT BECOME AUTOMATICALLY KNOWLEDGEABLE BY SOME MYSTICAL METAMORPHOSIS. THE AMERICAN COUNCIL OF THE BLIND, THEREFORE, TAKES THIS OPPORTUNITY AS A NATIONAL ORGANIZATION OF INDIVIDUALS WITH VISUAL IMPAIRMENT TO EXPRESS ITS VIEWS ON THE SUBJECT OF REORGANIZATION OF PROGRAMS FOR HANDICAPPED INDIVIDUALS TO THIS SELECT SUBCOMMITTEE OF THE CONGRESS; AND AT THE SAME TIME USE THIS AS A FORUM THROUGH WHICH OUR VIEWS MAY BECOME KNOWN TO THE EXECUTIVE BRANCH OF THE GOVERNMENT AND TO THIS ADMINISTRATION.

RESPECTFULLY SUBMITTED,

AMERICAN COUNCIL OF THE BLIND

Senator STAFFORD. The Chair will now hear Dr. Frank G. Bowe, director, American Coalition of Citizens with Disabilities.

We welcome you. You have a statement for us. You may submit it for the record or speak extemporaneously, whichever way you may wish to go.

STATEMENT OF DR. FRANK G. BOWE, DIRECTOR, AMERICAN COALITION OF CITIZENS WITH DISABILITIES, ACCOMPANIED BY MS. JUDY HEUMANN

Dr. BOWE. Thank you, Senator. I would ask that you enter it into the record, and I will comment briefly.

Senator STAFFORD. Without objection, we will make it a part of the record at the conclusion of your testimony.

Dr. BOWE. With me this morning is Ms. Judy Heumann, who has already been introduced to you and is personally and very well-known to many of you from her long experience with this subcommittee.

She is, of course, deputy director of the Center for Independent Living in Berkeley and serves as a very distinguished secretary of the American Coalition of Citizens with Disabilities.

Senator STAFFORD, members of this subcommittee, I am pleased and honored that you have invited me to be here. I have several brief comments. Ms. Heumann and I will then be able to respond to any questions that you may have.

First, the reorganization plan was drafted and eventually announced without considerable involvement of consumer groups. Within the first week of this new administration, shortly after the inauguration, Ms. Heumann and I and about 20 other representatives of consumer groups met with Ms. Martinez, within the first few days in office, for the specific purpose of acquainting her with the transition team's recommendations for reorganization of programs serving disabled people.

Since that time I have, on four separate occasions, specifically contacted Ms. Martinez and offered the assistance of the American Coalition in any reorganization plan she may want to undertake.

I find the lack of consumer involvement inexcusable.

This coalition, with very strong consumer involvement and concern, prepared a plan, copies of which were hand-delivered July 20 to Ms. Martinez and Mr. Califano and domestic staff in the White House. Yet no attempt was made by HEW to consult with us, to discuss alternatives, to resolve differences, or to develop a mutually acceptable proposal.

As you know HEW requires recipients of its grants and contracts to consult with consumer representatives and their organizations in the preparation of plans and self-evaluation for section 504.

The Congress has required consumer involvement in reorganization under Public Law 95-17.

I do not believe that what was done in the Office of Human Development Services is consistent with any of this.

Second, I have found out that the President, in recommending the restructuring of Federal programs at the White House Conference in his speech of May 23, intended a downgrading of programs to occur.

When I met his top domestic aides, both prior to and subsequent to that speech, and prior to and subsequent to the eventual announcement of this particular plan, they expressed similar concerns and told me that they shouldn't have been excluded from the participation process.

I am pleased that Ms. Martinez today announced that that is a temporary arrangement. It has already been discussed as a *fait accompli*.

The plan was not resolved to understand the concerns of ACCD. The Architectural Board and the Office for Handicapped Individuals have Government-wide responsibilities. This plan does nothing to enhance those capabilities to perform in accordance with the desires of the Congress.

Second, the Developmental Disabilities Office, which this Congress specifically excepted from RSA, is again joined with that agency, in fact, if not in appearance.

The plan is again nonresponsive to the recommendations of the White House Conference on Handicapped Individuals.

In conclusion, the American Coalition of Citizens with Disabilities finds this plan inconsistent with the stated policies of the President, the desires of the Congress, and the expressed needs of disabled people.

I respectfully suggest that this subcommittee ask the Department to redesign a plan this time with considerable involvement from the staff. Thank you.

Ms. Heumann and I would be pleased to respond to any questions that you may have.

Ms. HEUMANN. Senator.

Senator STAFFORD. Yes.

Ms. HEUMANN. I would just like to also say that I am a member of the National Advisory Committee to the Architectural and Transportation Barriers Compliance Board, which is why I am in town today. We are in session, and yesterday passed a motion basically condemning the actions of OHD and in particular Mrs. Martinez in failure to work in consultation with the advisory committee on the issue concerning the ATBCB.

We, at our last meeting I believe in May, passed a motion—since we are only an advisory committee all we can do is advise the Board—but we passed a motion from the committee stating that we believe that the ATBCB must be separated from HEW, like many of the statements that have been previously made.

We believe that the current structure is one that will not enable the true intent of Congress to be carried out in relation to architectural barriers.

And, Senator, since you were one of the key people involved in the amendment which created the national advisory committee, I thought that it was important to bring it to your attention.

Senator STAFFORD. Thank you.

In your statement, Dr. Bowe, you say that you have serious reservations about the reorganization plan and your first stated one is that it was drafted and made public without your consultation.

Dr. BOWE. Generally.

Senator STAFFORD. The Chair has noted the other specific summarized objections which you have, starting on page 1 and going through the upper part of page 2, in connection with the reorganization plan, and considers those a summary of your statement in connection with this matter.

Dr. BOWE. That would be a fair assumption.

Senator STAFFORD. The Chair, on behalf of the subcommittee and the full committee wishes to thank you both for your appearance here this morning. It is helpful to us and we want to be helpful to you.

Thank you for coming.

Ms. HEUMANN. Thank you, Senator.

Dr. BOWE. Thank you.

[The prepared statement of Dr. Bowe follows:]

Room 817, 1346 Connecticut Avenue, N.W. • (202) 785-4265
Washington, D. C. 20036



American
Coalition of
Citizens with
Disabilities
Inc.

REORGANIZATION OF THE OFFICE OF HUMAN DEVELOPMENT
DEPARTMENT OF HEALTH, EDUCATION AND WELFARE

TESTIMONY OF THE AMERICAN COALITION OF CITIZENS WITH DISABILITIES

before the Senate Subcommittee on the Handicapped

presented by
Frank G. Bowe, Ph.D., Director

Accompanied by Larry Allison, Chairperson, ACCD Task Force on Transition and
Reorganization of Federal Programs

20 September 1977

Mr. Chairman, Members of the Subcommittee: I am Dr. Frank Bowe, Director of the American Coalition of Citizens with Disabilities, a nationwide umbrella group of 55 national, state and local organizations of and for virtually every category of disabled people. Accompanying me here today is Mr. Larry Allison, Chairperson of ACCD's Task Force on Reorganization and Transition. I am pleased to be here with you today and to discuss the recently announced reorganization of programs serving disabled people within the Department of Health, Education and Welfare's Office for Human Development Services.

Mr. Chairman, in the fields of education, employment, rehabilitation, the other areas in which you have assumed leadership, you have stressed constantly that the bottom line is what happens to the people the programs are designed to serve. Without knowing this, Congressional oversight is severely hampered. Without knowing what the bottom line effect of Federal policies are, we cannot know what is good, what is bad, what is working, what has broken down, or what has never worked at all. We are talking about people with a spectrum of needs spanning across agencies and time. In simple terms, reorganization is not a matter of management by objective, zero-based budgeting, appropriations or allocations. It is a matter of solving a problem on improving services to people with disabilities. President Carter recognized this, as had his transition group. But I see little evidence of that comprehension in the plan we will discuss today.

We have serious reservations with this plan. To be specific, we feel it fails on the following points:

- A. It was drafted and made official without our consultation;
- B. It is not placed high enough in the decision-making structure of HEW;
- C. It presents grave problems of policy by combining the Administrator's post with that of Commissioner of Rehabilitation Services Administration;

- D. It includes the Architectural and Transportation Barriers Compliance Board;
- E. It offers poor placement for the Office of Handicapped Individuals;
- F. It, in effect, "consumes" the Developmental Disabilities Office under a thinly disguised expanded RSA;
- G. It does not include such strategic and critical programs or parts of programs as: (1) Head Start; (2) Bureau of Supplemental Security Income; (3) President's Committee on Employment of the Handicapped; (4) Medicaid; (5) Disability Insurance Program; (6) a host of health programs for disabled people; (7) a host of education programs for disabled citizens;
- H. It fails to specify how coordination will occur within HEW for programs not included within the new Administration on Handicapped Individuals or with programs within other departments and agencies.

Allow me to comment on each of these points:

A. Consultation with consumer groups. The HEW reorganization plan was drafted and made official without the consultation of organizations of and for disabled people. This is inexcusable. Disabled people must have the right and the opportunity to affect decisions impacting directly upon their lives. ACCD had heard rumors about the HEW reorganization plan for months prior to its announcement, yet repeated calls to the Office of the Secretary and to the Office of the Assistant Secretary for Human Development, Arabella Martinez, yielded confusion, ignorance of any plan, and the "run-around". When we were finally invited with a small group of representatives of disabled people to meet with Ms. Martinez, we were presented with the reorganization plan as a fait accompli. ACCD strongly recommends that future plans involving reorganization, policy formulation, service delivery, etc. have direct and continuous substantive input from disabled people.

B. Placement within HEW. The proposed AHI has limited policy-making potential housed within an Assistant Secretariat. It is and has been obvious to many of us within this community that when you combine the size of the population in question with the existing cost commitment of present programs and the state of confusion,

re: mission, legislative definition, etc., that this Administration on Handicapped Individuals should become an Assistant Secretariat of its own.

C. Policy Problems. Even though the ACCD understands the legal limitations on an RSA Commissioner reporting to other than an Assistant Secretary, we still find this doubling of role ill-advised. Besides the obvious impossibility associated with the work load of a new Administration, we have grave reservations over the potential "first among equal status" that such an administrative arrangement awards to rehabilitation in general. Allow me to be brutally blunt: we do not accept any concept which would adhere or imply that rehabilitation is something more than one (albeit extremely important) set of services an individual has need of during his or her lifetime. We are, moreover, extremely uncomfortable with the potential for policy direction in social areas totally unrelated to the rehabilitation scheme. This, we feel, would prove disastrous for millions of disabled individuals should these areas become captive to policy considerations which do not take their total life needs into consideration.

D. ATBCB. The ATBCB belongs totally outside the confines of any department, let alone within an Administration within an Office within a Department. It is by intent a regulatory agency which should be independent, beefed up and given sole authority to grant waivers, rules, etc. on any Federal construction emanating from any source. We have played a game with this agency for five long years. Born a hybrid, it has languished within the bowels of HEW, administered in actuality by a multitude of agencies and not coming close to fulfilling the mission it was established to achieve. Part of our national problem regarding the proliferation of barrier-ridden facilities, and particularly transportation loans, stems from the fact that this agency has not been unshackled to do its job. On this point, ACCD must strongly concur with the recommendations of the transition team and advocate the transformation of the Board into an independent regulatory agency.

E. OHI. OHI is another forgotten agency, which has languished in anonymity, not allowed to meet its mandate. There is reason to believe that it would fare better under the AHI proposal, but there is additional reason to believe that its impact will be confined to the AHI and not felt throughout the width and breadth of the Department. The ACCD feels that OHI would be better placed within the policy and evaluation section of an Assistant Secretariat on Handicapped Individuals, or, failing that, within a planning and evaluation section which has an overview responsibility covering the entire Department. This is particularly critical when OHI has been given the responsibility of carrying out the implementation plan emanating from the White House Conference.

F. DDO. DDO was created as a reaction to historical rehabilitation policy. It was based on a concept that programs should be individual-related and not systems-related. Despite a poor record of funding, when compared with the scope of responsibilities which the DDO has acquired, it has had a positive impact on the lives of individuals with developmental disabilities. In point of fact, it should be emulated by other programs which are less concerned with the bottom line of eventual service delivery to people; and for that reason alone should be expanded both in scope and in allocation. To reverse field at this juncture and re-place this program under the aegis of an Administration nominally controlled by rehabilitation is extremely ill-advised. It is no secret in this field that the extreme critics of this program would like to see it swallowed up by a larger agency or folded into a new program which would deviate radically from the direction that DD has been taking. Again, the problem in this regard related primarily to the AHI concept as proposed.

G. and H. Critical omissions. For many years, the critics of the present Federal structure have been advocating that policy and program content should be directed towards the whole person and not their disparate parts. By now it must be

a familiar refrain. You hear it so often, however, because the problem does not go away. When I look at the proposed AHI, I cannot help but feel that here again is a proposed solution which falls short once more. To be sure, it is much better than any which has preceded it, but it is, in our estimation, not good enough. Complex and subtle questions of policy and service delivery will not be untangled by cooperative agreements. These questions must be answered by the intimate and daily involvement of trained consumers and professionals knowledgeable in the continuum of needs of our handicapped citizens. The ten percent set-aside of Program X must be administered in conjunction with the 60 percent program direction of Program Y and total program involvement of Program Z. When new programs in welfare, National Health Insurance, Energy, Housing, Transportation and Labor come down the pike, there must be a comprehensive mechanism there to interpret how it should work for 36 million disabled Americans. One only has to look at CETA, the major employment program in DOL, to understand my meaning. Nowhere in that massive act are references, let alone set-asides, found for disabled people. Yet, in the new Title VIII and the new parts of Title III, specific set-asides are found for other minority groups; all this, while the national unemployment rate for disabled people hovers around 46 percent.

I have not dwelled upon the fiscal implications of this or any other reorganization, partly by design. However, suffice it to say that the sooner we begin a process of putting people to work, keeping them at work, taking them out of institutions and allowing them to live independently, the sooner we will begin to lessen a gigantic fiscal burden on the shoulders of the taxpayers. It really comes down to this: if the disabled person is not the critical factor in zero-based budgeting, then this entire system is a fraud; and if reorganization fails to deliver effectively to disabled people, then reorganization will be a fraud.

Senator STAFFORD. The Chair would now invite Frederick Weintraub, who is assistant executive director for governmental relations on the Council for Exceptional Children.

The Chair might point out that in the event other Senators on the committee have questions that have not been presented this morning, it is possible that written questions could be sent to members of the panels for their subsequent response.

The Chair has known this witness long enough so that I can hardly be formal. And, in that event, Fred, I would simply invite you to proceed with your written statement or extemporaneously, as you may wish. If you wish to go extemporaneously, we will put your statement into the record.

STATEMENT OF FREDERICK WEINTRAUB, ASSISTANT EXECUTIVE DIRECTOR FOR GOVERNMENTAL RELATIONS, COUNCIL FOR EXCEPTIONAL CHILDREN

Mr. WEINTRAUB. Thank you, Senator Stafford.

I would like to have our statement submitted for the record. I think much of what we have to offer the subcommittee has already been stated by other witnesses, and so I will attempt to be very brief with my comments.

Senator STAFFORD. Without objection, it will be included in the record at the conclusion of your remarks.

Mr. WEINTRAUB. On July 26, when Assistant Secretary Martinez announced reorganization, she described the difficulty at HEW in terms of management. We do not dispute the need for HEW to reorganize, and certainly we concur that any reorganization will bring about discomfort on some sides and there will be differences among parties as to what constitutes good reorganization.

However, I think that there are several issues that need to be considered in this reorganization. They are issues that Ms. Martinez and the Department seem to not understand. First is that reorganization should be accomplished to carry out not only the purpose of administrative efficiency but also for the purpose of improving the programs and services substantively.

In our continued discussions with Ms. Martinez, in hearing her testimony on the House side and now presently in the Senate, we continue not to hear any discussion of how this reorganization will improve these programs substantively. All we hear is continued rhetoric about reducing the number of people reporting to Ms. Martinez.

Second, we think that in reorganization the process is as important as the substance. Much has been accomplished through the efforts of this subcommittee over the past years in bringing a greater awareness on the part of the Government as well as the general public to the issues facing handicapped individuals.

Along with that has come a desire on the part of handicapped individuals, on the part of parents of handicapped people, and on the part of a variety of consumer organizations to have their day in court, to have the opportunity for input.

When Mrs. Martinez speaks of the number of people she talked to, one has to distinguish between being "talked to" and being "consulted."

For those of us who participated in the meeting that she described, one would have to agree with Dr. Bowe that it was a meeting to present a fait accompli. It was not a meeting to discuss, nor was it a meeting to consult with consumer organizations.

I would express concern and hope that this committee is not misled, or at least ask Mrs. Martinez for clarification on what her meaning is concerning preliminary organization or tentative reorganization. As far as we can ascertain, this still remains a fait accompli. Further, there remains a reorganization that is in place. Movement of personnel is taking place. The system is going. I have yet to see a preliminary reorganization that is then, in turn, reorganized.

I would also hope that we are not misled by words but, in fact, look very clearly at the behavior that is going on.

We have, very briefly, a couple of concerns about the reorganization. Most of them have been articulated. I would say that our primary concern deals with the issue that you raise, Senator, which is the double hat wearing.

We do not understand how an individual can serve in the position of commissioner of rehabilitation services, which in itself, is a huge Federal program and as Dr. Newman mentioned a terribly complex Federal program.

To suggest further that an individual can serve as administrator of that program—as its commissioner and also as administrator for the total program of administration for handicapped individuals is far beyond our understanding of the capacity of any single individual to carry out.

Moreover, there is a second concern related to this issue. The purpose of the administrator, as Mrs. Martinez would define it, is to serve as the coordinator, the planner, et cetera, across all of these programs.

We find it difficult, for the same reasons that you, Senator, have noted concerning the ATBCB, how an individual can serve, in the capacity of being the planner, the evaluator, the criticizer and at the same time as the administrator of one of the programs that you are to plan, to coordinate, to criticize, and to evaluate. That does not make sense to us and, in fact, creates a conflict-of-interest situation that in our opinion cannot be circumvented regardless of the individual that would fill that position.

Certainly, Bob Humphreys is an individual that we have worked with for many years. He is an individual that we support and have great faith in. However, we feel that this kind of situation even puts a person of this caliber into what may be a very intolerable position.

In essence, this reflects our concerns over the reorganization. To reiterate, we think reorganization is going to be necessary. However, we feel that that has to be done in consultation, and further must be examined in terms of the legislative intents of the varying laws that this agency will have to consider.

Thank you very much for the opportunity to appear before this subcommittee.

Senator STAFFORD. Before the chairman comments further or asks questions, I think this Senator's personal reaction is that it would have been desirable, to say the least, that this subcommittee be consulted in advance of reorganization plans as well, since we have so much at stake as a subcommittee and a full committee in the various programs that have been dealt with, at least on a preliminary basis here.

And we appreciate your appearance here this morning to assist us very much.

Senator RANDOLPH. I am in agreement with your statement. I would not want the executive or administrative branch of government to feel that it had to literally run to Capitol Hill before making decisions. Certainly no reasonable Member of Congress would want this, and I hope we're all reasonable. At least we want to be reasonable, even though we have disagreements. But that is understandable.

But to make a change of this magnitude and to rely on a telephone notification to our committee and our subcommittee of that action seems to me to indicate a lack of understanding downtown that we are not an opposing group on the Hill, but a group on the Hill that is attempting, always, to be cooperative and to help the handicapped population of the United States.

Remember, as I do, that no administration, you know, passes the laws that that administration administers. The laws are passed here on the Hill.

I am not overly sensitive, but I think we could have prevented some of the misunderstanding expressed here today which I think, in a sense, Mrs. Martinez accepts herself. I believe she has indicated that to us.

In our hearing today, we want to clarify matters, and you have helped us very much, Frederick, in that sense. You are always an excellent witness. You go to the points without floundering.

Mr. WEINTRAUB. You have been a good teacher, Senator.

Senator RANDOLPH. Thank you.

There are questions which we and other Senators may have. We would, of course, have no difficulty in coming to you and having your responses and reactions.

Mr. WEINTRAUB. Thank you.

[The prepared statement of Mr. Weintraub and other material subsequently supplied for the record follow:]

STATEMENT OF
THE COUNCIL FOR EXCEPTIONAL CHILDREN

before the

SUBCOMMITTEE ON THE HANDICAPPED

of

THE SENATE HUMAN RESOURCES COMMITTEE

with respect to

OFFICE OF HUMAN DEVELOPMENT REORGANIZATION

September 20, 1977

Presented by:

Frederick J. Weintraub, Assistant Executive Director for Governmental Relations, The Council for Exceptional Children

For Further Background, Contact:

Joseph Ballard, Assistant Director for Policy Implementation, Governmental Relations Unit, The Council for Exceptional Children
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Mr. Chairman, Members of the Select Education Subcommittee:

I am Frederick J. Weintraub, Assistant Executive Director for Governmental Relations of the Council for Exceptional Children.

Thank you for the opportunity to appear today to offer the comments of the Council for Exceptional Children with respect to the recent Executive Branch-initiated reorganization of the Department of Health, Education, and Welfare's Office of Human Development.

Mr. Chairman, on July 26, when this reorganization was officially announced, Arabella Martinez, the Assistant Secretary for Human Development Services, made the following comments:

Human development services are intended to complement income assistance and health insurance programs by supporting independence and self-sufficiency of individuals and by strengthening families and communities.

The value of these services to those served, and to the nation as a whole, is reflected by the continued demand for expansion of existing programs and for new services.

However, as these services have proliferated under different auspices and been financed from various sources, the difficulties of coordinating the delivery of these services, of identifying gaps and overlaps, and ensuring access to services by individuals in need have become major problems. In fact, the disorganized way in which services are provided is itself a serious social problem. A major cause of this problem has been the disarray at the federal level.

We concur with Assistant Secretary Martinez's contention. Beyond that, however, we find very little else with which we can concur respecting both the substance of the actual reorganization and the manner in which it occurred. We fear, Mr. Chairman, that this reorganization merely trades one set of problems for another.

Our understanding is that the overall Office of Human Development reorganization as inaugurated by Mr. Califano and Ms. Martinez will consolidate some eighteen program offices and six staff offices into five program administrations and four major staff offices. We further understand that, with respect to programs for handicapped Americans, the reorganization has these basic characteristics: it will consolidate existing Office of Human Development programs affecting handicapped persons into a new Administration for Handicapped Individuals comprised of Rehabilitation Services Administration (RSA), Developmental Disabilities Office, President's Committee on Mental Retardation, White House Conference on Handicapped Individuals, the Architectural and Transportation Barriers Compliance Board (ATBCB) and the Office for Handicapped Individuals (OHI). The new Administration will be headed by an Administrator for Handicapped Individuals, who will also serve as RSA Commissioner. The ATBCB and OHI will "continue to report directly to the Assistant Secretary for Human Development" but will also be "coordinated" by the new Administrator. Presumably, this arrangement is designed to deflect criticism regarding the statutory mandates of these programs. We at the Council have--as do numerous other organizations--some serious problems with this rearrangement of the furniture at the Department of Health, Education, and Welfare. Permit us to very briefly present our major objections.

First of all, it would seem more than obvious that the various programs subject to reorganization are in fact being downgraded jurisdictionally since not one, but two layers of authority between the programs and the Assistant Secretary for Human Development would now be imposed. It seems to us that one of the reasons, though not the only reason, for Congressional transfer of both the Rehabilitation Services Administration and the Developmental Disabilities Office to the Office of Human Development was to do

away with burdensome, and often irrelevant, layers of bureaucratic intervention. These two new levels of authority will be, of course, the new Administrator of the Administration for Handicapped Individuals and the Deputy Assistant Secretary for Human Development.

Second, both the Commissioner for the Rehabilitation Services Administration and the proposed new Administrator for the Administration for Handicapped Individuals must be full-time jobs if the potential of these two administrative authorities is to have any chance at all of being realized. With a single individual wearing both hats, one or the other, or both, of these Administrations will surely suffer.

Third, since the new Administrator of the Administration for Handicapped Individuals will also be the Commissioner of the Rehabilitation Services Administration, we believe that when the dust finally settles on this reorganization, the administration will have operationally placed the Developmental Disabilities program, the President's Committee on Mental Retardation, the White House Conference on Handicapped Individuals, the Architectural and Transportation Barriers Compliance Board, and the Office of Handicapped Individuals under Vocational Rehabilitation. Many of the above-noted agencies have a purpose larger than that encompassed by Vocational Rehabilitation and also a responsibility to criticize and affect the behavior of vocational rehabilitation. The Administration's reorganization we fear will institutionalize "the tail wagging the dog." We would urge, therefore, that if the Congress allows the reorganization to remain in force that the position of Administrator for Handicapped Individuals be established legislatively and that it be a separate position from the Commissioner of Rehabilitation Services Administration.

With respect to the planning and the inauguration of this reorganization, we are frankly alarmed at the nearly total absence of consultation with concerned organizations like our own. Furthermore, from all that we are able to gather, the Congress itself - composed of numerous members, House and Senate, who have been deeply involved over many years in the creation and development of all of those programs at issue in this reorganization - was also consulted only minimally. We contend that many of the problems attendant to this particular managerial revamping, such as those just cited, could have been in large measure avoided if the Executive Branch had simply done the obvious, namely, consulted with those organizations representing the constituencies served by the programs at issue and consulted with the Congress of the United States.

Mr. Chairman, we again thank you for the opportunity to appear before the Subcommittee on the matter of the Office of Human Development reorganization.

QUESTIONS FOR THE COUNCIL FOR EXCEPTIONAL CHILDREN REQUESTED IN WRITING BY
SENATOR JENNINGS RANDOLPH:

1. You recommend that if the Congress allows the reorganization to remain in force that the position of the Administration for Handicapped Individuals' Commissioner be established legislatively and be a separate position. Please describe to me how such an organizational arrangement might work in terms of reporting lines.

CEC's Answer:

Our chief concern in this regard centers on disapproval of the combining under one individual of the positions of Rehabilitation Commissioner and Administrator for Handicapped Individuals. Because we are also concerned with the added layers of bureaucratic intervention between the Assistant Secretary and the actual program directors, we are not prepared to suggest a satisfactory solution to the reporting-line issue at this juncture. We would be pleased, however, to continue to assist the committee in exploring this question.

2. To what extent were you involved prior to the announcement on July 26? Have you had the opportunity to provide input since that time?

CEC's Answer:

Our opportunity for input from start to finish was minimal. As I noted in my remarks to the Committee on September 22, our "input" amounted to the opportunity to be presented with a "fait accompli."

NATIONAL SOCIETY FOR AUTISTIC CHILDREN

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STATEMENT

of the
NATIONAL SOCIETY FOR AUTISTIC CHILDREN
to the
SUBCOMMITTEE ON THE HANDICAPPED
of the
SENATE HUMAN RESOURCES COMMITTEE
concerning
NEW REORGANIZATION

September 20, 1977

NSAC STATEMENT ON HEW REORGANIZATION

The National Society for Autistic Children is an organization of parents, professionals and interested citizens dedicated to the welfare of children and adults with severe disorders of communication and behavior. The Society has over 100 chapters throughout the United States and liason with its counterparts throughout the world. Its chief activities are research support and advocacy; a limited number of direct service projects are administered by local chapters.

It is from our advocacy perspective that we wish to make our comments and recommendations, because we feel the Administration's proposals will result in even greater difficulties in obtaining services for the population we represent. Our remarks will be limited to the new Office of Human Development Services, specifically the Administration on Handicapped Individuals.

While we understand the need to streamline the admittedly unwieldy system that existed, we feel the new structure is an overcorrection. To have the Commissioner of the Administration for Handicapped Individuals also serve as the administrator of one of the six sub-units of that administration will, at best, result in an impossible workload with insufficient attention to one or both sets of responsibilities. At worst, the unavoidable conflict of interest will exacerbate existing inequities in planning and service delivery.

There is an understandable tendency of government as well as the general public to equate the concept of "handicap" with a visible symbol: a wheelchair, a white cane, a hearing aid. But many handicaps are invisible; as a consequence, those who suffer from them suffer from a lack of attention to and concern for their needs as well. Most such

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persons are developmentally disabled; their handicap is substantial and life-long, and they do not have the resource of normal growth and development to assist them in their efforts to cope with the so-called "normal" world.

Put more succinctly, there is a group of handicapped persons for whom the concept of rehabilitation is totally inappropriate, yet the highest administrative level of service is now conceptually and practically tied to that concept. The best example can be found in the Rehabilitation Services Administration's ambiguous mandate to give priority to vocational and prevocational services for the most severely handicapped -- as long as they have employment potential, and as long as a certain number of cases are successfully closed each year! The consequence of this type of service design is exclusion from and by the helping system of those persons who need habilitation.

A further consequence of the reorganization is the submersion of the Developmental Disabilities Program itself. Not only does this intensify the negative aspects of the Administration's action, it is clearly contrary to the intent of the Congress. Two years ago this program was moved out of RSA and placed directly under the Assistant Secretary for Human Development; this action was taken in response to proposed legislation initiated by the Senate.

Whether the new Administration is simply unaware of this history or whether it is actually indifferent to it, is not clear. However, indifference to consumer concerns is very clear; the four national voluntary DD organizations were completely excluded by HEW from the planning process.

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In view of the foregoing, the Society recommends that the position of Commissioner of the Administration for Handicapped Individuals be entirely separate and filled by a person whose orientation, by training and experience, is to the full range of planning and services needed by all handicapped individuals.

We have one other major concern: where in the new organization are the still unmet needs of handicapped persons recognized? The reorganization is based on a mere reshuffling of a "band aid" system rather than a genuine restructuring based on a holistic perspective. One of the more positive recent trends in accessing services for the handicapped is the use of generic rather than categorical service systems. Some of these are within HEW (e.g., Education), but many are in other departments -- for example, Housing, Transportation and Labor. Yet nowhere in the new HEW organization is there clearly assigned responsibility for planning and coordination.

There may be an assumption that these functions are adequately discharged by the Developmental Disabilities Office and/or the Office for Handicapped Individuals. Such an assumption is simply not valid. Both Offices have limited mandates: the former by eligible target population (i.e., to the special group described earlier), the latter by function (to the collection, coordination and dissemination of information). Moreover, neither Office is currently staffed sufficiently to carry out its present functions optimally; hence, neither could begin to assume the responsibilities of a major new assignment.

The Society therefore recommends the establishment of an Office of

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Planning and Coordination, reporting directly to the Commissioner. This could be either a staff or a line office, but it must have a separate identification and no other responsibilities. The improved coordination in planning and service delivery would result in true economies.

NSAC appreciates the Subcommittee's interest in this area as evidenced by these hearings and thanks the Chairman and members for this opportunity to present its views.

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STATEMENT OF IRVIN P. SCHLOSS, DIRECTOR, GOVERNMENTAL RELATIONS OFFICE, AMERICAN FOUNDATION FOR THE BLIND, TO THE SUBCOMMITTEE ON THE HANDICAPPED, COMMITTEE ON HUMAN RESOURCES, UNITED STATES SENATE, ON THE JULY 26, 1977, ADMINISTRATIVE REORGANIZATION OF THE OFFICE OF HUMAN DEVELOPMENT IN THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

SEPTEMBER 20, 1977

Mr. Chairman and members of the Subcommittee, I appreciate this opportunity to appear before you on the Administrative reorganization of the Office of Human Development in the Department of Health, Education, and Welfare.

Today, I am representing the American Foundation for the Blind, the national voluntary research and consultant agency in the field of services to blind children and adults, and the American Association of Workers for the Blind, the national professional membership organization of workers serving blind persons. Both of these national organizations have some concerns about the effect this reorganization may have on administration at the federal level of several vital programs for handicapped individuals.

As you know, the Reorganization Order, which was published in the Federal Register of August 1, 1977, was approved by the Hon. Joseph A.

Califano, Jr., Secretary of Health, Education, and Welfare on July 26, 1977, and was made effective immediately upon approval. The Reorganization Order redesignated the Office of Human Development in the Office of the Secretary as the Office of Human Development Services, which is still headed by an Assistant Secretary. It combined a number of statutorily or administratively created functions and units into four staff offices and five major operating units, with each of the latter designated as an "Administration" headed by a Commissioner. Each of the four staff office heads and the five Commissioners of the five Administrations report directly to the Assistant Secretary for Human Development Services.

Our first concern relates to the apparent absence of solicitation of comments from the interested public on this reorganization in advance of its being made effective. While the Executive Office of the President is emphasizing solicitation of recommendations for government reorganization, including the human services area, from the public through letters to organizations and published notices in the Federal Register, it appears that no such effort was made with regard to this important administrative reorganization of human services programs in the Office of Human Development at HEW.

I am aware that a briefing on this reorganization was held at HEW on July 22 for the representatives of several organizations concerned with programs for the handicapped by the Hon. Arabella Martinez, Assistant Secretary for Human Development. However, I have no certain knowledge of who was invited, who attended, or who outside of HEW was consulted during the six months the Carter Administration was in office prior to the

development of the reorganization on which the July 22 briefing was based.

In a statement on the reorganization issued July 26, 1977, Assistant Secretary Martinez stated: "I have appointed a high-level task force to plan and implement the transition of the new organization. The task force, which will be chaired by Deputy Assistant Secretary Frank Newgent, will work closely with both Headquarters and Regional program staff, members of Congress and their staffs, relevant constituent organizations and employee unions. It is anticipated that the transition will be completed by January 1, 1978."

Since the Reorganization Order became effective upon approval by the Secretary on July 26, 1977, it appears that consultation with the Congress, consumer groups and others is too late to have any effect on determination of the new organizational structure and will, in fact, be limited to consultation on planning and implementing the transition to the new structure.

A major concern is the apparent downgrading of the Rehabilitation Services Administration, which, under the Reorganization Order, is now a component of the Administration for Handicapped Individuals. Although the Reorganization Order and documents of the Office of Human Development dated June 1977 and July 26, 1977, which contain tables of organization, clearly state that the Commissioner of the Rehabilitation Services Administration shall also serve as the Commissioner of the new Administration for Handicapped Individuals, it appears to us that this individual is reporting to the Assistant Secretary for Human Development Services in the latter capacity only and not in a dual capacity.

This impression appears to be substantiated by the tables of organization and text in the documents previously cited. For example, two of the components of the Administration for Handicapped Individuals--the Architectural and Transportation Barriers Compliance Board and the Office for Handicapped Individuals Advocacy--are described in the text as continuing to report to the Assistant Secretary for Human Development Services and are depicted graphically in the tables with a solid line to the Assistant Secretary and a broken line to the Commissioner of the Administration for Handicapped Individuals.

On the other hand, the textual explanation of the reorganization does not state that the Commissioner of the Rehabilitation Services Administration shall report directly to the Assistant Secretary; and the graphic depiction in Exhibit 7 of the June 1977 document and the attachment headed "Administration for Handicapped Individuals" of the July 26, 1977, statement clearly show the Rehabilitation Services Administration as a subordinate unit of the Administration for Handicapped Individuals connected to it by a solid line.

In view of the statutory language and Congressional intent of the Rehabilitation Act of 1973 transferring the Rehabilitation Services Administration to the Office of the Secretary, I would question whether the legal requirement is met simply by having one person occupy two positions and apparently reporting to the Assistant Secretary only in his capacity as head of the Administration for Handicapped Individuals, a superior unit interposed between Rehabilitation Services Administration and the Assistant Secretary.

Another major area of concern relates to the effects of the reorganization on the authority of the Commissioner of the Rehabilitation Services Administration with regard to discretionary grants for research, demonstration, training of personnel, and special projects. As you know, Mr. Chairman, the legislative history of the Rehabilitation Act of 1973 revealed examples of violation of the statutory purpose of discretionary rehabilitation grants when RSA was under the Social and Rehabilitation Service administrative superstructure. Public Law 93-516, the Rehabilitation Act Amendments of 1974, clarified this issue again. Although statutory and Congressional intent are clear, we know that exercising routine administrative functions with regard to grants at the Office of Human Development Services level can easily slip into making policy decisions in the grant process, authority specifically reserved for the Rehabilitation Services Administration. We are not encouraged by the listing in Exhibit 5 (Consolidation of OHD Programs) of the June 1977 OHD document of "Research, Demonstration, and Training," as if it were a function of the Administration for Handicapped Individuals rather than the Rehabilitation Services Administration. It will undoubtedly be necessary for this Committee to exercise its oversight function periodically to assure that the OHDS superstructure does not gradually usurp grant-making authority from its various constituent agencies--not only those principally related to handicapped individuals.

A fourth concern is the apparent loss of personnel among several of the constituent agencies of the Office of Human Development Services compared with the pre-reorganization complement of personnel attributed to them or their component units by the OHD reorganization documents. These documents

do not contain a straightforward explanation unit by unit of a transfer of some personnel or of a reduction in force. We would recommend that the Committee elicit this kind of specific information from Department witnesses when they testify on the reorganization.

In summary, Mr. Chairman, we have expressed a number of concerns which the July 26, 1977, reorganization of the Office of Human Development has raised. These are: (1) apparent lack of wide public consultation or solicitation of public comments prior to the effective date of the reorganization; (2) apparent subordination of the Rehabilitation Services Administration to the newly-created Administration for Handicapped Individuals contrary to statute and Congressional intent; (3) possible usurpation of grant-making authority from the Rehabilitation Services Administration by the Administration for Handicapped Individuals or the Office of Human Development Services; and (4) apparent reduction or transfers of personnel in several of the major constituent agencies of the Office for Human Development Services. We hope that the Committee will raise these concerns with Department witnesses when they testify on the reorganization.



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The Handicapped

SEPTEMBER 23, 1977

THE HONORABLE JENNINGS RANDOLPH
 CHAIRMAN
 COMMITTEE ON HUMAN RESOURCES
 SUBCOMMITTEE ON THE HANDICAPPED
 U. S. CONGRESS
 WASHINGTON, D. C. 20515

DEAR MR. RANDOLPH:

AS GOVERNOR OF THE ILLINOIS COUNCIL OF THE CONGRESS OF ORGANIZATIONS OF THE PHYSICALLY HANDICAPPED, I RESPECTFULLY SUBMIT THE ENCLOSED "WHITE PAPER ON EXECUTIVE BRANCH REORGANIZATIONAL INITIATIVES WITHIN THE OFFICE OF HUMAN DEVELOPMENT, DHEW", FOR INCLUSION IN THE OFFICIAL RECORDS.

SINCERELY,

MARGARET C. FROMMER
 GOVERNOR, C.O.P.H.

WHITE PAPER ON EXECUTIVE BRANCH
REORGANIZATIONAL INITIATIVES WITHIN
THE OFFICE OF HUMAN DEVELOPMENT, DHEW

SUBMITTED BY
MARGARET C. PFROMMER, GOVERNOR
ILLINOIS COUNCIL OF THE CONGRESS OF
ORGANIZATIONS OF THE PHYSICALLY HANDICAPPED

INQUIRIES: Ms. MARGARET C. PFROMMER
345 E. SUPERIOR ST. - ROOM 1441
CHICAGO, ILLINOIS 60611
(312) 649-8560

As representatives of the Illinois Council of the Congress of Organizations of the Physically Handicapped, we respectfully request that you address your attention to a matter of direct concern to us and our constituency.

The changes proposed by the Department of Health, Education, and Welfare, establishing an Administration for Handicapped Individuals within the Office of Human Development, would result in the embodiment of a questionable consolidation of Federal agencies. Page one (1) of a "Fact Sheet on OHD Reorganization" (copy enclosed) states that there will be a placement of ". . . six discrete units under one organization . . .". On page two (2) of the same fact sheet, we learn that the statement on page one (1) has been qualified to include only five (5) agencies. Under the reorganization action, the Rehabilitation Services Administration, the Developmental Disabilities Office, the President's Committee on Mental Retardation, the Office of Handicapped Individuals, and the White House Conference on Handicapped Individuals will be consolidated within the new organization. Reading further, we find more qualifying information. Exhibit #7, note (3) of the enclosed fact sheet explains that "The White House Conference on Handicapped Individuals staff.....will be absorbed in other organizations when work is completed at the end of Fiscal Year 1977". Exhibit 7, note (5) will report directly to the ASHD..." that is the Assistant Secretary for Human Development.

What originally started out to be "six discrete units under one organization," is now only three (3) agencies. Going back to page two (2) of the above quoted "fact sheet", we learn that "the Commissioner of the Administration for Handicapped Individuals will also be the Commissioner of the Rehabilitation Services Administration. That intended action would effectively

consolidate two multi-million dollar funding agencies. S626 now Public Law 95-17 stipulates that reorganization plans may not extend or expand agency functions.

Since Public Law 95-17 also prohibits Congress from amending a reorganization plan, unless these proposed reorganizational actions are in some way delayed and then changed or unless this chamber or the House vetoes the plan immediately, Congress will, by its silence, have approved the establishment of a commission that will be at once both powerful and undesirable.

In his remarks before the White House Conference on Handicapped Individuals earlier this year, President Carter said that he would "bring all of the programs for the handicapped together into one agency so you (the handicapped) can understand them and take advantage of them". Under the existing plan, the proposed Administration for Handicapped Individuals will serve its intended goal, cost effectiveness, through Zero Based Budgeting. It will also advantage the state and local fund recipients whose interests in no way coincide with need of the physically handicapped consumer.

President Carter's stated objective quoted above, would not be achieved. The proposed Administration for Handicapped Individuals may not as currently structured, address itself to the needs of those persons who are physically handicapped and who seldom, if ever, have received adequate program services that would effectively place them in the main stream of service delivery or that would result in their reentry into the community, as gainfully employed tax payers or as persons in pursuit of goal effective training and of higher education.

If Congress wishes there to be, as we do, an appropriate and a legally

constituted Commission for the Handicapped and if a veto is the only available avenue in its achievement of that result, the Illinois Council of the Congress of Organizations of the Physically Handicapped will fully support such action.

We have also enclosed for your further attention, our recommendations to the Department of Health, Education, and Welfare, Office of Human Development to effectuate an acceptable and a legal transfer of agencies for the handicapped to an Administration for Handicapped Individuals.

Respectfully,

Being fully cognizant of the expressed intent of Congress that there be public involvement in the reorganization of the executive branch, the Illinois Council of the Congress of Organizations of the Physically Handicapped hereby submits the following recommendations.

Subject: The transfer within the Office of Human Development, of agencies for the handicapped, to a commission designated the Administration for Handicapped Individuals.

1. The Rehabilitation Services Administration, in compliance with the 1974 amendments 93-516, to the Rehabilitation Act of 1973 and in further compliance with the enabling legislation covering executive branch reorganization 95-17, should remain as presently constituted, an individual component of the Office of Human Development.
2. The Developmental Disabilities Office is a multi-million dollar budgeted contractor of services. It should have a direct line into the Office of the Assistant Secretary.
3. The Administration for Handicapped Individuals should be so structured as to include the Office of Handicapped Individuals, an agency not included there, under the original reorganization plan, the Architectural and Transportation Compliance Board, also an agency excluded from the original reorganization and the President's Committee on Mental Retardation.
4. The agencies included under the Administration for Handicapped Individuals and the Commissioner should develop with Congress, procedural guidelines that would result in the implementation of their existing advocacy mandates.

The Assistant Secretary under this arrangement would, as mandated, continue to chair the Architectural and Transportation Compliance Board.

The new Commissioner would have management and administrative functions relating to program components, program directors and the regular staff.

This would be a significant commission. The Administration for Handicapped Individuals would be made up of agencies, that could establish goals and policies affecting the handicapped, agencies that would directly control the dissemination of information to the handicapped, and undertake advocacy roles in coordination, oversight, accountability, administrative and legislative action.

September 19, 1977

Executive Director
Joseph H. Owens, Jr.

Ms. Arabella Martinez
Assistant Secretary for Human Development
U.S. Department of Health, Education, and
Welfare
305-F South Portal Building
Washington, D.C. 20201

Dear Ms. Martinez:

On September 12, 1977, in public hearings before the Subcommittee on Select Education of the U.S. House of Representatives, you stated:

" . . . A steering committee will coordinate the efforts of the working groups and will attempt to resolve major issues (on OHDS reorganization). As you probably know, our plan is to work closely with Members of Congress and their staffs, constituent organizations and employee unions at every stage of implementation. Last week, we circulated a draft work plan for the task force effort to committee staff and other interested parties. As for involving these groups in the task force process, the plan points to four major interactions:

- 1) Separate meetings with interested Congressional staff and select constituent group representatives during the last week of September to discuss the proposed process, organization and management issues, and other program issues that require examination by the task force . . . "

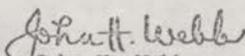
This is to advise you that this organization, whose membership consists of the chief administrative officers of the state

Ms. Arabella Martinez
September 19, 1977
Page 2

vocational rehabilitation agencies responsible for administration of the state-Federal vocational rehabilitation programs in each of the states, and which can certainly be said to qualify as an "other interested party" as well as a "constituent group representative," has not, as of this date, received a copy of the "draft work plan for the task force effort" which you mentioned in your testimony; nor has this organization, as of this date, been informed of or invited to the meeting which you advised the Subcommittee would be held the "last week in September;" nor has this organization been called upon for its opinions with respect to the reorganization of the Rehabilitation Services Administration or the Office of Human Development Services at any time since January 20, 1977.

We, therefore, humbly request that we, as the state partners in the State-Federal Vocational Rehabilitation Program, be so included in these important undertakings.

Sincerely,


John H. Webb
President, CSAVR

cc: The Honorable Jennings Randolph
Chairman, Senate Subcommittee on the
Handicapped

The Honorable John Brademas
Chairman, House Subcommittee on Select
Education

3309 Clover Drive
Saline, Michigan 48176
September 16, 1977

Honorable Jennings Randolph
United States Senate
Washington, D. C. 20510

Re: Impact of the Reorganization of the
Office of Human Development on the
Architectural and Transportation
Barriers Compliance Board

Dear Senator Randolph:

I write to comment on the undesirable results of the reorganization of the Office of Human Development on the Architectural and Transportation Barriers Compliance Board (A&TBCB) and on the National Advisory Committee on an Accessible Environment (NAC). I am a professional who has worked in the field for handicapped persons for 28 years. Currently, I am a member of the NAC, the consumer advisory committee designated by Congress to provide input from the community to the A&TBCB.

When Congress created the A&TBCB, it specified that the nine member agencies were to be represented by Level IV Federal appointees. The Board was designated to function within the Office of the Secretary, DHEW. The Secretary assigned the Assistant Secretary of Human Development to chair the Board. In the reorganization, the Assistant Secretary re-assigned the Board to function under the Commissioner of the new Administration for Handicapped Individuals (AHI), (a Level V Federal appointee). Even though the Assistant Secretary will continue to chair the Board, the Executive Director of the A&TBCB will no longer participate in the staff meetings of the Assistant Secretary, but rather will attend meetings for the staff of the Commissioner, AHI. This breaks the communication between the Chairperson and the staff, A&TBCB, lowers the visibility and potential effectiveness of the A&TBCB and the NAC, encourages an inappropriate view of the A&TBCB as merely a relatively low level DHEW function rather than a major government-wide program, and most importantly does nothing to help insure that the intent of Congress is met--that architectural and transportation barriers are systematically eliminated so that handicapped persons can be more fully integrated into the mainstream of American life.

It is of great concern to me that the changes affecting the A&TBCB were implemented with no input from the NAC nor, I believe, from the Board members themselves. The operation of the A&TBCB within the AHI is not functional, primarily because of the Board's government-wide regulatory and enforcement responsibilities. Placing the Board further down in the DHEW structure will make it more difficult for the

Board members to maintain necessary liaison with the Chairperson, with the staff and with the NAC. The National Advisory Committee on an Accessible Environment was established by Congress to advise the nine member agencies of the Board--not a sub unit of DHEW which will under the reorganization control such important Board issues as budget, staffing, and communication patterns.

I believe that a revision in the placement of the Board is necessary and desirable, and should be considered by your Committee when the Rehabilitation Act is next reviewed by Congress. The placement of the A&TBCB within one of the member agencies sets up a conflict of interest situation wherein persons from the agencies which have constructed or operate buildings which are in violation of the Architectural Barriers Act are asked to judge cases and to enforce the laws against themselves. The problems inherent here may be highlighted by the relative lack of action on the part of the Board over the years. I would recommend a re-assignment of the Board to a governmentwide person--and believe the Office of the Vice President would be most appropriate.

Other issues which should be addressed include a clearer and stronger statement regarding Board authority, especially to set and monitor standards and to clear waivers. The Board should be given authority on compliance over the Postal Service. Control over rolling stock is also a very necessary aspect of responsibility which should be assigned to the Board.

Congress should review the current level of support provided to the Board. In terms of its responsibility and need, the Board is understaffed and underbudgeted. There is a great need for field investigators who will be able to investigate firsthand architectural and transportation barriers which impede full access to Federal facilities. Finally, the role of the NAC should be strengthened so as to facilitate consumer input into the Board's deliberations and actions. The NAC requires some additional staff support to carry out the responsibilities assigned to it. Liaison between the handicapped citizen and the government must be encouraged and highlighted to emphasize our concern with this important segment of the American people.

Cordially,

Julius S. Cohen
Julius S. Cohen

cc: Senator Robert Griffin
Senator Donald W. Riegle, Jr.
Congressman Robert Carr
Congressman Carl D. Pursell

Senator RANDOLPH. Thank you.

Until further notice, this hearing is adjourned. Thank you very much.

[Whereupon, at 11:20 a.m., the subcommittee adjourned, to reconvene at the call of the Chair.]



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